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PUBLIC AUDIT

To the Seimas of the Republic of Lithuania

The Government of the Republic of Lithuania

The Ministry of Finance of the Republic of Lithuania

PUBLIC AUDITOR'S REPORT

ON THE 2025 SET OF ACCOUNTS OF THE STATE

15 May 2026 No. FAE-2

Vilnius

QUALIFIED OPINION ON THE SET OF ANNUAL FINANCIAL STATEMENTS OF THE STATE

We have audited the 2025 set of financial statements of the state, comprising the statement of financial position, the statement of activities, the statement of cash flows, the statement of changes in net assets, and the related notes to the financial statements.

In our opinion, except for the effects of the matters described in the section of our report entitled "Basis for the Qualified Opinion on the Set of Annual Financial Statements of the State", the 2025 set of financial statements of the state presents a true and fair view of the financial position of the public sector entities included in the State Group as at 31 December 2025, of the activities, changes in net assets and cash flows for 2025 in accordance with the Public Sector Accounting and Financial Reporting Standards of the Republic of Lithuania.

BASIS FOR THE QUALIFIED OPINION ON THE SET OF ANNUAL FINANCIAL STATEMENTS OF THE STATE

We have identified material misstatements in the data presented in the statement of financial position and the statement of the changes in net assets, which were caused by misstatements in the financial statements of public sector entities at a lower level of consolidation (detailed information is provided in Section 1, Table 1 of the audit report):

1) We are unable to confirm the EUR 1,941.82 million in reserves and the EUR 1,239.02 million in accumulated surplus, as the Ministry of the Environment does not have reliable data to substantiate the balances of these items due to unresolved shortcomings in the accounting process for forest land and stands.
2) We cannot confirm the accuracy of the EUR 634.43 million in mineral resources and the same amount in reserves, as the Lithuanian Geological Survey does not have reliable data on the quantities of non-renewable mineral resources and the contingent value of part of them has not been recalculated. Therefore, the

value presented in the reports is not based on current data as at the end of the reporting period.

3) We cannot confirm the accuracy of the data on cultural assets amounting to EUR 474.91 million, as the museum accounts do not contain analytical registers for all available assets, and their inventory does not ensure the validity of the accounting data, and the Ministry of Foreign Affairs included in the value of cultural assets not only buildings that belong to this asset group, but also land, which must be accounted for separately, and also recorded assets that do not belong to the Ministry.

4) We cannot confirm the accuracy of the value of infrastructure structures amounting to EUR 562.26 million, as the economic depreciation standards approved by the Ministry's Chancellor were not applied to the state assets managed in trust by AB "Via Lietuva" and recorded in the balance sheet of the Ministry of Transport and Communications; and therefore we cannot confirm the accuracy of the accumulated depreciation and residual value of this property; The Lithuanian Armed Forces did not properly assess the nature and scope of the building repair works carried out; consequently, part of the costs of substantial improvements to assets was unjustifiably recognised as expenses rather than included in the value of fixed assets.

5) We cannot confirm the accuracy of EUR 99.86 million in assets and EUR 18.26 million in operating expenses, as the financial accounting processes, recording of business transactions and management of assets and finances of three public sector entities do not ensure the reliability of the data in the financial statements.

6) We cannot confirm the accuracy of EUR 32.73 million in operating expenses because the Ministry of National Defence failed to ensure adequate control over the use of state budget funds allocated to the Lithuanian Riflemen's Union (EUR 18.73 million): in the Union's report, expenditure by purpose was incorrectly presented, and unjustified advances were made at the end of the year. In the health sector, due to shortcomings in the legal regulation and organisation of the services provided by the Emergency Medical Service and unjustified service prices, we were unable to verify the use of EUR 7.8 million in state budget appropriations for non-specialised patient transportation services and the legal and economic justification for the EUR 6.2 million in funding allocated to the service.

We believe that the audit evidence we have gathered is sufficient and appropriate to support a qualified opinion on the set of annual financial statements of the state.

QUALIFIED OPINION ON THE ANNUAL BUDGET IMPLEMENTATION REPORTS OF THE STATE

We have audited the 2025 set of budget implementation reports of the state, comprising the implementation of the state budget revenue plan, the implementation of the state budget expenditure plan, the implementation of the state budget expenditure plan (by state function), the implementation of the state budget expenditure plan (by economic classification), the utilisation of the Government reserve, the use of budgetary institutions' revenue contributions to the state budget and other funds allocated by laws, Government resolutions and other legal acts to finance programmes, the use of special-purpose grants from the state budget and other funds allocated to municipal budgets, the implementation of the state investment programme, the report on the Government's borrowing, debt and guaranteed debt limits, and the notes to this set of reports.

In our opinion, except for the effects of the matters described in the section of our report entitled "Basis for the qualified opinion on the set of annual budget implementation reports of the state", the 2025 set of annual budget implementation reports of the state has, in all material respects , been prepared and presented in accordance with the legal acts of the Republic of Lithuania governing the preparation of this set.

BASIS FOR THE QUALIFIED OPINION ON THE SET OF ANNUAL BUDGET IMPLEMENTATION REPORTS OF THE STATE

We have identified material misstatements in the data of the report on the implementation of the state budget expenditure plan as at 31 December 2025 (by economic classification) (Form No. 10) (detailed information is provided in Section 2 of the audit report, p. 29):

1) a significant portion of expenditure on wages and salaries, goods and services, fixed assets, inventory purchases, etc. – EUR 916.81 million – is planned and presented under the incorrect economic classification item in the set of state budget implementation reports;
2) We are unable to confirm expenditure of EUR 26.53 million because the Ministry of National Defence failed to ensure adequate control over the use of state budget appropriations allocated to the Lithuanian Riflemen's Union (EUR 18.73 million): in the Union's report, expenditure was incorrectly classified by purpose, and unjustified advances were made at the end of the year. In the health sector, due to shortcomings in the legal regulation and organisation of the services provided by the Emergency Medical Service, as well as unjustified service prices, we were unable to verify the legal and economic justification for the EUR 7.8 million.

We consider that the audit evidence we have gathered is sufficient and appropriate to support a qualified opinion on the set of annual budget implementation reports of the state.

EMPHASIS OF MATTER REGARDING THE SET OF ANNUAL BUDGET IMPLEMENTATION REPORTS OF THE STATE

We would like to draw attention to an observation that does not affect the opinion but is important. The notes to the set of budget implementation reports of the state indicate that the appropriation plan for 2025 has been increased by EUR 1,127.8 million (in 2024 it was EUR 598.6 million). The regulations governing the preparation and implementation of the State Budget allow for the reallocation of appropriations approved by the Seimas, as well as for the Government or its authorised institution to borrow on behalf of the State and use the borrowed funds in excess of the total amount of appropriations approved by the Seimas under the Law on State Budget Indicators. This practice should be amended to ensure that the state budget, as a whole and in respect of specific items, insofar as they are approved by the Seimas, is also amended or reviewed by the Seimas, and that no other authority has the power to do so (Section 2 of the audit report, p. 28).

FINANCIAL STATEMENTS OF THE BANK OF LITHUANIA

The 2025 financial statements of the Bank of Lithuania are presented together with the set of annual accounts of the state. Our opinion on the set of annual financial statements of the State does not cover these financial statements; the audit of these financial statements was carried out and the auditor's opinion on them was issued by UAB "ROSK Consulting", which is presented with the financial statements of the Bank of Lithuania.

MANAGEMENT'S RESPONSIBILITY FOR THE ANNUAL ACCOUNTS OF THE STATE

The Minister of Finance of the Republic of Lithuania is responsible for the preparation and fair presentation of the set of annual accounts of the state in accordance with the Law of the Republic of Lithuania on Public Sector Accounting, the Public Sector Accounting and Financial Reporting Standards of the Republic of Lithuania, and for the preparation and fair presentation of the set of budget implementation reports of the state in accordance with the legal acts of the Republic of Lithuania governing the preparation of these reports. The responsibility for the preparation of the lower-level accounts lies with appropriation managers and the heads of the bodies in the ministerial spheres of government which carry out the programmes of the respective appropriation manager. The Chancellor of the Government, together with the Minister of Finance, are responsible for preparing the National Progress Report.

THE AUDITOR'S RESPONSIBILITY FOR THE AUDIT

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions, which include International Standards on Auditing. We are independent of the audited entity in accordance with the Law on the National Audit Office, the Code of Ethics for Employees of the National Audit Office, and we complied with the other ethical requirements set out in this Code.

Our objective is to obtain reasonable assurance about whether the financial statements and budget implementation reports of the state for 202 as a whole are free from material misstatement, whether due to fraud or error, and to issue the auditor's report that includes the auditor's opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee, that an audit conducted in accordance with International Standards on Auditing and International Standards of Supreme Audit Institutions 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 and the budget implementation reports.

A more detailed description of the auditor's responsibility is available on the website of the National Audit Office https://www.valstybeskontrole.lt/EN/PublicAudit. This description is an integral part of the auditor's report.

We submit the public auditor's report together with the public audit report and enclose the audited set of financial statements and the set of budget implementation reports.

Auditor General — Irena Segalovičienė