

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AUGA Group, RAB

Report on the Audit of the Separate and Consolidated Financial Statements

Qualified Opinion

We have audited the separate and consolidated financial statements of AUGA Group, RAB (hereinafter the "Company") and its subsidiaries (the Group), contained in file augagroupab-2024-12-31-0-en.zip (generated hash code: Lp2ok3hzarl3cms=), which comprise the separate and the consolidated statement of financial position as at December 31, 2024, and the separate and the consolidated Statements on Profit or Loss and Other Comprehensive Income, the separate and the consolidated statement of changes in equity and the separate and the consolidated statement of cash flows for the year then ended, and notes to the separate and the consolidated financial statements, including a summary of material accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the accompanying separate and consolidated financial statements or present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at December 31, 2024, and their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Qualified Opinion

As the Company and the Group failed to meet their obligations to creditors on time, on 30 November 2024, Auga Group RAB initiated a restructuring process by decision of the Board, which was approved by the Company's extraordinary shareholders' meeting on 4 December 2024. As indicated in Note 34 of the explanatory notes, the Vilnius Regional Court, by its ruling of 6 January 2025, civil case No. eB2-1364-866/2025, initiated a restructuring case against the Company. Also, restructuring processes have been initiated and restructuring cases have been initiated or are being initiated against 26 other companies of the Group.

The Company's restructuring plan submitted by the management provides for strategic actions and measures that will allow for settlements with the Company's and the Group's creditors, including but not limited to the separation and termination of some businesses, the sale of shares of the Group's companies, the sale of land and other non-current tangible and current assets, the priority of creditor claims and payment deferrals, which would require reclassification of assets to held for sale in the financial statements, reclassification of some liabilities from short-term to long-term and vice versa, other reclassifications of assets and liabilities.

By the date of submission of the auditor's report, approved creditor claims are being contested in the courts, no decisions have been made on the approval of the Company's and the Group's restructuring plans, and in addition, the restructuring plan submitted by the management does not contain sufficient information on how the strategic actions and measures envisaged in the restructuring plan are planned to be implemented, therefore we could not assess whether reclassifications of assets and liabilities reflected in the financial statements as of 31 December 2024 and adjustments to equity and the result for 2024 affected by the reclassifications would be necessary.

These events or circumstances, together with other matters described in Note 34 "Events after the reporting period", indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. The Company's and the Group's separate and consolidated financial statements have been prepared on a going concern basis. These matters have not been adequately disclosed in the Company's and the Group's separate and consolidated financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate and consolidated financial statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of

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Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the “Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our qualified audit opinion on the accompanying separate and consolidated financial statements.

The Group: Measurement of biological assets

This issue was important to our audit because the recognition of revenue for the reporting year directly depends on how accurately and completely management used significant assumptions and judgments in determining the fair value of biological assets, estimated gains (losses) from changes in the fair value of biological assets, and whether these judgments and related changes in estimates may require significant adjustments (both positive and negative) to the amounts of recognized revenue and profit.

(Refer to Note 2.7 Summary of material accounting policies – Biological assets, Note 4 Critical accounting estimates and assumptions, Note 9 Biological assets)

The carrying amount of biological assets as at 31 December 2024 was EUR 34.7 million (31 December 2023: EUR 33.8 million) and loss from change in fair value recognized in 2024 amounted to EUR 10.8 million (2023 fair value gain amounted to: EUR 8.96 million).

Biological assets consist of livestock (including dairy cows, heifers and other livestock), crops and mycelium growing in the Group’s farms in Lithuania.

Livestock is measured at the fair value less costs to sell. The fair value of dairy cows is determined using the future cash flow forecast model, including the expected cash flows from milk sales and subsequent sale of cows. The fair value of heifers and bulls is determined using the market price per kg of meat.

Crops are measured at the fair value less costs to sell. The fair value of summer crops was determined using the cost as of 31 December 2024 and 31 December 2023, while the value of winter crops is determined using a cash flow forecasting model, including expected cash flows from the sale of crops and expected costs to be incurred before harvest. The estimated cash flows are calculated using indicators such as incurred and projected costs, historical average yield per hectare and projected average selling price of 1 ton of crops. The yield is recognized in inventories at fair value, less costs related to sales.

The cost of acquisition (production) of mycelium (mushroom growing medium) and other crops corresponded to their fair value as of 31 December 2024, as biological turnover was low.

How the Matter Was Addressed in the Audit

Our audit procedures included, among other things:

We obtained and reviewed the appropriateness of the valuation models used by management and the assumptions applied by management for each type of biological asset for the valuation of biological assets.

We received the Group’s livestock and cattle, crop and mycelium valuation models and reviewed and verified the input data and mathematical accuracy of the calculations.

For the assessment of the fair value of crops, we reviewed the expected crop yields and compared them to historical information on actual yields, as well as traced the average expected sales prices of crops to the available market information.

We compared the input data used to determine the fair value of cattle with independent market data and tested the key assumptions used in calculating the fair value of cattle.

We performed detailed tests to determine the cost of mycelium and verified the internal control procedures applied to the Group's purchasing and cost allocation processes for mycelium.

We selectively observed the inventories of biological assets.

We also assessed the adequacy of disclosures in Note 9 and Note 22.

The Company: Impairment of investments in subsidiaries

This matter was significant to our audit due to the significant amount of balances and the significant operating losses incurred by the group companies during the financial year. The Company's management made significant judgments in assessing whether there were any indications of impairment and made significant assumptions in determining the recoverable amounts of investments using the discounted cash flow method.

(Refer to Note 2 Summary of material accounting policies, Note 4 Critical accounting estimates and assumptions, Note 7 Investments in subsidiaries)

The carrying value of investments in subsidiaries as at 31 December 2024 was EUR 91.2 million (31 December 2023: EUR 108,7 million) and represents 91% of total assets of the Company in the separate financial statements. During the year ended 31 December 2024, the Company has recognized an impairment loss of investments in subsidiaries of EUR 18.7 million.

How the Matter Was Addressed in the Audit

Our audit procedures included, among other things:

We obtained understanding of the management's process for the monitoring of the performance of the subsidiaries and for assessment of the recoverable value of investments in subsidiaries.

We have reviewed the outcome of previous accounting estimates (performed retrospective review) to assist ourselves in identifying and assessing the risks of material misstatement for the current year.

We have obtained the management's assessment whether impairment indicators exist, analyzed it and discussed it with the management. For those entities, where impairment indicators were identified, we obtained impairment test documentation, discussed with management the basis for expected future performance, tested the major inputs in the calculations by comparing those to assumptions used in other accounting estimates (ie. measurement of biological assets), actual data points for the current year, market data on forecast inflation of revenue and costs, discount rate assumptions and sensitivity to selected assumptions.

When assessing impairment indicators and analyzing the inputs used in the impairment tests, we leveraged our knowledge from the audit of the subsidiaries.

We also involved Grant Thornton Baltic UAB valuation expert who assessed the overall reasonableness, methodology and internal consistency of the calculation of the impairment tests and the reasonableness of the discount rate applied.

We also assessed the adequacy of disclosures in Note 4 and Note 7.

Other matters

The separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2023 were audited by another auditor, who issued an unqualified opinion on the Company and the Group's financial statements on 30 April 2024.

Other information

The other information comprises the information included in 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. Management is responsible for the other information.

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

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

In addition, our responsibility is to consider whether information included in the consolidated management report for the financial year for which the financial statements are prepared is consistent with the separate and consolidated financial statements and whether 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 on which the separate assurance report on consolidated sustainability reporting was issued on August 7, 2025, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated management report for the financial year for which the financial statements are prepared is consistent with the separate and 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 requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

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

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

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and/or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the 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 shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and 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

By decision of the Extraordinary General Meeting of Shareholders on 20 August 2024, Grant Thornton Baltic UAB was appointed for the first time to audit the separate financial statements of the Company and the consolidated financial statements of the Group. Our appointment to audit the separate financial statements of the Company and the consolidated financial statements of the Group is renewed every two years by decision of the General Meeting of Shareholders.

We confirm that our opinion expressed in the section 'Qualified Opinion' is consistent with the audit report on the separate and consolidated financial statements, which, together with this auditor's report, we have issued to the Company and the Group and its Audit Committee.

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

In the course of audit, we have not provided any other services except for audit of separate and consolidated financial statements.

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

We have been engaged based our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of consolidated financial statements, including consolidated management

report, for the year ended 31 December 2024 contained in file augagroupab-2024-12-31-0-en.zip (generated hash code: Lp2ok3hzarl3cms=), (the “Single Electronic Reporting Format of the consolidated financial statements”).

Description of a subject and applicable criteria

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

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

Responsibilities of management and those charged with governance

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

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

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

Auditor’s responsibility

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

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (the „ISAE 3000 (R)”). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Single Electronic Reporting Format of the consolidated financial statements is prepared, in all material aspects, in accordance with the applicable requirements. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Summary of the work performed

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

- obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- obtaining sufficient appropriate evidence as to the operating effectiveness of relevant controls over the marking up process when the assessment of the risks of material misstatement includes an expectation that such internal controls are operating effectively or procedures other than testing controls cannot alone provide sufficient appropriate evidence;

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

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

Conclusion

In our opinion, the Single Electronic Reporting Format of the consolidated financial statements for the year ended 31 December 2024 complies, in all material respects, with the ESEF Regulation.

The engagement partner on the audit resulting in this independent auditor's report is *Arvydas Ziziliauskas*.

Arvydas Ziziliauskas
Certified auditor
Auditor's certification No. 000467

August 7, 2025
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