

# Independent Auditor's Report

To the Shareholders of Telia Lietuva, AB

## Report on the Audit of the Financial Statements

### ■ Opinion

We have audited the financial statements of Telia Lietuva, AB ("the Company") contained in the file 5299007A0LO7C2YYI075-2024-12-31-en.xhtml (ParsePort generated hashcode: HdjOC6ynN1HKI0I=). The Company's financial statements comprise:

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

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

### ■ 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of 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 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. 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. Each audit matter and our respective response are described below.

## Revenue recognition

See Note 2.21 "Revenue recognition" and Note 5 "Revenue".

### The key audit matter

The Company's net sales amounted to EUR 491,114 thousand for the year ended 31 December 2024.

Revenue principally consist of mobile service revenues including subscription, interconnect and roaming and fixed service revenues including telephony, broadband, TV, installation fees and business solutions, as well as revenue from equipment sales and leases. There are both revenue from products and services sold separately and from products and services sold as a bundle.

The Company uses multiple billing systems and other interrelated data applications to maintain the accurate and complete accounting records. IT systems differ across a range of products and lines of business. The Company is implementing SAP as the new core platform, as well as legacy systems run in parallel to ensure uninterrupted operations. IT environment is thus a critical part in the revenue processes.

Due to the materiality of the recognized revenue, the area required our increased attention in the audit and as such was determined to be a key audit matter.

### How the matter was addressed in our audit

Our audit procedures included, among others:

- We obtained understanding of the Company's revenue recognition process, evaluated the design and implementation as well as tested for operating effectiveness of selected key internal controls, including within relevant IT systems, used for revenue recognition and calculation, billing and monitoring of revenue recognition;
- We assessed and tested general IT controls for relevant IT systems in the areas of access to programs and data, including privileged access, system change management controls, as well as scheduled job monitoring (computer operations) for relevant IT system layers;
- We critically assessed the Company's revenue recognition policy for compliance with relevant provisions of the financial reporting standards;
- Under multiple-element contractual arrangements (bundled product offers), for a sample we evaluated the deliverables to determine whether they represent separate elements and tested the value allocated to the separate elements based on their relative stand-alone selling prices;
- For a sample of customers we obtained confirmations of the amounts due therefrom as at 31 December 2024 and turnover for the year then ended;
- We have performed analytical procedures by comparing our revenue estimates, based on a combination of internal data and publicly available external data, with revenue recorded;
- We have tested a sample of manual journal postings to identify unusual or irregular items and to assess if the postings are supported by proper underlying documentation;
- We examined whether the Company's revenue recognition-related disclosures appropriately include and describe the relevant quantitative and qualitative

	information required by the applicable financial reporting framework.
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## ■ Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 4, 2024.

## ■ Other Information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with 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. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report, including the requirements for the information on corporate governance matters and remuneration and excluding the requirements for the information on sustainability matters on which the separate limited assurance report on sustainability statement is issued by us on 2 April 2025, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report, including the requirements for the information on corporate governance matters and remuneration and excluding the requirements for the information on 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 Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting 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 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 scepticism 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 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 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 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.

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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

Under decision of the general shareholders' meeting we were appointed on 26 April 2024 for the first time to audit the Company's financial statements. Total uninterrupted period of engagement is 1 year.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the additional report which we have submitted to the Company and its Audit Committee.

We confirm that in light of our knowledge and belief, services provided to the Company 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 addition to services provided to the Company in the course of audit and disclosed in the management report or financial statements, we have provided services relating to IT audit compliance procedures and limited assurance for sustainability report.

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

The Company's management has applied European Single Electronic Format for the Company's financial statements in order to implement the requirement of Article No. 3 of the Commission Delegated Regulation (EU) 2019/815 that amends European Parliament and Commission Directive 2004/109 / EC with regulatory technical standards establishing a single format for electronic reporting (hereinafter "the ESEF Regulation"). These requirements specify the Company's obligation to prepare its financial statements in a XHTML format. We confirm that the European single electronic reporting format of the financial statements for the year ended 31 December 2024 complies with the ESEF Regulation in this respect.

The engagement partner on the audit resulting in this independent auditor's report is Toma Jensen.

On behalf of KPMG Baltics, UAB

Toma Jensen  
Partner pp  
Certified Auditor

Vilnius, the Republic of Lithuania  
2 April 2025