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Register of Legal Entities

INDEPENDENT AUDITOR'S REPORT

To the shareholders of AB Novaturas

Report on the Audit of the Company's and Consolidated Financial Statements

Qualified opinion

We have audited the separate financial statements of AB Novaturas (hereinafter the Company), and the consolidated financial statements of AB Novaturas and its subsidiaries (hereinafter the Group) contained in the file abnovaturas-2023-12-31-en.zip (SHA-256-checksum: c2c69cc72f77dbe0925dd78cdf81355c9949bfc4ebc185afb5e148d4e8fa49d4), which comprise the statements of financial position as of 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effect of the matter discussed in section *Basis for qualified opinion* below, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and the Company as at 31 December 2023 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for qualified opinion

Prepayments to suppliers of the Group and the Company amount to EUR 5 786 thousand and EUR 4 093 thousand and trade payables amount to EUR 3 854 thousand and EUR 1 950 thousand, respectively, as of 31 December 2023 in the statement of financial position (Notes 3, 7). We have identified material differences in the sample of confirmation letters sent to confirm existence of prepayments. Differences amounting to EUR 746 thousand related to Group figures and EUR 652 thousand related to the Company figures were identified, by which confirmed prepayment balances as of 31 December 2023 were lower than those presented in the Group's and the Company's financial statements as of 31 December 2023. In addition to that, confirmation letters were not received for the prepayments amounting to EUR 566 thousand related to Group figures and EUR 557 thousand related to the Company figures and for trade payables amounting to EUR 569 thousand related to Group figures and EUR 569 thousand related to the Company figures. The Group and the Company have not provided explanations for the mentioned differences and there were no reliable alternative audit procedures related to outstanding balances for which confirmations were not received. Accordingly, we were not able to obtain sufficient and appropriate audit evidence on the impact of this matter, if any, to the current year and comparative information of prepayments and trade payables balances in the statement of financial position included in these financial statements, as well as related impact of the adjustments that might be required to the statements of comprehensive income, changes in equity, and cash flows for the current period and comparative financial information.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (regulation (EU) No 537/2014 of the European Parliament and of the Council). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of the financial statements of the Republic of Lithuania that are relevant to the audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of the financial statements 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 financial statements of the current period. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the 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 matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter

Goodwill impairment

Goodwill as of 31 December amounting EUR 30 327 thousand in the Group's and the Company's statements of financial position is annually tested for impairment. Impairment test is based on the value in use estimation prepared by the management as disclosed in Note 3 to the accompanying financial statements and as a result no impairment was identified in 2023.

Given the magnitude of the goodwill balance and uncertainty related to the assumptions that the management is required to make when preparing cash flows forecasts, as well as the discount rate used in the value in use estimation, as disclosed in Notes 3 and 4, we consider this matter to be significant to our audit.

Valuation and existence of prepayments

Prepayments made to the suppliers of the Group and the Company amount to EUR 5 786 thousand and EUR 4 093 thousand in the financial statements as of 31 December 2023 (Notes 3 and 7), respectively. Due to the industry specifics, prepayments to suppliers are made before the start of the trip and as part of the financial statements close process the management is performing a net-off of prepayments made to suppliers with trade payables and accrued expenses (liability to suppliers) for the trips that occurred.

The management also performs a recoverability assessment of the prepayments made, as disclosed in Note 3 and Note 7 to the accompanying financial statements and as a result allowance for doubtful prepayments amounting to EUR 269 thousand for Group and EUR 103 thousand for Company was accounted for as of 31 December 2023.

The matter was significant to our audit due to the manual net-off process and the high number of transactions and suppliers and value of amounts involved, as well as the management's judgement involved in the recoverability assessment, which, among others, is based on the assumptions related to the forecasted orders for future trips.

How the matter was addressed in the audit

Our audit procedures included, among others, the following:

- We obtained an understanding of the process (including assumptions and methods) how management allocate goodwill to the cash generating units (CGU) and perform their assessment of goodwill impairment;
- We considered significant assumptions used by the management in the estimation of cash flows forecasts for each material CGU, compared cash flows comprising components to actual and planned levels as well to publicly available data about industry peers and the Group's and the Company's historic results. We also considered the historical accuracy of the management's estimates;
- We involved valuation specialists to assist us with the consideration of the discount rate, other significant assumptions and calculation model used by the management in the impairment test;
- We tested the sensitivity of the recoverable value of each CGU considering the impact of reasonably expected change in the assumptions (as disclosed in Note 3).

Finally, we considered the adequacy of the Group's and the Company's disclosures included in Note 3 about the assumptions used in the impairment test and the outcome of the test, including sensitivity disclosures.

Our audit procedures included, among others, the following:

- We obtained an understanding of the process (including assumptions and methods) how management perform their assessment of prepayments recoverability and net-off with accrued expenses and trade payables;
- We identified and tested key controls related to the purchase process, including authorization and recording of prepayments related transactions;
- We re-performed calculation of prepayment net-off with accrued expenses and trade payables, which was performed on a supplier level;
- We obtained external confirmations of selected prepayments as of 31 December 2023;
- We analyzed and discussed with management the outstanding prepayments that were made more than 6 months ago;
- For consideration of prepayments recoverability we assessed potential utilization for sample of prepayments by matching those to client orders made for future trips.

Furthermore, we have considered adequacy and appropriateness of the disclosures in the financial statements in this area (Note 3 and Note 7).

Accounting treatment of legal dispute and potential compensation from current service provider

As indicated in Note 3, since 2021 the Group and Company are involved in a legal dispute with a former supplier because of the termination of service agreement initiated by the Company due to implemented COVID-19 restrictions, which includes a claim from the supplier amounting to EUR 16 million. Based on the first instance and appeal court rulings, a deposit paid by the Company in the amount of EUR 500 thousand was awarded to the supplier together with an additional amount of EUR 1 497 thousand.

As disclosed in Note 3, deposit made to the former supplier was written-off and a provision recognized for the remaining amount awarded to the former supplier by the first and appeal instance court's ruling, as well as related compensation receivable under the contract with the new service provider amounting to EUR 1 000 thousand (Note 9) was recognized as of 31 December 2023 by the Company/the Group.

This matter is considered to be significant to our audit, since the aforementioned estimate involves significant amounts and requires significant judgements by the management of the Group and the Company.

Our audit procedures included, among others, the following:

- We obtained an understanding of the process how management perform their assessment over provisions, contingent liabilities and contingent assets arising from legal disputes and related compensations;
- We discussed, among others, the legal dispute status and potential outcomes with the Group's internal and external legal counsels, and we also obtained and considered legal letters from them;
- We assessed the Group's and the Company's management assumptions and estimates related to the provision and compensation receivable recognized in the accompanying financial statements considering the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Furthermore, we have considered the adequacy and appropriateness of the disclosures (Note 3, 9, 15) in the financial statements in this area.

Other information

Other information consists of the information included in the Company's and Group's 2023 Annual Report, including Corporate Governance Report and Remuneration Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information presentation.

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

In connection to our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. As described in section *Basis for qualified opinion* we were not able to obtain sufficient appropriate audit evidence in respect of differences identified in confirmation letters and confirmation letters not received and the impact of this matter, if any, to the statements of financial position, comprehensive income, changes in equity, and cash flows in respect of current and comparative financial information included in the financial statements. Other information might be misstated accordingly.

We also have to evaluate, if the financial information included in the Company's and Group's Annual Report, including Corporate Governance Report and Remuneration Report, corresponds to the financial statements for the same financial year and if the Company's and Group's Annual Report, including Corporate Governance Report and Remuneration Report, was prepared in accordance with the relevant legal requirements. In our opinion, based on the work performed in the course of the audit of financial statements, in all material respects:

- The financial information included in the Company's and Group's Annual Report, including Corporate Governance Report and Remuneration Report, corresponds to the financial information included in the financial statements for the same year; and
- The Company's and Group's Annual Report, including Corporate Governance Report and Remuneration Report, was prepared in accordance with the requirements of the Law on Consolidated Reporting by Groups of Undertakings of the Republic of Lithuania and the Law on Reporting by Undertakings of the Republic of Lithuania.



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

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

In preparing the 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 and/or 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 and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and 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/or 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 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 the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

- a) *Other requirements of the auditor's report in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council.*

Appointment and approval of the auditor

In accordance with the decision made by shareholders we have been chosen to carry out the audit of Company's and Group's financial statements the first time in 2023. Our appointment to carry out the audit of Company's and Group's financial statements in accordance with the decision made by General shareholders meeting has been made for two years period. The audit of the financial statements for the year ended 31 December 2023 was our first annual audit of the Company and the Group.

Consistency with the audit report submitted to the audit committee

We confirm that our opinion in the section 'Qualified opinion' is consistent with the additional Audit report which we have submitted to the Company, the Group and the Board, which is acting as an Audit Committee.

Non audit services

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

Throughout our audit engagement period, in addition to the audit and audit related assurance engagement on the compliance of format of the financial statements with the requirements for the European Single Electronic Reporting Format (Note 21 of the financial statements), we have not provided any non-audit services, except for translation of financial statements for the total fee of EUR 3 150 and EUR 1 350 to the Group and the Company, respectively.

- b) *Requirements for the European Single Electronic Reporting Format*

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

Based on our agreement we have been engaged 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 separate and consolidated financial statements, including the Company's and Group's annual report for the year ended 31 December 2023 (the Single Electronic Reporting Format of the separate and consolidated financial statements) contained in the file `abnovaturas-2023-12-31-en.zip` (SHA-256-checksum: `c2c69cc72f77dbe0925dd78cdf81355c9949bfc4ebc185afb5e148d4e8fa49d4`).

Description of a subject and applicable criteria

The Single Electronic Reporting Format of the separate and 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 paragraph determine the basis for application of the Single Electronic Reporting Format of the separate and 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 is responsible for the application of the Single Electronic Reporting Format of the separate and 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 separate and 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 is to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the separate and 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 separate and 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 a material misstatement when it exists.

We apply International Standard on Quality Management 1 (ISQM 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Single Electronic Reporting Format of the separate and 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 include in particular:

- ▶ obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the separate and consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- ▶ verification whether the XHTML format was applied properly;
- ▶ evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of the Single Electronic Reporting Format as described in the ESEF Regulation;
- ▶ evaluating the appropriateness of the Group's use of iXBRL 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 opinion.



Opinion

In our opinion, the Single Electronic Reporting Format of the separate and consolidated financial statements for the year ended 31 December 2023 complies, in all material respects, with the ESEF Regulation.

The partner in charge of the audit resulting in this independent auditor's report is Inga Gudinaite.

UAB ERNST & YOUNG BALTIC
Audit company's licence No. 001335

Inga Gudinaite
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30 April 2024