

Interim Report January-December 2025

Telia Lietuva, AB

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Management Report

CEO comment

The year 2025 for Telia Lietuva has ended at a high note: the total annual revenue for the first time in the Company's history exceeded half a billion euro. Annual service revenue went up by 4.8 per cent, EBITDA grew by a double digit and EBITDA margin improved by 3.3 percentage points. Net profit for the year 2025 amounted to EUR 90.4 million, an increase by a quarter over the profit a year ago.

During the year 2025 we became simpler, faster and more efficient. The change journey started back in 2024 is not over and we continue to streamline our activities and embrace new possibilities brought us by AI while keeping a customer and its satisfaction as our focus.

To become a winning company, Telia recently launched the Telia Way – principles of winning culture. They shape our culture, decisions and the way we show up every day - for colleagues, customers and societies. At the heart of Telia Way are 5 principles: Go beyond customer satisfaction; Own it; Make it count; Stay hungry, stay ahead; Win as one team.

Technological leadership is in our DNA. Telia Lietuva once again was the first in Lithuania to activate a private standalone 5G SA network in Klaipėda Sea Port. Until then, all Lithuanian operators have provided 5G services powered by 4G network cores. 5G SA enables high speed and stability even during peak usage, and it is a platform for future technological solutions in defense, logistics, healthcare and other industrial fields.

Later, in December we introduced VIP home Internet services based on 5G SA core for private customers. This solution will provide users with reserved data capacity and significantly more stable connectivity during periods of high network load. The 5G SA VIP plan will be available to a limited number of customers.

At the end of 2025, to meet today's demand and prepare infrastructure for the future technologies the agreement for construction of a new Tier III standard data center near Vilnius signed. By the second half of 2027 data center will initially host more than 400 racks. The Company plans to invest up to EUR 26 million into the first two data center modules.

The international independent research company "Rohde & Schwarz" conducted a comprehensive mobile network assessment in Lithuania for the first time. The results confirmed that Telia Lietuva's mobile network is the best in the country. Based on the findings, our network outperforms other operators in the market and meets international network quality standards.

Another achievement was in customer care area. A mystery shopper survey conducted by "Dive Lietuva" in Lithuanian communication company showrooms revealed that, with the level of service rapidly increasing across the sector, Telia Lietuva managed to achieve the highest ratings in absolutely all categories.

On sustainability side, Telia Lietuva has obtained the international ISO 50001 energy management system certificate, confirming that the organization uses energy efficiently. ISO 50001 certification includes a structured energy management process – from energy monitoring, goal setting to continuous improvement.

Besides, for the third year in a row, Telia Lietuva has been ranked as the best Baltic Stock Exchange company in the annual Baltic Corporate Excellence Award rankings by the Latvian financial research and investment company "Alphinox". The Company was praised for its strict financial discipline, well-managed growth in a saturated market and plausible development strategy.

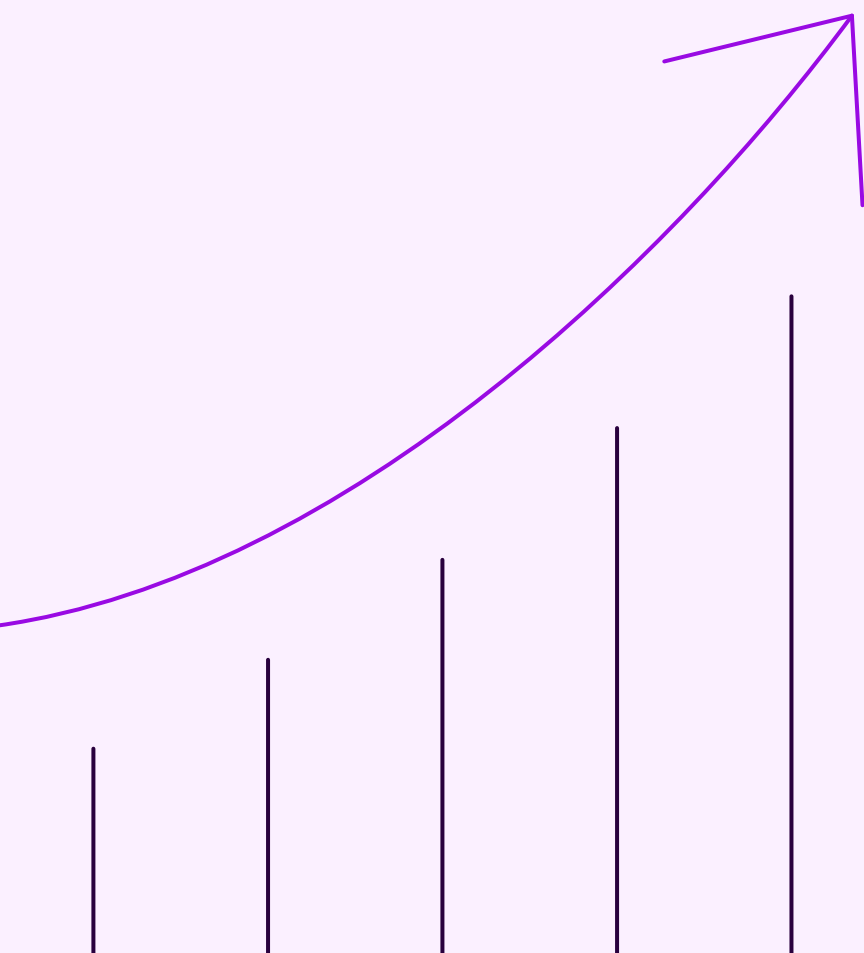
From November, Telia Play users were offered access to HBO Max, one of the most popular streaming platforms, offering the highest quality movies, series and exclusive content. Also, Telia Play app became available on LG and Samsung TV sets in addition to other TV sets using Android OS, removing the need for additional STB hardware.

Telia Lietuva's Christmas campaign once again was among the most noticeable ones during festivities season in Lithuania. We urged children and adults to put their mobile devices aside and communicate with each other live, and not to miss Christmas while scrolling.

Giedrė Kaminskaitė-Salters
CEO of Telia Lietuva



Telia Lietuva operating model is based on customers' segment. The Company's operations are managed and reported by the following segments: business and residential customers. Business customers segment (B2B) implies telecommunication and IT services, equipment sale and customer care for large, medium and small business, public institutions and enterprises, local and international telecommunication operators. Residential customers segment (B2C) implies telecommunication and TV services to private individuals. Other operations include operations of Technology and Support units of the Company. The financial statements of the Company have been prepared according to the International Financial Reporting Standards as adopted by the European Union.



Financial highlights of Q4 2025

Revenue went up by 7.1%

and amounted to EUR 140.3 million
(2024: EUR 131 million)

EBITDA increased by 19.6%

and amounted to EUR 48.6 million
(2024: EUR 40.7 million)

Capital investments were 26.8%

higher and amounted to EUR 24.8 million
(2024: EUR 19.6 million)

Adjusted EBITDA up by 16.6%

to EUR 48.7 million (2024: EUR 41.8 million)

Profit for the period grew by 32.9%

to EUR 22.7 million (2024: EUR 17.7 million)

Free cash flow decreased by 20.1%

and amounted to EUR 26.6 million
(2024: EUR 33.3 million)

Financial highlights of 12 months of 2025

Revenue grew by 3.3%

and amounted to EUR 507.3 million
(2024: EUR 491.1 million)

EBITDA increased by 12.8%

and amounted to EUR 196 million
(2024: EUR 173.7 million)

Capital investments increased by

1.5% and amounted to EUR 63.8 million
(2024: EUR 62.8 million)

Adjusted EBITDA up by 11.2%

to EUR 196.7 million (2024: EUR 177 million)

Profit for the period went up by 26.2%

to EUR 90.4 million (2024: EUR 71.6 million)

Free cash flow increased by 0.2%

and amounted to EUR 117.8 million
(2024: EUR 117.5 million)

Financial figures

(in thousands of EUR unless otherwise stated)	January - December 2025	January - December 2024	Change (%)	January - December 2023
Revenue	507,281	491,114	3.3	476,578
Adjusted EBITDA excluding non-recurring items	196,724	176,978	11.2	168,492
Adjusted EBITDA margin excluding non-recurring items (%)	38.8	36.0		35.4
EBITDA	195,969	173,731	12.8	165,182
EBITDA margin (%)	38.6	35.4		34.7
Operating profit (EBIT) excluding non-recurring items	112,054	91,699	22.2	82,946
EBIT margin excluding non-recurring items (%)	22.1	18.7		17.4
Operating profit (EBIT)	111,299	88,452	25.8	79,636
EBIT margin (%)	21.9	18.0		16.7
Profit before income tax	107,924	82,614	30.6	71,863
Profit before income tax margin (%)	21.3	16.8		15.1
Profit for the period	90,359	71,619	26.2	63,594
Profit for the period margin (%)	17.8	14.6		13.3
Earnings per share (EUR)	0.155	0.123	26.2	0.109
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.89	1.575	20.0	1.665
Market capitalisation at the end of period	1,101,139	917,616	20.0	970,051
Total assets	658,050	610,614	7.8	616,121
Shareholders' equity	402,283	376,012	7.0	356,828
Cash flow from operations	176,898	172,523	2.5	161,174
Free cash flow	117,757	117,510	0.2	80,394
Capital investments (Capex)	63,777	62,846	1.5	60,584
Net debt	(27,753)	15,354	(280.8)	71,178

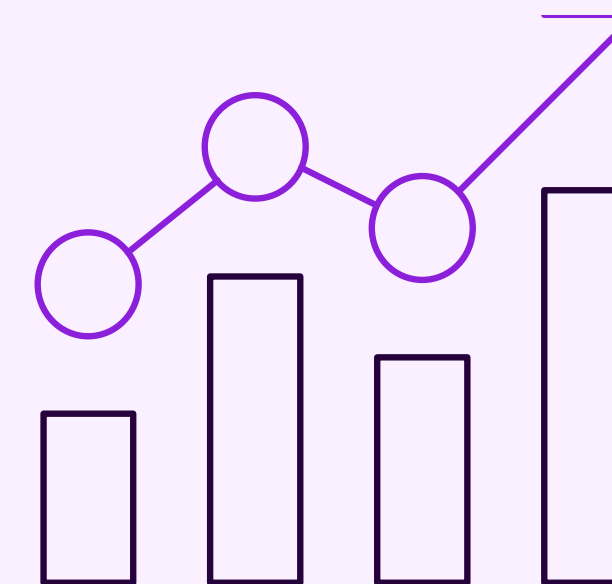
Operating figures

	31-12-2025	31-12-2024	Change (%)	31-12-2023
Mobile service subscriptions, in total (thousand)	1,709	1,703	0.4	1,643
— Post-paid (thousand)	1,473	1,399	5.3	1,323
— Pre-paid (thousand)	236	304	(22.4)	320
Broadband Internet connections, in total (thousand)	410	420	(2.4)	426
— Fiber-optic (FTTH/B) (thousand)	310	314	(1.3)	315
— Copper (DSL, VDSL) (thousand)	100	106	(5.7)	111
TV service customers (thousand)	257	259	(0.8)	261
Fixed telephone lines in service (thousand)	139	157	(11.5)	177
Number of personnel (headcounts)	1,687	1,781	(5.3)	1,935
Number of full-time employees	1,617	1,688	(4.2)	1,829

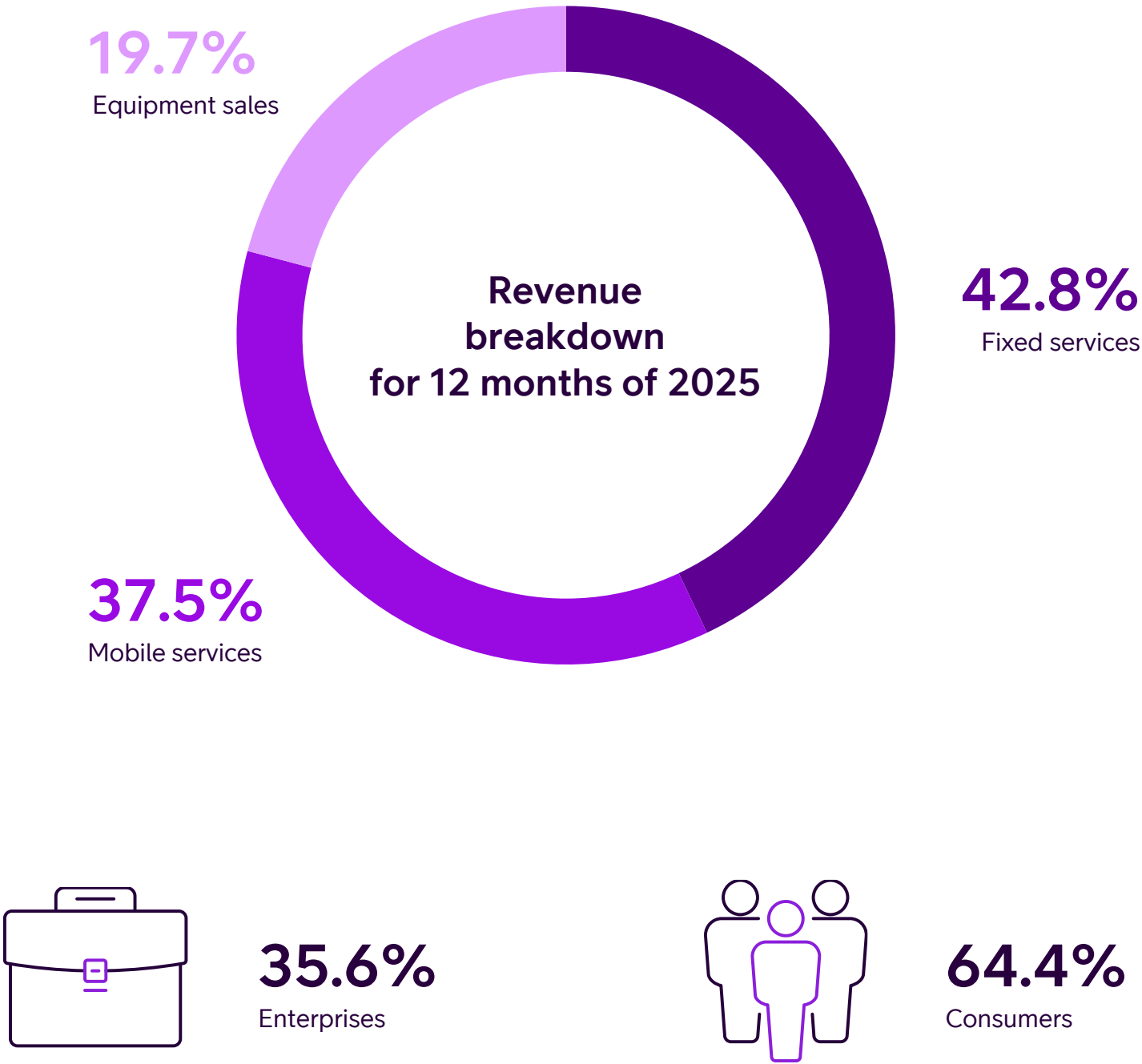
Financial ratios*

	31-12-2025	31-12-2024	31-12-2023
Return on capital employed (%)	26.1	20.9	18.0
Return on average assets (%)	18.0	14.6	12.9
Return on shareholders' equity (%)	23.5	19.8	18.6
Operating cash flow to sales (%)	34.9	35.2	33.8
Capex to sales (%)	12.6	12.8	12.7
Net debt to EBITDA ratio	(0.14)	0.09	0.43
Gearing ratio (%)	(6.9)	4.1	19.9
Debt to equity ratio (%)	15.7	13.3	25.7
Current ratio (%)	110.1	85.8	69.3
Rate of turnover of assets (%)	82.2	80.8	77.4
Equity to assets ratio (%)	61.1	61.6	57.9
Price to earnings (P/E) ratio	12.2	12.8	15.3

Notes: *Description of financial ratios and their calculation is provided at <https://www.telia.lt/eng/investors/financial-results>



Revenue



(in thousands of EUR unless otherwise stated)	October - December 2025	October - December 2024	Change (%)
Fixed services	55,965	53,200	5.2
Voice telephony services	8,279	8,715	(5.0)
Internet services	21,345	20,318	5.1
Datacom and network capacity services	4,773	4,669	2.2
TV services	10,199	9,690	5.3
IT services	9,763	7,921	23.3
Other services	1,606	1,887	(14.9)
Mobile services	48,746	44,941	8.5
Billed services	47,499	43,493	9.2
Other mobile service	1,247	1,448	(13.9)
Equipment	35,606	32,895	8.2
Total	140,317	131,036	7.1

(in thousands of EUR unless otherwise stated)	January - December 2025	January - December 2024	Change (%)
Fixed services	217,322	210,982	3.0
Voice telephony services	33,577	37,268	(9.9)
Internet services	83,859	79,951	4.9
Datacom and network capacity services	18,832	18,482	1.9
TV services	40,012	38,069	5.1
IT services	33,891	29,065	16.6
Other services	7,151	8,147	(12.2)
Mobile services	190,063	177,631	7.0
Billed services	181,952	169,487	7.4
Other mobile service	8,111	8,144	(0.4)
Equipment	99,896	102,500	(2.5)
Total	507,281	491,113	3.3

Expenses

(in thousands of EUR unless otherwise stated)	October - December 2025	October - December 2024	Change (%)	January - December 2025	January - December 2024	Change (%)
Cost of goods and services	(56,202)	(54,494)	3.1	(183,680)	(187,016)	(1.8)
Operating expenses	(34,120)	(36,466)	(6.4)	(126,368)	(131,864)	(4.2)
Employee related	(17,681)	(19,470)	(9.2)	(67,783)	(70,023)	(3.2)
Other	(16,439)	(16,996)	(3.3)	(58,585)	(61,841)	(5.3)
Non-recurring expenses	184	1,728	(89.4)	921	4,128	(77.7)
Operating expenses (excl. non-recurring expenses)	(33,936)	(34,738)	(2.3)	(125,447)	(127,736)	(1.8)
Employee related	(17,497)	(18,184)	(3.8)	(67,213)	(67,639)	(0.6)
Other	(16,439)	(16,554)	(0.7)	(58,234)	(60,097)	(3.1)

During 2025, costs of goods went down mainly due to lower equipment sales as well as lower networks' interconnection and roaming charges. Employee related expenses for the fourth quarter and the full year of 2025 were down due to efficiency and personnel optimization measures implemented at the end 2024. Savings in other operating expenses in 2025 compared with a year ago came mainly from lower energy costs.

During October-December of 2025, the total number of employees (headcount) went down by 38 – from 1,725 to 1,687, mainly due to outsource of some employees to the third party. In terms of full-time employees (FTE), the total number of employees decreased by 28 – from 1,645 to 1,617. Over the full year of 2025 the total number of employees went down by 94 and in terms of number of full-time employees – by 71.

Non-recurring items for the fourth quarter of 2025 were comprised of one-off redundancy pay-outs of EUR 184 thousand (2024: EUR 1,286 thousand). For the fourth quarter of 2024 non-recurring other expenses amounted to EUR 442 thousand (none for the fourth quarter of 2025). Non-recurring items for the 12 months of 2025 were comprised of one-off redundancy pay-outs of EUR 570 thousand (2024: EUR 2,384 thousand), and non-recurring other expenses of EUR 351 thousand (2024: EUR 1,744 thousand).

Earnings

(in thousands of EUR unless otherwise stated)	October - December 2025	October - December 2024	Change (%)	January - December 2025	January - December 2024	Change (%)
EBITDA	48,647	40,689	19.6	195,969	173,731	12.8
Margin (%)	34.7	31.1		38.6	35.4	
Depreciation and amortisation	(21,039)	(19,320)	(8.9)	(84,670)	(85,279)	(0.7)
Operating profit (EBIT)	27,608	21,369	29.2	111,299	88,452	25.8
Margin (%)	19.7	16.3		21.9	18.0	
Non-recurring expenses	(184)	(1,728)	(89.4)	(921)	(4,128)	(77.7)
Gain (loss) on sale of property	148	659	(77.5)	166	881	(81.2)
Adjusted EBITDA excluding non-recurring items	48,683	41,758	16.6	196,724	176,978	11.2
Margin (%)	34.7	31.9		38.8	36.0	
EBIT excluding non-recurring items	27,644	22,438	29.4	112,054	91,699	22.2
Margin (%)	19.7	17.1		22.1	18.7	

From 1 January 2025, the profit tax rate in Lithuania is 16 per cent (2024: 15 per cent). Following the provisions of the Law on Corporate Profit Tax regarding tax relief for investments in new technologies, the profit tax relief for the year 2025 amounted to EUR 1.7 million (2024: EUR 2.8 million).

(in thousands of EUR unless otherwise stated)	October - December 2025	October - December 2024	Change (%)	January - December 2025	January - December 2024	Change (%)
Profit before income tax	26,664	20,058	32.9	107,924	82,614	30.6
Margin (%)	19.0	15.3		21.3	16.8	
Income tax	(3,978)	(2,360)	68.6	(17,565)	(10,995)	59.8
Profit for the period	22,686	17,698	28.2	90,359	71,619	26.2
Margin (%)	16.2	13.5		17.8	14.6	

Financial position and cash flow

As at 31 December 2025, the total non-current assets amounted to 73.8 per cent (80.2 per cent a year ago), the total current assets – to 26.2 per cent (19.8 per cent), whereof cash and cash equivalent alone represented 13.8 per cent (5.7 per cent) of total assets. At the end of December 2025, shareholders' equity amounted to 61.1 per cent of the total assets (61.6 per cent a year ago).

(in thousands of EUR unless otherwise stated)	31-12-2025	31-12-2024	Change (%)
Total assets	658,050	610,614	7.8
Non-current assets	485,372	489,828	(0.9)
Current assets	172,627	120,735	43.0
whereof cash and cash pool arrangement	90,779	34,796	160.9
Assets for sale	51	51	-
Shareholders' equity	402,283	376,012	7.0

On 28 April 2025, the Annual General Meeting of Shareholders decided from the Company's distributable profit of EUR 190.2 million to allocate EUR 64.1 million for the payment of dividends for the year 2024, i. e. EUR 0.11 dividend per share, and carry forward to the next financial year an amount of EUR 126.1 million as retained earnings (undistributed profit).

(in thousands of EUR unless otherwise stated)	January - December 2025	January - December 2024	Change (%)
Net cash generated by operating activities	176,898	172,523	2.5
Purchase of PPE and intangible assets (Cash Capex)	(59,999)	(59,081)	1.6
Proceeds from disposal of PPE and intangible assets	858	4,068	(78.9)
Free cash flow	117,757	117,510	0.2
Increase (decrease) in lease liabilities	(12,947)	(11,252)	15.1
Operational free cash flow	104,810	106,258	(1.4)

In May 2025, the Company signed an agreement with Telia Company AB regarding a short-term loan and on 26 May 2025, the Company borrowed EUR 15 million for 3 months from Telia Company AB. The loan was repaid on 26 August 2025.

(in thousands of EUR unless otherwise stated)	31-12-2025	31-12-2024	31-12-2023
Loans from banks	-	-	30,000
Loans from Telia Company AB	-	-	25,000
Liabilities under reverse factoring agreements	63,026	50,150	36,782
Borrowings	63,026	50,150	91,782
Cash and cash equivalents	5,379	7,025	20,604
Cash pool arrangement	85,400	27,771	-
Net debt	(27,753)	15,354	71,178
Net debt to equity (Gearing) ratio (%)	(6.9)	4.1	19.9

The Company participates in reverse factoring or Supplier Invoice Financing (SIF) program where suppliers' invoices are paid by the banks within 7 days for an agreed fee which is covered by supplier. The Company does not pay any credit fees and does not provide any additional collateral or guarantee to the banks. The Company pays to the banks full invoice amount in up to one-year period (actual term depends on few variables agreed between all three parties). One of the variables effecting the terms of repayments to the banks is Euribor interest rate.

In January 2024, the Company has entered into agreement with Telia Company AB and Telia Global Services Lithuania, UAB, a subsidiary of Telia Company AB in Lithuania, on cash pooling at SEB bank. Cash pool arrangement provides the Company with the short-term borrowing possibility to ensure its current liquidity.

Capital investments

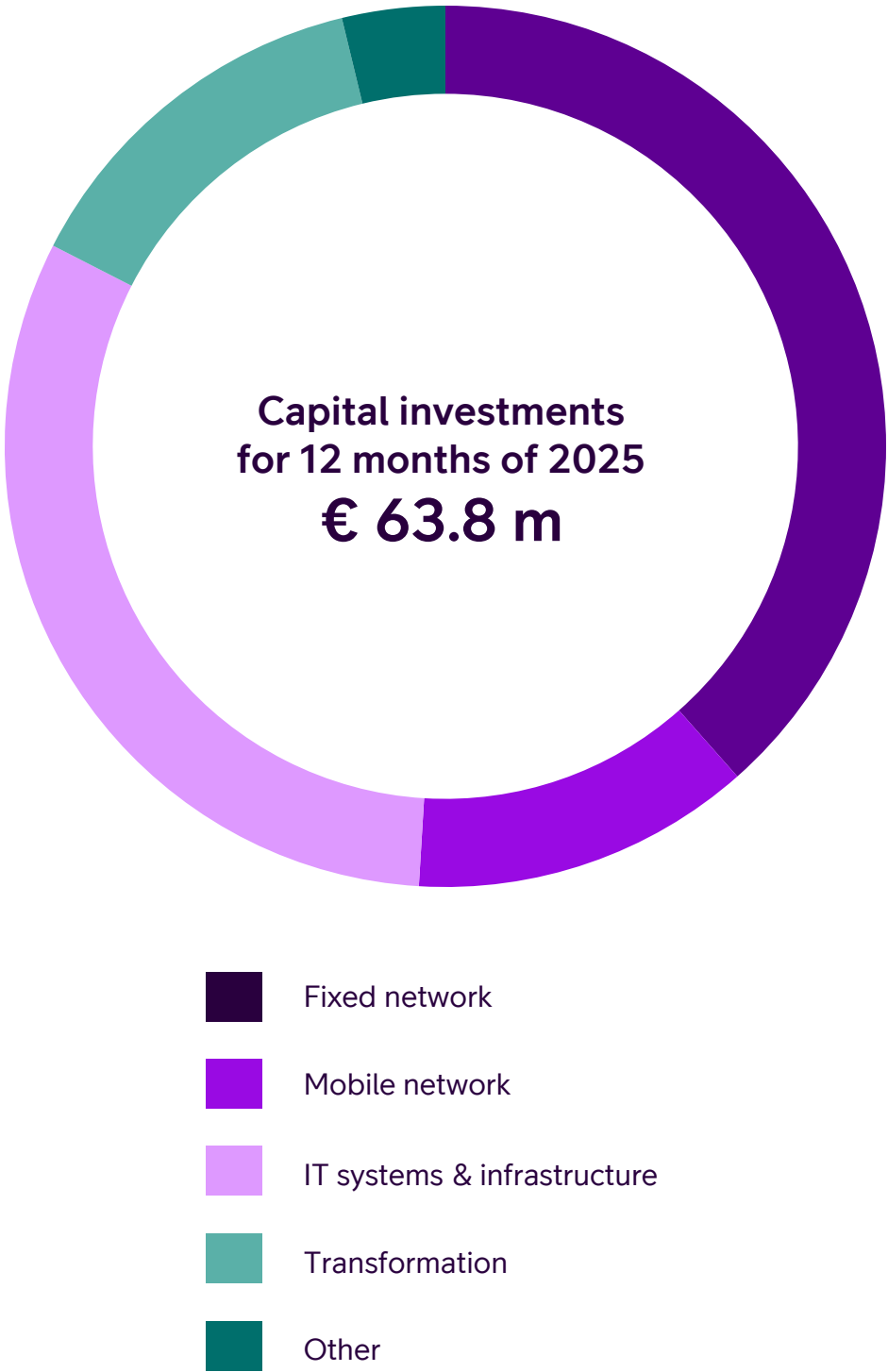
(in thousands of EUR unless otherwise stated)	January - December 2025	January - December 2024	Change (%)
Fixed network	24,539	18,594	32.0
Mobile network	7,962	11,877	(33.0)
IT systems and infrastructure	20,131	18,768	7.3
Transformation program	8,736	12,433	(29.7)
Other	2,409	1,174	105.2
Total capital investments	63,777	62,846	1.5
Capital investments to revenue ratio (%)	12.6	12.8	

In summer of 2025, the Company started a major upgrade of its national fiber-optic internet network, which will increase data transfer speeds by 6 times to a record 600 Gbps. An investment of approximately EUR 1 million into new underground cables will provide the necessary capacity for growing customer data usage and provision of next-generation services. By upgrading its fiber-optic network backbone, the Company also invests into security of the connectivity. The investment will reduce the risk of a critical connection failure that banks, healthcare, electricity supply and other critical systems depend on. The upgraded network will allow data to travel via multiple routes, making Lithuania more resilient to threats and unexpected technical failures.

By the end of December 2025, the Company had 988 thousand households passed (981 thousand a year ago), or 59 per cent of the country’s households, by the fiber-optic network.

The business transformation program implies customers and business management systems migration from legacy systems into new SAP based ones.

At the end of 2025, Telia Lietuva signed a contract for construction of a new data center near Vilnius. The Company plans to invest up to EUR 26 million to two initial data center modules with 400 racks to be completed by the second half of 2027.



Share capital and shareholders

The **authorised capital** of the Company amounts to 168,957,810.02 euro and consists of 582,613,138 ordinary registered shares with a nominal value of 0.29 euro each. The number of the Company's shares that provide voting rights during the General Meeting is 582,613,138.

582,613,138 ordinary registered shares of Telia Lietuva, AB (ISIN code LT0000123911) are listed on the Main List of Nasdaq Vilnius stock exchange (code: TEL1L). Nasdaq Vilnius stock exchange is a home market for the Company's shares.

From January 2011, the Company's shares are included into the trading lists of Berlin Stock Exchange (Berlin Open Market (Freiverkehr), Frankfurt Stock Exchange (Open Market (Freiverkehr), Munich Stock Exchange and Stuttgart Stock Exchange. Telia Lietuva share's symbol on German stock exchanges is ZWS.

Information on **trading in Telia Lietuva shares** on Nasdaq Vilnius stock exchange during January-December 2025:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.57	1.895	1.565	1.89	1.678	8,890,101	14,915,940

Shareholders, holding more than 5 per cent of the share capital and votes, as on 31 December 2025:

Name of the shareholder (name of the enterprise, type and registered office address, code in the Register of Enterprises)	Number of ordinary registered shares owned by the shareholder	Share of the share capital (%)	Share of votes given by the shares owned by the right of ownership (%)	Share of votes held together with persons acting in concert (%)
Telia Company AB, 169 94 Solna, Sweden, code 556103-4249	513,594,774	88.15	88.15	-
Other shareholders	69,018,364	11.85	11.85	-
Total:	582,613,138	100.00	100.00	-

The total number of shareholders on the shareholders' registration day (17 April 2025) for the Annual General Meeting of Shareholders, which was held on 28 April 2025, was 15,646.

Trading in the Company's shares on [Nasdaq Vilnius stock exchange](#) since beginning of listing



Dividends

In 2024, the Board has revised the guidelines for the Company's dividend payout. The revised Company's dividend policy provides that:

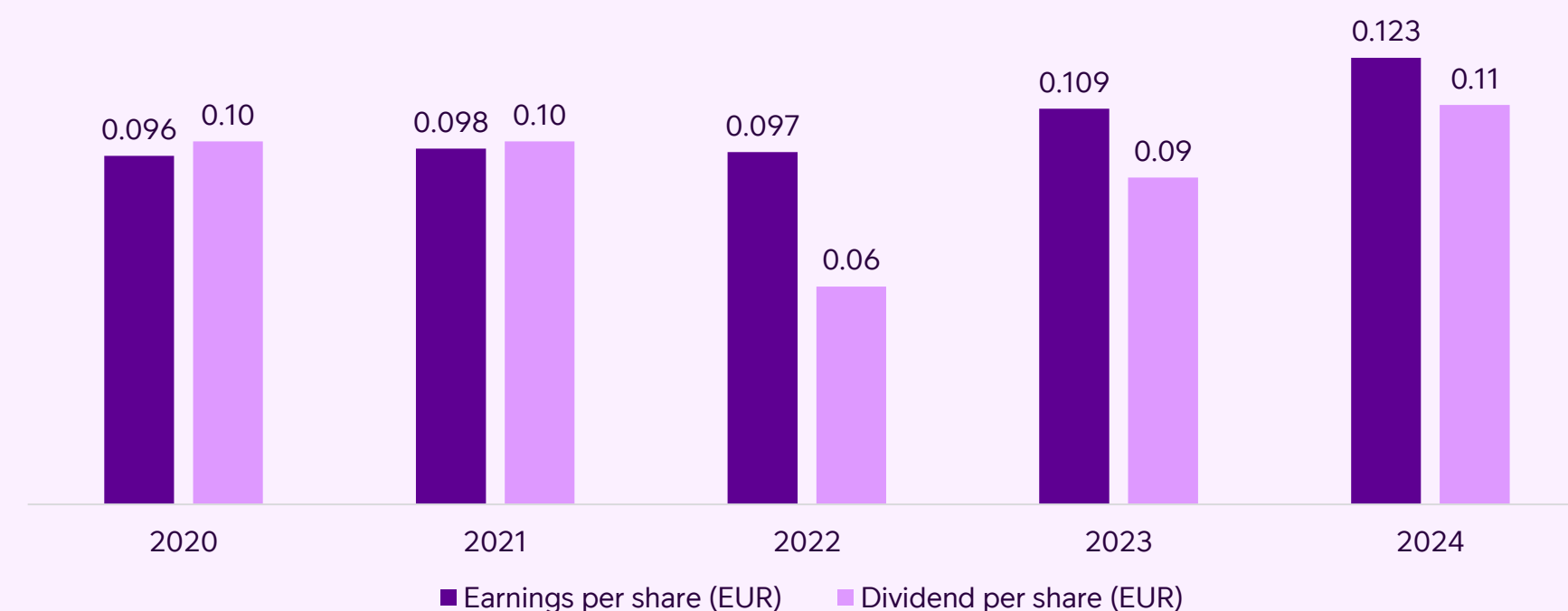
- the Company must maintain the net debt to EBITDA ratio not higher than 1,5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company's net profit as dividend.

On 27 May 2025, the Company paid out to the shareholders an amount of EUR 64.1 million of dividends or EUR 0.11 per share for the year 2024. In accordance with the relevant legislation, dividends were paid to the shareholders who were on the Shareholders' List of the Company on the dividend record day, 13 May 2025, i.e., the tenth business day after the Annual General Meeting of Shareholders. Dividends to all shareholders were paid in cash.

Dividends paid to legal entities (residents and non-residents) were subject to withholding Corporate income tax of 16 per cent and dividends paid to natural persons (residents and non-residents) were subject to withholding Personal income tax of 15 per cent.

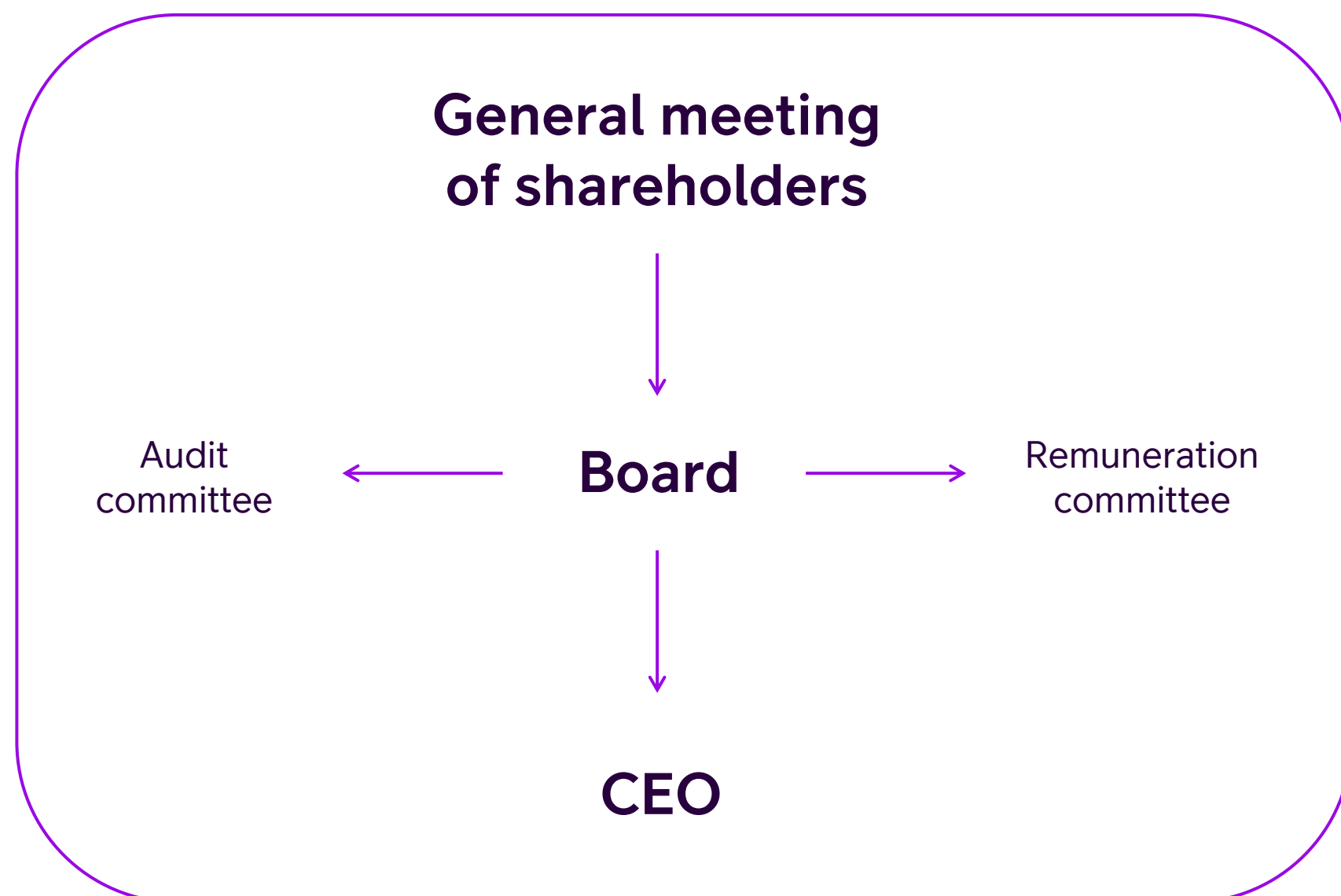
Information about the Company's dividend pay-out during the last five years (in EUR thousand unless otherwise stated):

Year	Profit for the period	Earnings per share (EUR)	Dividends paid	Dividend per share (EUR)	Dividends to profit ratio (%)
2020	55,866	0.096	58,261	0.10	104.2
2021	56,808	0.098	58,261	0.10	102.0
2022	56,398	0.097	34,957	0.06	62.0
2023	63,594	0.109	52,435	0.09	82.5
2024	71,619	0.123	64,087	0.11	89.4



Corporate governance

According to the By-Laws of the Company, the **governing bodies of the Company** are the General Shareholder's Meeting, the Board and the CEO. The Law of the Republic of Lithuania on Companies provides that Lithuanian companies at their discretion could have either two (Supervisory Council and Board) or only one collegial governing body. There is no Supervisory Council in the Company.



The Annual General Meeting

The Annual General Meeting held on 28 April 2025 decided to:

- approve of the Company's annual financial statements for the year 2024,
- allocate the Company's profit for the year 2024,
- allocate EUR 38 thousand for tantiemes for the year 2024 to two independent members of the Board – Leda Iržikevičienė and Mindaugas Glodas – EUR 19 thousand each,
- approve the Company's Remuneration Report for the year 2024,
- amend and approve new edition of the Company's CEO and Board members remuneration policy
- increase remuneration cap for audit services provided by KPMG Baltics, UAB for the year 2024 and 2025,
- re-elect 5 members of the previous Board and elect a new member of the Board – Annelie Lakner – for a new 2-year term of the Board.

The Board

On 15 July 2025, the Board of Telia Lietuva:

- re-elected Stefan Backman as a Chair of the Board,
- elected Annelie Lakner and re-elected both independent members of the Board – Leda Iržikevičienė and Mindaugas Glodas – to the Audit Committee; Leda Iržikevičienė was elected as Chair of the Audit Committee,
- re-elected Claes Nycander, Hannu-Matti Mäkinen and Mindaugas Glodas (an independent member of the Board) to the Remuneration Committee; Claes Nycander was re-elected as Chair of the Remuneration Committee.

Management team

From 1 February 2025, Giedrė Kaminskaitė-Salters, CEO of Telia Lietuva, became Senior Vice President, Head of Telia Baltics and member of the Group Executive Management team of Telia Company AB.

From 1 November 2025, the Company's Technology unit was merged with Digital Transformation unit into Digital & Technology unit. The unit is led by former Head of Digital Transformation Vygintas Domarkas. Also, People and Culture was merged with Legal and Corporate Affairs into Legal and People & Culture unit. The unit is led by former Head of Legal and Corporate Affairs Daiva Kasperavičienė. The former Head of People & Culture Ramūnas Bagdonas continues his career at Telia Company Group, while former Head of Technology Andrius Šemeškevičius left the Company at the beginning of 2026.

Members of the Board



**Stefan
Backman**
Chair of the Board



**Claes
Nycander**
Member of the Board,
Chair of the
Remuneration
Committee



**Hannu-Matti
Mäkinen**
Member of the Board,
Member of the
Remuneration
Committee



**Annelie
Lakner**
Member of the Board,
Member of the Audit
Committee



**Leda
Iržikevičienė**
Independent member of
the Board, Chair of the
Audit Committee



**Mindaugas
Glodas**
Independent member of
the Board, Member of
the Audit and
Remuneration
Committees

Management Team



**Giedrė
Kaminskaitė-
Salters**
CEO



**Lina
Bandzinė**
Head of Sales &
Customer Care



**Daiva
Kasperavičienė**
Head of Legal and
People & Culture



**Elina
Dapkevičienė**
Head of Consumer
(B2C)



**Vygintas
Domarkas**
Head of Digital &
Technology



**Vaida
Jurkonienė**
Head of Marketing &
Communication



**Aurimas
Žlibinas**
Head of Enterprise
(B2B)



**Daina
Večkytė**
Head of Finance



**Vytautas
Bučinskas**
Head of Business
Assurance, Resilience &
Sustainability

Financial Statements

Statement of profit or loss and other comprehensive income

In thousands of EUR, except per share data		October – December		January – December	
	Notes	2025	2024	2025	2024
Revenue		140,317	131,037	507,281	491,114
Cost of goods and services		(56,202)	(54,494)	(183,680)	(187,016)
Employee related expenses		(17,681)	(19,471)	(67,783)	(70,023)
Other operating expenses		(16,439)	(16,996)	(58,585)	(61,841)
Other gain / (loss) – net		(1,348)	613	(1,264)	1,497
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(21,039)	(19,320)	(84,670)	(85,279)
Operating profit		27,608	21,369	111,299	88,452
Finance income		645	629	2,464	2,302
Finance costs		(1,589)	(1,940)	(5,839)	(8,140)
Finance and investment activities – net		(944)	(1,311)	(3,375)	(5,838)
Profit before income tax		26,664	20,058	107,924	82,614
Income tax	3	(3,978)	(2,360)	(17,565)	(10,995)
Profit for the year		22,686	17,698	90,359	71,619
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		22,686	17,698	90,359	71,619
Profit and comprehensive income attributable to:					
Owners of the Parent		22,686	17,698	90,359	71,619
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (expressed in EUR per share)	4	0.039	0.030	0.155	0.123

Statement of financial position

In thousands of EUR		As at 31 December	As at 31 December
	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	235,510	243,694
Goodwill	7	26,769	26,769
Intangible assets	7	138,822	140,136
Right-of-use assets	8	51,306	47,177
Costs to obtain contract		5,912	5,587
Contract asset		137	423
Trade and other receivables		21,094	20,497
Finance lease receivables		5,822	5,545
		485,372	489,828
Current assets			
Inventories		10,847	13,037
Contract asset		1,024	1,375
Trade and other receivables		65,668	65,859
Current income tax assets		-	-
Finance lease receivables		4,309	5,668
Cash pool receivables		85,400	27,771
Cash and cash equivalents		5,379	7,025
		172,627	120,735
Assets classified as held for sale		51	51
Total assets		658,050	610,614

In thousands of EUR		As at 31 December	As at 31 December
	Notes	2025	2024
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued capital	9	168,958	168,958
Legal reserve	10	16,896	16,896
Retained earnings		216,429	190,158
Equity attributable to owners of the Company		402,283	376,012
Total equity		402,283	376,012
LIABILITIES			
Non-current liabilities			
Lease liabilities		47,987	44,474
Deferred tax liabilities		19,962	17,592
Deferred revenue and accrued liabilities		17,234	18,394
Provisions	11	13,788	13,462
		98,971	93,922
Current liabilities			
Trade, other payables and accrued liabilities		72,705	69,738
Current income tax liabilities		3,500	2,835
Borrowings		63,026	50,150
Contract liability		2,915	3,067
Lease liabilities		14,650	14,890
		156,796	140,680
Total liabilities		255,767	234,602
Total equity and liabilities		658,050	610,614

Statement of changes in equity

In thousands of EUR	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2024	168,958	16,896	170,974	356,828
Profit for the year	-	-	71,619	71,619
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	71,619	71,619
Dividends paid for 2023	-	-	(52,435)	(52,435)
Balance at 31 December 2024	168,958	16,896	190,158	376,012
Balance at 1 January 2025	168,958	16,896	190,158	376,012
Profit for the year	-	-	90,359	90,359
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	90,359	90,359
Dividends paid for 2024	-	-	(64,088)	(64,088)
Balance at 31 December 2025	168,958	16,896	216,429	402,283

Statement of cash flows

In thousands of EUR		January – December	
	Notes	2025	2024
Operating activities			
Profit for the year		90,359	71,619
Adjustments for:			
Income tax expenses recognized in profit or loss	3	17,565	10,995
Depreciation, amortisation and impairment charge	6	84,896	87,126
Other gain / (loss) – net		(70)	(1,632)
Interest income		(2,464)	(2,293)
Interest expenses		5,748	8,083
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Inventories / Assets held for sale		2,730	(643)
Trade and other receivables		(1,222)	6,729
Decrease/(increase) in contract assets		637	(68)
Decrease/(increase) in contract costs		(325)	(110)
Trade, other payables and accrued liabilities, deferred tax liability		237	7,064
Increase/(decrease) in contract liabilities		(152)	172
Increase/(decrease) in deferred revenue and accrued liabilities		(1,268)	(792)
Increase/(decrease) in provisions	11	(33)	(88)
Cash generated from operations		196,638	186,162
Interest paid		(6,528)	(7,464)
Interest received		1,318	1,109
Income taxes paid		(14,530)	(7,284)
Net cash generated by operating activities		176,898	172,523

In thousands of EUR		January – December	
	Notes	2025	2024
Investing activities			
Purchase of property, plant and equipment and intangible assets		(59,999)	(59,081)
Proceeds from disposal of property, plant and equipment and intangible assets		858	4,068
Proceeds from / repayments for finance sublease receivables		2,228	1,805
Receipt of asset-related government grant		157	196
Net cash used in investing activities		(56,756)	(53,012)
Financing activities			
Repayment of borrowings		(81,187)	(178,615)
Proceeds from borrowings		94,063	136,983
Increase (decrease) in lease liabilities		(12,947)	(11,252)
Dividends paid to shareholders		(64,088)	(52,435)
Net cash received in financing activities		(64,159)	(105,319)
Increase (decrease) in cash and cash equivalents		55,983	14,192
Movement in cash and cash equivalents			
At the beginning of the financial year		34,796	20,604
Increase (decrease) in cash and cash equivalents		55,983	14,192
At the end of the financial year		90,779	34,796

Notes to the financial statements

1 Basic of preparation

The interim financial statements for the 12 months' period ended 31 December 2025 are prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2024.

The presentation currency is euro. The financial statements are presented in thousands of euro, unless indicated otherwise.

The financial statements are prepared under the historical cost convention.

These financial statements for the period ended 31 December 2025 are not audited. Financial statements for the year ended 31 December 2024 are audited by the external auditor KPMG Baltics, UAB.

2 Investments in subsidiaries and associates

The investments included in the Company's financial statements are indicated below:

Associate	Country of incorporation	Ownership interest in %		Profile
		31 December 2025	31 December 2024	
VšĮ Numerio Perkėlimas	Lithuania	50%	50%	A non-profit organization established by Lithuanian telecommunications operators administers central database to ensure telephone number portability

As at 31 December 2025 and 31 December 2024, the Company had no investments in subsidiaries.

Notes to the financial statements

3 Income tax

The tax expenses for the period comprise current and deferred tax.

Profit for 2025 is taxable at a rate of 16 per cent in accordance with Lithuanian regulatory legislation on taxation (2024: 15 per cent).

In thousands of EUR	October – December		January – December	
	2025	2024	2025	2024
Current tax expenses	3,780	2,204	15,195	10,368
Deferred tax change	198	156	2,370	627
Total	3,978	2,360	17,565	10,995

As at 1 January 2009, amendments to Law on Corporate Profit Tax came into effect which provides tax relief for investments in new technologies. As a result, the Company's calculated profit tax relief amounts for 2025 to EUR 1.7 million (2024: EUR 2.8 million). Investments in new technologies are capitalised as property, plant and equipment, and their depreciation is deductible for tax purposes, therefore, the tax relief does not create any deferred tax liability.

The tax authorities may at any time inspect the books and records within 3 years from the end of the year when tax declaration was submitted and may impose additional tax assessments with penalty interest and penalties.

The Company's management is not aware of any circumstances, which may give rise to a potential material liability in this respect.

4 Earnings per share

Basic earnings per share are calculated by dividing the net profit (loss) for the period by the weighted average number of ordinary shares in issue during the period. The Company has no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share. The weighted average number of shares for both reporting periods amounted to 582,613 thousand.

In thousands of EUR, except per share data	October – December		January – December	
	2025	2024	2025	2024
Net profit	22,686	17,698	90,359	71,619
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613	582,613	582,613
Basic earnings per share (EUR)	0.039	0.030	0.155	0.123

5 Dividends per share

A dividend that relates to the period to 31 December 2024 was approved by the Annual General Meeting of Shareholders on 28 April 2025. The total amount of allocated dividend, that was paid off in May 2025, is EUR 64,088 thousand or EUR 0.11 per ordinary share.

6 Property, plant and equipment

The depreciation, amortisation and impairment charge in the statement of profit or loss items:

In thousands of EUR	January – December	
	2025	2024
Depreciation of property, plant and equipment (Note 6)	45,107	45,062
Impairment of property, plant and equipment (Note 6)	325	509
Amortisation of intangible assets (Note 7)	27,147	28,135
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	12,091	11,573
Total	84,670	85,279
Impairment of assets classified as held for sale	-	-
Total	84,670	85,279

Notes to the financial statements

6 Property, plant and equipment (continued)

In thousands of EUR	Land and buildings	Ducts and telecommu- nication equipment	Other tangible fixed assets	Construction in progress	Total
Twelve months ended 31 December 2024					
Opening net book amount	8,249	218,849	10,944	15,696	253,738
Additions	-	316	-	36,309	36,625
Reclassifications	(266)	199	65	(474)	(476)
Disposals and write-offs	(180)	(436)	(6)	-	(622)
Transfers from construction in progress	460	29,134	1,914	(31,508)	-
Depreciation charge	(1,284)	(39,275)	(4,503)	-	(45,062)
Impairment charge	-	(509)	-	-	(509)
Closing net book amount	6,979	208,278	8,414	20,023	243,694
At 31 December 2024					
Cost	27,040	755,930	46,362	20,023	849,355
Accumulated depreciation	(20,021)	(546,878)	(37,948)	-	(604,847)
Impairment charge	(40)	(774)	-	-	(814)
Net book amount	6,979	208,278	8,414	20,023	243,694
Twelve months ended 31 December 2025					
Opening net book amount	6,979	208,278	8,414	20,023	243,694
Additions	-	95	-	38,229	38,324
Reclassifications	-	-	(2)	(304)	(306)
Disposals and write-offs	(177)	(565)	(28)	-	(770)
Transfers from construction in progress	668	29,785	4,465	(34,918)	-
Depreciation charge	(1,088)	(40,035)	(3,984)	-	(45,107)
Impairment charge	-	(325)	-	-	(325)
Closing net book amount	6,382	197,233	8,865	23,030	235,510
At 31 December 2025					
Cost	24,131	698,580	41,639	23,030	787,380
Accumulated depreciation	(17,709)	(500,719)	(32,775)	-	(551,203)
Impairment charge	(40)	(628)	1	-	(667)
Net book amount	6,382	197,233	8,865	23,030	235,510

7 Intangible assets

In thousands of EUR	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Twelve months ended 31 December 2024					
Opening net book amount	80,763	26,769	24,366	36,613	168,511
Additions	-	-	-	26,537	26,537
Reclassifications	-	-	-	476	476
Disposals and write-offs	(483)	-	(1)	-	(484)
Transfers to other accounts	17,571	-	-	(17,571)	-
Amortization charge	(24,697)	-	(3,438)	-	(28,135)
Closing net book amount	73,154	26,769	20,927	46,055	166,905
At 31 December 2024					
Cost	192,266	29,408	53,124	46,055	320,853
Accumulated amortization	(119,112)	-	(32,197)	-	(151,309)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	73,154	26,769	20,927	46,055	166,905
Twelve months ended 31 December 2025					
Opening net book amount	73,154	26,769	20,927	46,055	166,905
Additions	-	-	-	25,545	25,545
Reclassifications	-	-	-	306	306
Disposals and write-offs	(17)	-	(1)	-	(18)
Transfers to other accounts	44,220	-	-	(44,220)	-
Amortization charge	(26,861)	-	(286)	-	(27,147)
Closing net book amount	90,496	26,769	20,640	27,686	165,591
At 31 December 2025					
Cost	229,289	29,408	53,123	27,686	339,506
Accumulated depreciation	(138,793)	-	(32,483)	-	(171,276)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	90,496	26,769	20,640	27,686	165,591

Notes to the financial statements

8 Right-of-use-assets

In thousands of EUR	Land and premises	Dark Fiber	Equipment rent	Other	Total
Twelve months ended 31 December 2024					
Opening net book amount	33,993	8,413	-	2,728	45,134
Additions	3,108	-	5,800	1,079	9,987
Lease modifications	7,084	2,144	-	201	9,429
Disposals and write-offs	-	-	(5,800)	-	(5,800)
Amortization charge	(9,378)	(1,124)	-	(1,071)	(11,573)
Closing net book amount	34,807	9,433	-	2,937	47,177
At 31 December 2024					
Cost	82,647	16,449	-	5,682	104,778
Accumulated amortization	(47,840)	(7,016)	-	(2,745)	(57,601)
Net book amount	34,807	9,433	-	2,937	47,177
Twelve months ended 31 December 2025					
Opening net book amount	34,807	9,433	-	2,937	47,177
Additions	1,444	-	8,883	494	10,821
Lease modifications	13,063	1,535	-	(316)	14,282
Disposals and write-offs	-	-	(8,883)	-	(8,883)
Amortization charge	(9,895)	(1,224)	-	(972)	(12,091)
Closing net book amount	39,419	9,744	-	2,143	51,306
At 31 December 2025					
Cost	97,155	17,984	-	5,860	120,999
Accumulated depreciation	(57,736)	(8,240)	-	(3,717)	(69,693)
Net book amount	39,419	9,744	-	2,143	51,306

9 Share capital

The authorised share capital comprises of 582,613,138 ordinary shares of EUR 0.29 nominal value each. All shares are fully paid up.

10 Legal reserve

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfer of 5% of net profit, calculated in accordance with Lithuanian regulatory legislation on accounting, is compulsory until the reserve including share premium reaches 10% of the share capital. The legal reserve can be used to cover the accumulated losses. The amount of the legal reserve surplus which exceeds the size of legal reserve required by the legislation can be added to retaining earnings for the profit distributing purpose.

As at 31 December 2025 and 31 December 2024, legal reserve – EUR 16.9 million.

11 Provisions

In thousands of EUR	Provision for restructuring	Assets retirement obligation	Total
Closing net book amount at 31 December 2023			
Additions	-	13,039	13,039
Discounting	-	316	316
Used provisions	-	286	286
Adjustment for change in discount rate, timing	-	(88)	(88)
Closing net book amount at 31 December 2024	-	(91)	(91)
Closing net book amount at 31 December 2024	-	13,462	13,462
Closing net book amount at 31 December 2024			
Additions	-	13,462	13,462
Discounting	-	95	95
Used provisions	-	264	264
Closing net book amount at 31 December 2025	-	(33)	(33)
Closing net book amount at 31 December 2025	-	13,788	13,788

The Company leases land for the construction of mobile stations. Upon expiry of the lease term the mobile stations should be disassembled and land restored so that it could be returned to the land owner in a condition it was before the lease. Similarly, the Company has telecommunication equipment installed in the premises or on the buildings leased from third parties. This equipment will have to be disassembled when the lease agreement expires.

To cover these estimated future costs, assets retirement obligation has been recognized. The Company expects that assets retirement obligation will be realized later than after one year. Therefore, the whole amount of assets retirement obligation has been classified as non-current provision for other liabilities and charges.

Notes to the financial statements

12 Related party transactions

The Company is controlled by Telia Company AB, registered in Sweden, and owning 88.15% of the Company's shares and votes. The largest shareholder of Telia Company AB is the State of Sweden.

The following transactions were carried out with related parties:

In thousands of EUR	January – December	
	2025	2024
Sales of telecommunication and other services to Telia Company AB and its subsidiaries:		
Sales of telecommunication and other services	8,887	10,406
of which Telia Company AB	-	-
Cash pool interest revenues	999	795
Sales of assets	-	381
Other	-	20
Total sales of telecommunication and other services	9,886	11,602
Purchases of assets and services from Telia Company AB and its subsidiaries:		
Purchases of services	14,693	15,656
of which Telia Company AB	12,100	12,394
Interest expenses on borrowings (incl. commitment fee)	129	1,177
Purchases of assets	1,296	174
Other purchases	390	346
Total purchases of assets and services	16,508	17,353

Till 10 January 2025, the Company had 2-years agreement regarding revolving credit facility with Telia Company AB that provided with the possibility to borrow any amount up to a total limit of EUR 50 million for 3 or 6 months within 2 business days. On 21 May 2025, the Company entered into Term Loan Agreement with Telia Company AB for borrowing of EUR 15 million loan for 3 months. The loan was extended on 26 May 2025 and repaid on 26 August 2025.

In May 2025, the Company paid-out to Telia Company an amount of EUR 56.5 million as dividend for the year 2024.

All transactions with related parties are carried out based on an arm's length principle.

Receivables and accrued revenue from related parties:

In thousands of EUR	January – December	
	2025	2024
Receivables and accrued revenue from Telia Company AB and its subsidiaries:		
Short-term receivables	1,500	1,673
of which Telia Company AB	9	29
Interest bearing receivables (cash pool)	85,400	27,771
Accrued revenue	104	107
Total receivables and accrued revenue	87,004	29,551

In January 2024, the Company has entered into agreement with Telia Company AB and Telia Global Services Lithuania, UAB on cash pooling at SEB bank. Cash pool arrangement provides the Company with the short-term borrowing possibility to ensure its liquidity.

In thousands of EUR	January – December	
	2025	2024
Payables and accrued expenses to Telia Company AB and its subsidiaries:		
Short-term payables	3,971	2,940
of which Telia Company AB	1,023	1,054
Accrued expenses	(130)	517
Total payables and accrued expenses	3,841	3,457

13 Events after the reporting period and going concern

Following the agreement signed on 23 December 2025 regarding the construction of a building for the Company's new data center near Vilnius, in January 2026 the Company received a performance guarantee valued at EUR 1.3 million, valid till August 2027. The total amount of investment allocated for the construction and equipment of a new data center is EUR 26 million.

Confirmation of responsible persons

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Giedrė Kaminskaitė-Salters, CEO of Telia Lietuva, AB, and Daina Večkytė, Head of Finance of Telia Lietuva, AB, hereby confirm that, to the best of our knowledge, the not audited Interim Financial Statements for the 12 months’ period ended 31 December 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit and cash flows of Telia Lietuva, AB.

Giedrė Kaminskaitė-Salters
CEO

Daina Večkytė
Head of Finance

Vilnius, 28 January 2026



Name of the Company

Telia Lietuva, AB

Legal form

public company (joint-stock company)

Date of registration

6 February 1992

Name of Register of Legal Entities

State Enterprise Centre of Registers

Code of enterprise

1212 15434

LEI code

5299007A0LO7C2YYI075

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