



Interim Report January-March 2025

Telia Lietuva, AB

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Management Report



CEO comment

We started the year 2025 with a streamlined and leaner organization while also taking on more responsibility for decision making closer to our customers in pursuit of becoming a simpler, faster and more efficient company.

In March we celebrated the 30th anniversary of the first GSM call in Lithuania. Who would have thought then that in 30 years' time mobile devices will be used not only for mobile voice but also for video and data communication, that the Internet will evolve from dial-up connection to a truly mobile Internet, with country-wide availability and using our fast 5G network?

Our technological leadership once again was officially confirmed by the Communications Regulatory Authority report showing that the average mobile data download speed in Telia Lietuva's network remains the highest in the country and amounted to 250 Mbps during 2024. In addition, our customers are the heaviest mobile data users in Lithuania – in 2024 they accounted for 38 per cent of the total volume.

30 years ago, we had only linear or cable television. Now we have Telia Play on our smart devices and smart TV sets that, as of 2025, offers our customers exclusive packages with Netflix and invites them to indulge in top quality international content while staying at home.

For travelers outside the European Union, we offer attractive and flexible data roaming packages with (up to 50 per cent) reduced prices.

From beginning of 2025, following new regulatory requirements, all Lithuanian mobile operators have implemented the registration of new pre-paid SIM cards. Naturally, this has had a negative impact on intake of new pre-paid subscriptions, while the number of post-paid subscriptions continued to grow – during January-March of 2025 it went up by 19 thousand.

Revenue from services for the first quarter of 2025 was up by 3.3 per cent compared with the same quarter a year ago, while equipment sales dropped by almost 10 per cent. The growth was recorded in all main areas – mobile communication, broadband Internet, TV and IT services.

The first three months of 2025 were marked with improved profitability. Adjusted EBITDA margin (excluding non-recurring items) exceeded the 40 per cent threshold and net profit went up by 24.4 per cent compared with the same quarter a year ago.

We are also happy to report that Telia Lietuva was recognized for the best customer care among telecommunication companies in Lithuania according to the public opinion poll conducted by Shopper Quality.

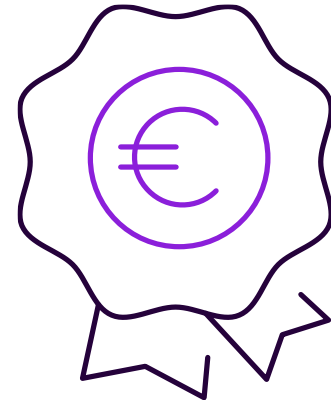
As a responsible telecommunication operator, we invited our customers to take part in a 30-day challenge, encouraging them to spend one hour a day without their mobile device. Research shows that 96 per cent of the Lithuanian population start their day by checking their phones and 90 per cent end it locked into their screen. Tongue-in-cheek, we encourage everyone to put away their mobile-phone into our Innovative Communication Cardboard Box and communicate with their friends and family live – thus rediscovering each other again.

On a more serious note, our support to Ukraine continues. In 2025, we continue with special tariffs for calls as well as mobile data services between Lithuania and Ukraine. Besides, 90 per cent of the Company's employees, who participated in an internal survey, voted for the donation of the majority of this year's corporate entertainment budget to Ukraine. Thus EUR 100 thousand was donated to Ukraine during the third nationwide support campaign 'Radarom', launching a wave of other donations from citizens and other companies.

The Company's Board proposed to the Annual General Meeting to approve the pay-out of EUR 0.11 dividend per share for the year 2024.

Giedrė Kaminskaitė-Salters
CEO of Telia Lietuva

Financial highlights of Q1 2025



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.

Revenue grew by 0.6%

and amounted to EUR 119.8 million
(2024: EUR 119 million)

EBITDA increased by 10.2%

and amounted to EUR 47.8 million
(2024: EUR 43.4 million)

Capital investments

amounted to EUR 9.5 million
(2024: EUR 17.8 million)

Adjusted EBITDA up by 9.9%

to EUR 48.3 million
(2024: EUR 43.9 million)

Profit for the period went up by 24.4%

to EUR 22.6 million
(2024: EUR 18.2 million)

Free cash flow went up by 22.6%

and amounted to EUR 31.3 million
(2024: EUR 25.5 million)

Financial figures

(in thousands of EUR unless otherwise stated)	January - March 2025	January - March 2024	Change (%)	January - March 2023
Revenue	119,751	118,985	0.6	117,402
Adjusted EBITDA excluding non-recurring items	48,292	43,940	9.9	41,386
Adjusted EBITDA margin excluding non-recurring items (%)	40.3	36.9		35.3
EBITDA	47,819	43,378	10.2	40,515
EBITDA margin (%)	39.9	36.5		34.5
Operating profit (EBIT) excluding non-recurring items	27,778	22,974	20.9	20,178
EBIT margin excluding non-recurring items (%)	23.2	19.3		17.2
Operating profit (EBIT)	27,305	22,412	21.8	19,307
EBIT margin (%)	22.8	18.8		16.4
Profit before income tax	26,498	20,888	26.9	18,231
Profit before income tax margin (%)	22.1	17.6		15.5
Profit for the period	22,599	18,165	24.4	16,244
Profit for the period margin (%)	18.9	15.3		13.8
Earnings per share (EUR)	0.039	0.031	24.4	0.028
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.64	1.675	(2.1)	2.02
Market capitalisation at the end of period	955,485	975,877	(2.1)	1,176,879
Total assets	620,074	620,493	(0.7)	620,678
Shareholders' equity	398,611	374,993	6.3	344,435
Cash flow from operations	51,303	41,842	22.6	42,419
Free cash flow	31,276	25,516	22.6	16,337
Capital investments (Capex)	9,505	17,810	(46.6)	16,177
Net debt	(13,319)	47,628	(128.0)	92,741

Operating figures

	31-03-2025	31-03-2024	Change (%)	31-03-2023
Mobile service subscriptions, in total (thousand)	1,667	1,626	2.5	1,599
— Post-paid (thousand)	1,418	1,320	7.4	1,282
— Pre-paid (thousand)	249	306	(18.6)	317
Broadband Internet connections, in total (thousand)	417	425	(1.9)	427
— Fiber-optic (FTTH/B) (thousand)	313	315	(0.6)	314
— Copper (DSL, VDSL) (thousand)	104	110	(5.5)	113
TV service customers (thousand)	258	260	(0.8)	258
Fixed telephone lines in service (thousand)	152	172	(11.6)	193
Number of personnel (headcounts)	1,756	1,934	(9.2)	2,007
Number of full-time employees	1,671	1,830	(8.7)	1,883

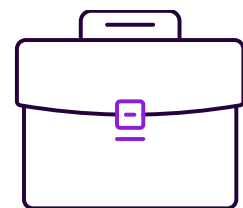
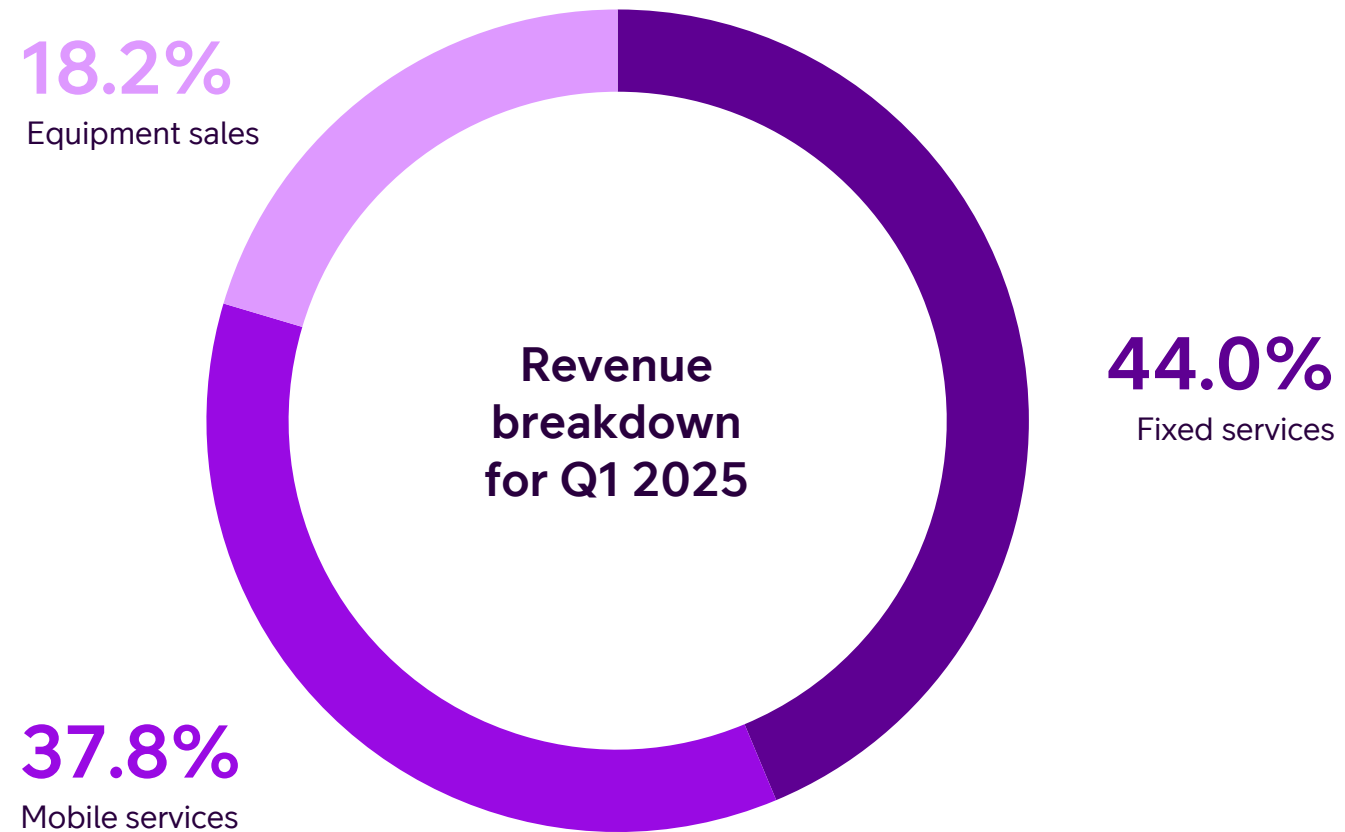
Financial ratios*

	31-03-2025	31-03-2024	31-03-2023
Return on capital employed (%)	22.1	18.7	15.4
Return on average assets (%)	15.4	13.4	11.0
Return on shareholders' equity (%)	20.6	18.7	18.8
Operating cash flow to sales (%)	37.0	33.6	32.5
Capex to sales (12 months' rolling) (%)	11.1	13.0	13.8
Net debt to EBITDA ratio	(0.07)	0.28	0.61
Gearing ratio (%)	(3.3)	12.7	26.9
Debt to equity ratio (%)	10.8	20.0	30.3
Current ratio (%)	109.2	79.0	71.1
Rate of turnover of assets (%)	81.0	77.6	74.2
Equity to assets ratio (%)	64.3	60.4	55.5
Price to earnings (P/E) ratio	12.6	14.9	19.5

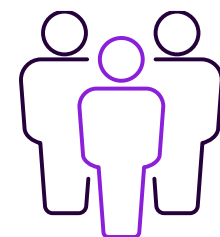
Notes: *Description of financial ratios and their calculation is provided at <https://www.telia.lt/eng/investors/financial-results>



Revenue



35.5%
Enterprises



64.5%
Consumers

(in thousands of EUR)	January - March 2025	January - March 2024	Change (%)
Fixed services	52,707	51,995	1.4
Voice telephony services	7,826	9,399	(16.7)
Internet services	20,518	19,564	4.9
Datacom and network capacity services	4,654	4,556	2.2
TV services	9,816	9,452	3.9
IT services	7,726	6,760	14.3
Other services	2,167	2,264	(4.3)
Mobile services	45,210	42,761	5.7
Billed services	43,298	40,843	6.0
Other mobile services	1,912	1,918	(0.3)
Equipment	21,834	24,229	(9.9)
Total	119,751	118,985	0.6

During the first quarter of 2025 revenue from all main services of the Company – mobile, Internet, TV and IT – were growing and contributed to the total service revenue grow over the year of 3.3 per cent. Revenue from sale of equipment was by almost 10 per cent lower than for the same quarter a year ago.

From 1 January 2025, the obligatory registration of all new pre-paid mobile communications service customers was introduced in Lithuania and that had a certain negative impact on intake of new pre-paid service subscriptions. During January-March of 2025, number of pre-paid mobile subscriptions went down by 55 thousand, while number of post-paid mobile subscriptions went up by 19 thousand. Nevertheless, over the last 12 months the total number of mobile subscriptions increased by 41 thousand. In addition, over the year volumes of mobile data used in the Company’s network increased by 24 per cent, whereof usage of 5G mobile data went up by 73 per cent.

Higher revenue per user led to increase in revenue from broadband Internet services despite decreased number of connections. During the first quarter of 2025, the number of fiber (FTTH/B) connections contracted by 1 thousand, while number of copper (DSL) connections went down by 2 thousand. Over the last 12 months, the total number of broadband Internet connections decreased by 8 thousand.

In 2025, Telia Lietuva started an exclusive partnership with Netflix by offering joint plans for Telia Play service users. In March, 12 selected movies from the annual film festival “Cinema Spring” were available at Telia Play platform, too. Unique content ensured increased in revenue from TV services in spite of lower number of TV service users. Over the last 12 months it went down by 2 thousand.

During the first three months of 2025, revenue stream from voice transit services was lower by 19.4 per cent than a year ago and pushed down the total revenue from voice telephony services, while revenue from retail voice telephony services declined in line with the decreased number of fixed telephone lines by 11.6 per cent.

Expenses

(in thousands of EUR)	January - March 2025	January - March 2024	Change (%)
Cost of goods and services	(41,566)	(44,581)	(6.8)
Operating expenses	(30,360)	(31,244)	(2.8)
Employee related	(16,794)	(16,544)	1.5
Other	(13,566)	(14,700)	(7.7)
Non-recurring expenses	(473)	(702)	(32.6)
Operating expenses (excl. non-recurring expenses)	(29,887)	(30,542)	(2.1)
Employee related	(16,458)	(16,247)	1.3
Other	(13,429)	(14,295)	(6.1)

Cost of goods and services for the first quarter of 2025 compared with the same period a year ago went down mainly due to lower equipment sale volume and continuously decreasing regulated network interconnection and roaming costs. Employee related expenses went up in spite of reduced number of employees due to higher employees' salaries. During January-March 2025, other expenses were under control and went down mainly due to 18.5 per cent lower expenses for energy.

During January-March 2025, the number of employees (headcounts) went down by 25 – from 1,781 to 1,756, and in terms of full-time employees by 17 – from 1,688 to 1,671. Over the last 12 months number of employees decreased by 178 – from 1,934 to 1,756, while in terms of full-time employees by 159 – from 1,830 to 1,671.

Non-recurring redundancy pay-outs for the first quarter of 2025 amounted to EUR 336 thousand (2024: EUR 297 thousand) and other non-recurring expenses mainly related to business transformation program amounted to EUR 137 thousand (2024: EUR 405 thousand).

Earnings

(in thousands of EUR)	January - March 2025	January - March 2024	Change (%)
EBITDA	47,819	43,378	10.2
Margin (%)	39.9	36.5	
Depreciation and amortisation	(20,514)	(20,966)	(2.2)
Operating profit (EBIT)	27,305	22,412	21.8
Margin (%)	22.8	18.8	
Non-recurring expenses	(473)	(702)	(32.6)
Gain (loss) on sale of property	-	140	
Adjusted EBITDA excluding non-recurring items	48,292	43,940	9.9
Margin (%)	40.3	36.9	
EBIT excluding non-recurring items	27,778	22,974	20.9
Margin (%)	23.2	19.3	

During the first quarter of 2025, the Company had no gain or loss on sale of property, while during the same period a year ago it recorded a non-recurring gain of EUR 140 thousand...

(in thousands of EUR)	January - March 2025	January - March 2024	Change (%)
Profit before income tax	26,498	20,888	26.9
Margin (%)	22.1	17.6	
Income tax	(3,899)	(2,723)	43.2
Profit for the period	22,599	18,165	24.4
Margin (%)	18.9	15.3	

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 to EUR 0.4 million (2024: EUR 1.2 million).

Financial position and cash flow

As of 31 March 2025, the total non-current assets amounted to 77.8 per cent (80 per cent a year ago), the total current assets – to 22.2 per cent (19.7 per cent), whereof cash and cash pool arrangement alone represented 9.1 per cent (4.4 per cent) of total assets. At the end of March 2025, shareholders' equity amounted to 64.3 per cent of the total assets (60.4 per cent a year ago).

(in thousands of EUR)	31-03-2025	31-12-2024	Change (%)
Total assets	620,074	610,614	1.5
Non-current assets	482,117	489,828	(1.6)
Current assets	137,906	120,735	14.2
whereof cash and cash pool arrangement	56,192	34,796	61.5
Assets for sale	51	51	-
Shareholders' equity	398,611	376,012	6.0

The Board proposed to the Annual General Meeting of Shareholders 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)	January - March 2025	January - March 2024	Change (%)
Net cash generated by operating activities	51,303	41,842	22.6
Purchase of PPE and intangible assets (Cash Capex)	(20,107)	(16,789)	19.8
Proceeds from disposal of PPE and intangible assets	80	463	(82.7)
Free cash flow	31,276	25,516	22.6
Increase (decrease) in lease liabilities	(3,233)	(3,245)	(0.4)
Operational free cash flow	28,043	22,271	25.9

Since January 2023, the Company had a 2-year agreement regarding Revolving Credit Facility with Telia Company AB that provides the Company with the possibility to borrow any amount up to total limit of EUR 50 million for 3 or 6 months within 2 business days. As of 31 March 2025, the Company had no outstanding loans borrowed from Telia Company. The outstanding amount of EUR 30 million of syndicated loan of EUR 60 million provided by SEB, Nordea and Danske banks in 2017 was repaid in full on 23 May 2024.

(in thousands of EUR)	31-03-2025	31-12-2024	31-03-2024
Loans from banks	-	-	30,000
Liabilities under reverse factoring agreements	42,873	50,150	45,025
Borrowings	42,873	50,150	75,025
Cash and cash equivalents	6,920	7,025	5,379
Cash pool arrangement	49,272	27,771	22,018
Net debt	(13,319)	15,354	47,628
Net debt to equity (Gearing) ratio (%)	(3.3)	4.1	12.7

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 liquidity.

Capital investments

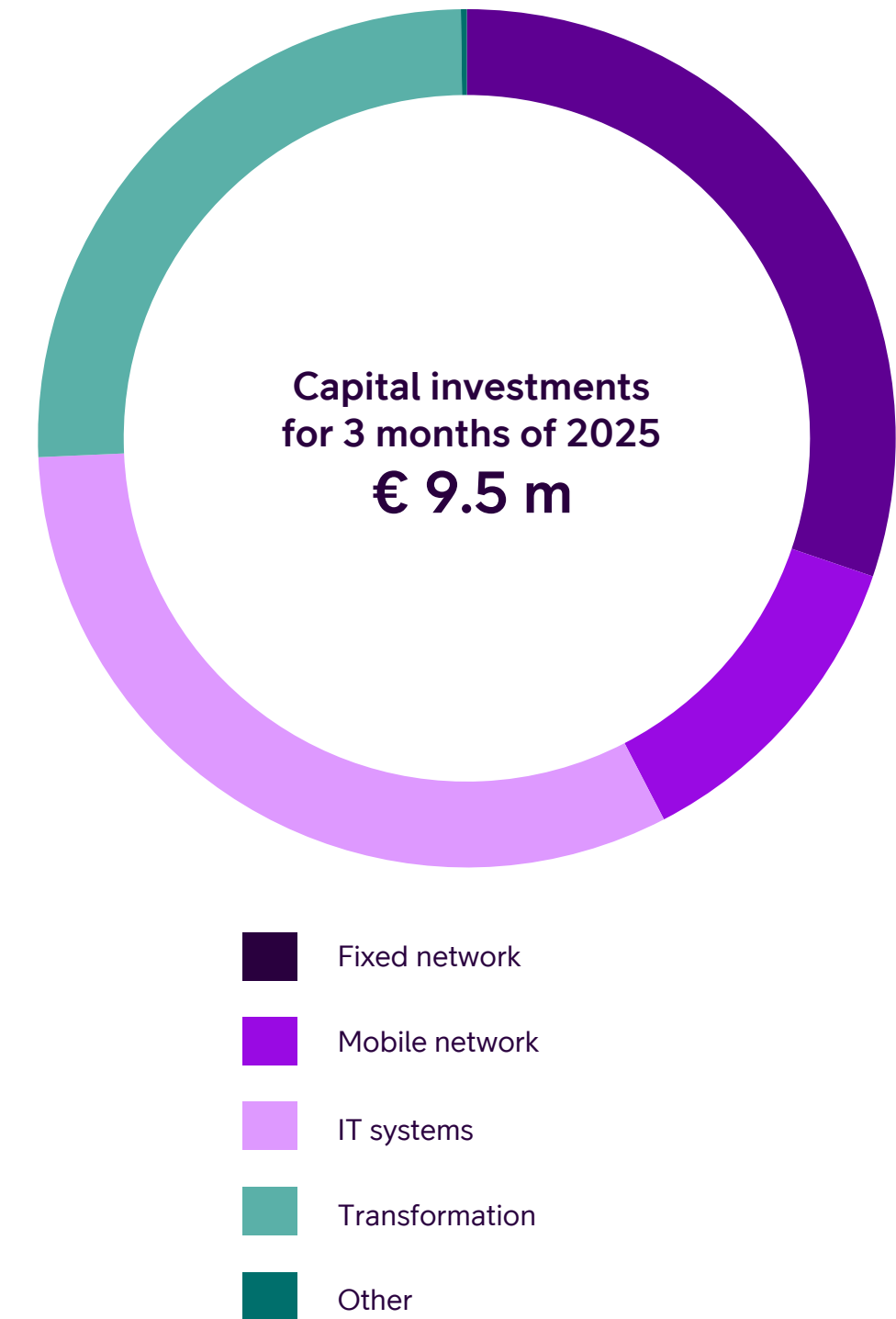
(in thousands of EUR)	January - March 2025	January - March 2024	Change (%)
Fixed network	2,872	6,660	(45.2)
Mobile network	1,158	6,113	(82.5)
IT systems and infrastructure	3,032	1,614	15.4
Transformation program	2,422	3,406	(26.9)
Other	21	17	214.1
Total capital investments	9,505	17,810	(46.6)
Capital investments to revenue ratio (%)	7.9	15.0	

During January-March 2025, the Company continued to invest into upgrade and expansion of its fixed and mobile networks. The Company also invested into development of TV and other telecommunication services.

According to the Communication Regulatory Authorities' measurement data, the average mobile data download speed in Telia Lietuva network remains the highest in the country and during 2024 amounted to 250 Mbps.

By the end of March 2025, the Company had 982 thousand households passed (975 thousand a year ago), or 63 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.



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-March 2025:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.57	1.655	1.465	1.64	1.62	2,903,203	4,701,837

Shareholders, holding more than 5 per cent of the share capital and votes, as on 31 March 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 (19 April 2024) for the Annual General Meeting of Shareholders, which was held on 26 April 2024, was 15,509.

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:

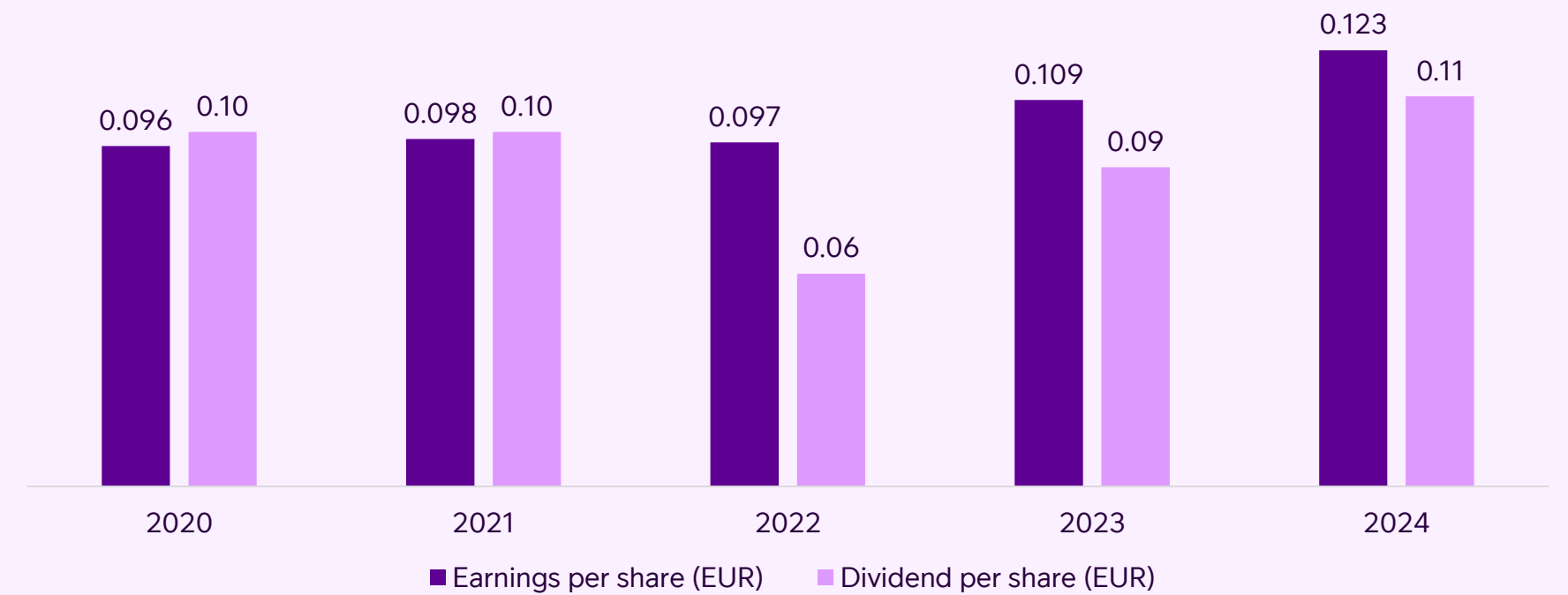
- the Company must maintain the net debt to EBITDA ratio not higher than 1.5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company’s net profit as dividend.

Following the dividend policy, the Board of the Company proposed to allocate EUR 64.1 million for the payment of dividends for the year 2024, i. e. EUR 0.11 dividend per share.

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

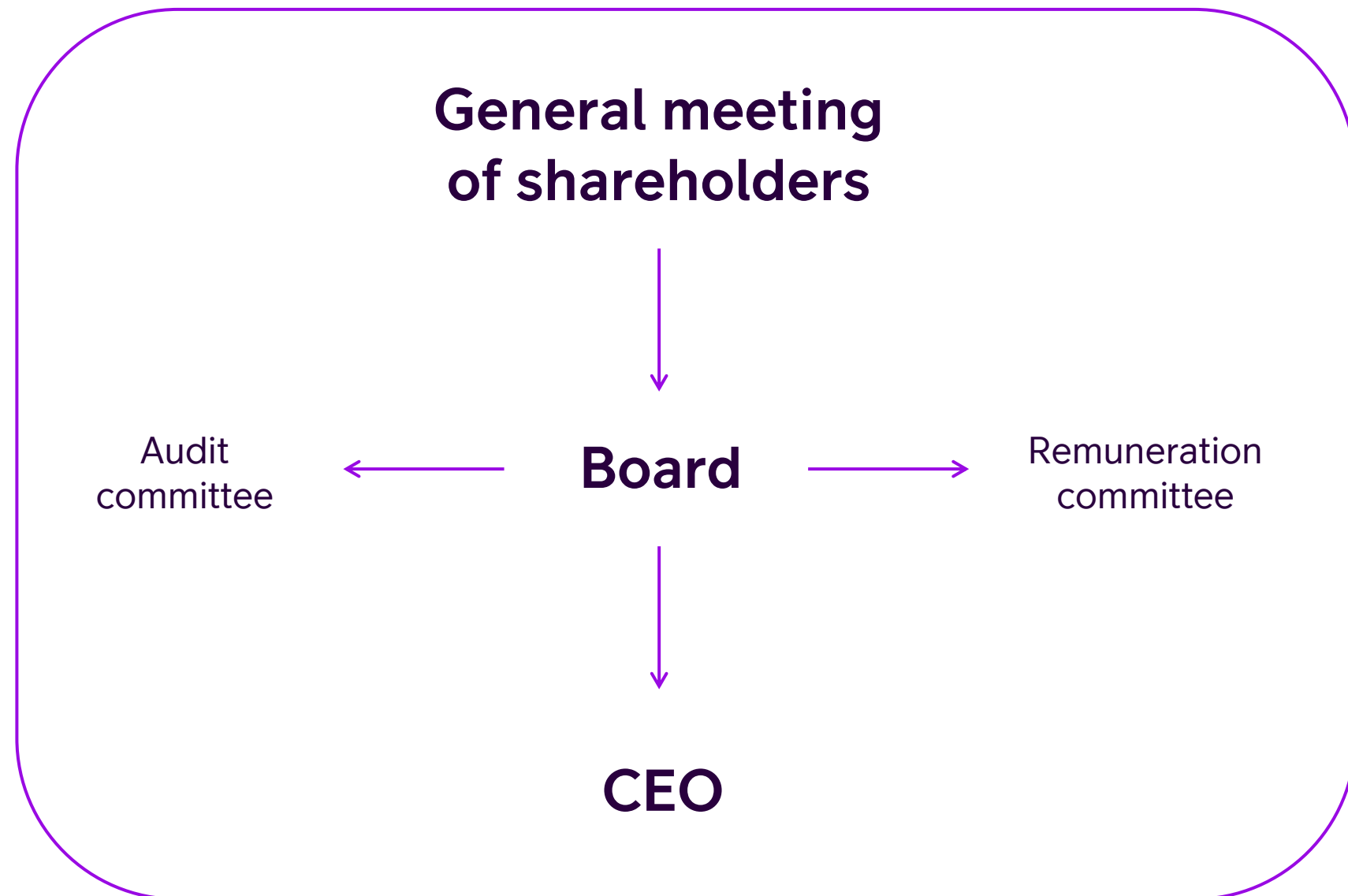
Information about the Company’s dividend pay-out during the last five years (in EUR thousand unless otherwise stated):

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.



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.

Decisions of the Board

On 2 April 2025, the Board of the Company proposed to the Annual General Meeting of shareholders:

- to allocate EUR 64.1 million for the payment of dividends for the year 2024, i. e. EUR 0.11 dividend per share,
- to 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.

Convocation of the Annual General Meeting

The Annual General Meeting will be held on 28 April 2025 with the following agenda proposed by the Board:

- Presentation by the Company’s auditor.
- Approval of the Company’s annual financial statements for the year 2024 and presentation of the Company’s annual report for the year 2024.
- Allocation of the Company’s profit for the year 2024.
- Approval of the Company’s Remuneration Report for the year 2024.
- Approval of amendment of the Company’s CEO and Board members remuneration policy.
- Regarding remuneration for audit services.
- Election of the Company’s Board members.
- Regarding the implementation of decisions.

Telia Company AB, as a shareholder of Telia Lietuva, AB holding 88.15 per cent of the Company’s shares and votes, proposed to the Annual General Meeting of Shareholders for the new two-year term of the Board to re-elect all 5 current members of the Board – Stefan Backman, Claes Nycander, Hannu-Matti Mäkinen, Leda Iržikevičienė (as an independent member of the Board) and Mindaugas Glodas (as an independent member of the Board) – and elect new member of the Board Annelie Lakner, who is Head of Group Treasury at Telia Company AB.

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,
Chair of the Audit Committee,
Member of the Remuneration Committee



Leda Iržikevičienė
Independent member of the Board,
Member of the Audit Committee



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

Management Team



**Giedrė
Kaminskaitė-
Salters**
CEO



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



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



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



**Andrius
Šemeškevičius**
Head of Technology



**Vygintas
Domarkas**
Head of Digital
Transformation



**Daina
Večkytė**
Head of Finance



**Ramūnas
Bagdonas**
Head of People &
Engagement



**Daiva
Kasperavičienė**
Head of Legal &
Corporate Affairs



**Vaida
Jurkonienė**
Head of Marketing &
Communication



**Vytautas
Bučinskas**
Head of Business
Assurance &
Transformation

Financial Statements

Statement of profit or loss and other comprehensive income

In thousands of EUR, except per share data		January – March	
	Notes	2025	2024
Revenue		119,751	118,985
Cost of goods and services		(41,566)	(44,581)
Employee related expenses		(16,794)	(16,544)
Other operating expenses		(13,566)	(14,700)
Other gain / (loss) – net		(6)	218
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(20,514)	(20,966)
Operating profit		27,305	22,412
Finance income		628	509
Finance costs		(1,435)	(2,033)
Finance and investment activities – net		(807)	(1,524)
Profit before income tax		26,498	20,888
Income tax	3	(3,899)	(2,723)
Profit for the year		22,599	18,165
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		22,599	18,165
Profit and comprehensive income attributable to:			
Owners of the Parent		22,599	18,165
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (EUR)	4	0.039	0.031

Statement of financial position

In thousands of EUR		As at 31 March	As at 31 December
	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	235,897	243,694
Goodwill	7	26,769	26,769
Intangible assets	7	139,772	140,136
Right-of-use assets	8	48,918	47,177
Costs to obtain contract		5,737	5,587
Contract asset		285	423
Trade and other receivables		19,610	20,497
Finance lease receivables		5,129	5,545
		482,117	489,828
Current assets			
Inventories		12,067	13,037
Contract assets		1,300	1,375
Trade and other receivables		62,582	65,859
Current income tax assets		-	-
Finance lease receivables		5,765	5,668
Cash pool receivables		49,272	27,771
Cash and cash equivalents		6,920	7,025
		137,906	120,735
Assets classified as held for sale		51	51
Total assets		620,074	610,614

In thousands of EUR		As at 31 March	As at 31 December
	Notes	2025	2024
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued share capital	9	168,958	168,958
Legal reserve	10	16,896	16,896
Retained earnings		212,757	190,158
Equity attributable to owners of the Company		398,611	376,012
Total equity		398,611	376,012
LIABILITIES			
Non-current liabilities			
Lease liabilities		45,806	44,474
Deferred tax liabilities		18,253	17,592
Deferred revenue and accrued liabilities		17,704	18,394
Provisions	11	13,446	13,462
		95,209	93,922
Current liabilities			
Trade, other payables and accrued liabilities		61,315	69,738
Current income tax liabilities		3,942	2,835
Borrowings		42,873	50,150
Contract liability		3,078	3,067
Lease liabilities		15,046	14,890
		126,254	140,680
Total liabilities		221,463	234,602
Total equity and liabilities		620,074	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	-	-	18,165	18,165
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	18,165	18,165
Dividends paid for 2023	-	-	-	-
Balance at 31 March 2024	168,958	16,896	189,139	374,993
Balance at 1 January 2025	168,958	16,896	190,158	376,012
Profit for the year	-	-	22,599	22,599
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	22,599	22,599
Dividends paid for 2024	-	-	-	-
Balance at 31 March 2025	168,958	16,896	212,757	398,611

Statement of cash flows

In thousands of EUR		January – March	
	Notes	2025	2024
Operating activities			
Profit for the year		22,599	18,165
Adjustments for:			
Income tax expenses recognized in profit or loss	3	3,899	2,723
Depreciation, amortisation and impairment charge	6	20,518	21,662
Other gain / (loss) – net		48	(250)
Interest income		(628)	(509)
Interest expenses		1,421	2,026
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Inventories / Assets held for sale		1,254	(3,413)
Trade and other receivables		3,866	3,448
Decrease/(increase) in contract assets		213	16
Decrease/(increase) in contract costs		(150)	(23)
Increase/(decrease) trade, other payables and accrued liabilities, deferred tax liabilities		1,732	1,689
Increase/(decrease) in contract liabilities		11	9
Increase/(decrease) in deferred revenue and accrued liabilities		(681)	(678)
Increase/(decrease) in provisions	11	(16)	(21)
Cash generated from operations		54,086	44,844
Interest paid		(969)	(1,505)
Interest received		317	72
Income taxes paid		(2,131)	(1,569)
Net cash generated by operating activities		51,303	41,842

In thousands of EUR		January – March	
	Notes	2025	2024
Investing activities			
Purchase of property, plant and equipment and intangible assets		(20,107)	(16,789)
Proceeds from disposal of property, plant and equipment and intangible assets		80	463
Proceeds from / repayments for finance sublease receivables		630	1,083
Receipt of asset-related government grant		-	196
Net cash used in investing activities		(19,397)	(15,047)
Financing activities			
Repayment of borrowings		(22,987)	(43,757)
Proceeds from borrowings		15,710	27,000
Increase (decrease) in lease liabilities		(3,233)	(3,245)
Dividends paid to shareholders		-	-
Net cash received in financing activities		(10,510)	(20,002)
Increase (decrease) in cash and cash equivalents		21,396	6,793
Movement in cash and cash equivalents			
At the beginning of the financial year		34,796	20,604
Increase (decrease) in cash and cash equivalents		21,396	6,793
At the end of the financial year		56,192	27,397

Notes to the financial statements

1 Basic of preparation

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

The financial statements have been prepared mainly under the historical cost convention.

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

These financial statements for the period ended 31 March 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 March 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 March 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

	January – March	
	2025	2024
Current tax expenses	3,238	2,363
Deferred tax change	661	360
Total	3,899	2,723

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 0.4 million (2024: EUR 1.2 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

	January – March	
	2025	2024
Net profit	22,559	18,165
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613
Basic earnings per share (EUR)	0.039	0.031

5 Dividends per share

A dividend that relates to the period to 31 December 2023 was approved by the Annual General Meeting of Shareholders on 26 April 2024. The total amount of allocated dividend, that was paid off in May 2024, is EUR 52,435 thousand or EUR 0.09 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 – March	
	2025	2024
Depreciation of property, plant and equipment (Note 6)	11,180	11,245
Impairment of property, plant and equipment (Note 6)	17	6
Amortisation of intangible assets (Note 7)	6,337	6,963
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	2,980	2,752
Total	20,514	20,966
Impairment of assets classified as held for sale	-	-
Total	20,514	20,966

Notes to the financial statements

6 Property, plant and equipment (continued)

In thousands of EUR	Land and buildings	Ducts and telecommunication equipment	Other tangible fixed assets	Construction in progress	Total
Three months ended 31 March 2024					
Opening net book amount	8,249	218,849	10,944	15,696	253,738
Additions	-	-	-	11,847	11,847
Reclassifications	35	(36)	-	(80)	(81)
Disposals and write-offs	(29)	(55)	(2)	-	(86)
Transfers from construction in progress	341	12,591	876	(13,808)	-
Depreciation charge	(278)	(9,790)	(1,177)	-	(11,245)
Impairment charge	-	(6)	-	-	(6)
Closing net book amount	8,318	221,553	10,641	13,655	254,167
At 31 March 2024					
Cost	27,722	762,276	50,434	13,655	854,087
Accumulated depreciation	(19,363)	(539,855)	(39,792)	-	(599,010)
Impairment charge	(41)	(868)	(1)	-	(910)
Net book amount	8,318	221,553	10,641	13,655	254,167
Three months ended 31 March 2025					
Opening net book amount	6,979	208,278	8,414	20,023	243,694
Additions	-	-	-	3,849	3,849
Reclassifications	-	-	-	(322)	(322)
Disposals and write-offs	(1)	(121)	(5)	-	(127)
Transfers from construction in progress	319	9,484	3,495	(13,298)	-
Depreciation charge	(320)	(9,910)	(950)	-	(11,180)
Impairment charge	-	(17)	-	-	(17)
Closing net book amount	6,977	207,714	10,954	10,252	235,897
At 31 March 2025					
Cost	26,330	760,779	49,319	10,252	846,680
Accumulated depreciation	(19,312)	(552,305)	(38,364)	-	(609,981)
Impairment charge	(41)	(760)	(1)	-	(802)
Net book amount	6,977	207,714	10,954	10,252	235,897

7 Intangible assets

In thousands of EUR	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Three months ended 31 March 2024					
Opening net book amount	80,763	26,769	24,366	36,613	168,511
Additions	-	-	-	5,963	5,963
Reclassifications	-	-	-	83	83
Disposals and write-offs	(28)	-	(1)	-	(29)
Transfers to other accounts	10,197	-	-	(10,197)	-
Amortization charge	(6,104)	-	(859)	-	(6,963)
Closing net book amount	84,828	26,769	23,506	32,462	167,565
At 31 March 2024					
Cost	185,777	29,408	53,124	32,462	300,771
Accumulated amortization	(100,949)	-	(29,618)	-	(130,567)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	84,828	26,769	23,506	32,462	167,565
Three months ended 31 March 2025					
Opening net book amount	73,154	26,769	20,927	46,055	166,905
Additions	-	-	-	5,652	5,652
Reclassifications	-	-	-	322	322
Disposals and write-offs	-	-	(1)	-	(1)
Transfers to other accounts	38,887	-	-	(38,887)	-
Amortization charge	(5,478)	-	(859)	-	(6,337)
Closing net book amount	106,563	26,769	20,067	13,142	166,541
At 31 March 2025					
Cost	228,846	29,408	53,123	13,142	324,519
Accumulated depreciation	(122,283)	-	(33,056)	-	(155,339)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	106,563	26,769	20,067	13,142	166,541

Notes to the financial statements

8 Right-of-use-assets

In thousands of EUR	Land and premises	Dark fibre	Equipment rent	Other	Total
Three months ended 31 March 2024					
Opening net book amount	33,993	8,413	-	2,728	45,134
Additions	355	-	749	38	1,142
Lease modifications	1,765	18	-	365	2,148
Disposals and write-offs	-	-	(749)	-	(749)
Amortization charge	(2,249)	(271)	-	(232)	(2,752)
Closing net book amount	33,864	8,160	-	2,899	44,923
At 31 March 2024					
Cost	74,575	14,324	-	4,807	93,706
Accumulated amortization	(40,711)	(6,164)	-	(1,908)	(48,783)
Net book amount	33,864	8,160	-	2,899	44,923
Three months ended 31 March 2025					
Opening net book amount	34,807	9,433	-	2,937	47,177
Additions	261	-	1,144	235	1,640
Lease modifications	4,385	(27)	-	(133)	4,225
Disposals and write-offs	-	-	(1,144)	-	(1,144)
Amortization charge	(2,423)	(298)	-	(259)	(2,980)
Closing net book amount	37,030	9,108	-	2,780	48,918
At 31 March 2025					
Cost	87,293	16,423	-	5,784	109,500
Accumulated depreciation	(50,263)	(7,315)	-	(3,004)	(60,582)
Net book amount	37,030	9,108	-	2,780	48,918

9 Issued 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 March 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			
	-	13,039	13,039
Additions	-	-	-
Discounting	-	-	-
Used provisions	-	(21)	(21)
Adjustment for change in discount rate, timing	-	42	42
Closing net book amount at 31 March 2024	-	13,060	13,060
Closing net book amount at 31 December 2024			
	-	13,462	13,462
Additions	-	-	-
Discounting	-	-	-
Used provisions	-	(16)	(16)
Adjustment for change in discount rate, timing	-	-	-
Closing net book amount at 31 March 2025	-	13,446	13,446

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

The following transactions were carried out with related parties:

In thousands of EUR	January – March	
	2025	2024
Sales of telecommunication and other services to Telio Company AB and its subsidiaries:		
Sales of telecommunication and other services	1,869	2,515
of which Telio Company AB	-	-
Cash pool interest income	244	119
Sales of assets	-	-
Other sales	-	-
Total sales of telecommunication and other services	2,113	2,634
Purchases of assets and services from Telio Company AB and its subsidiaries:		
Purchases of services	3,388	3,845
of which Telio Company AB	3,052	3,065
Interest expenses on borrowings (incl. commitment fee)	6	196
Purchases of assets	-	22
Other purchases	61	7
Total purchases of assets and services	3,455	4,070

Receivables and accrued revenue from related parties:

In thousands of EUR	January – March	
	2025	2024
Receivables and accrued revenue from Telio Company AB and its subsidiaries:		
Short-term receivables	149	541
of which Telio Company AB	9	328
Interest bearing receivables (cash pool)	49,272	22,018
Accrued revenue	242	305
Total receivables and accrued revenue	49,663	22,864

In January 2024, the Company has entered into agreement with Telio Company AB and Telio 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.

Payables and accrued expenses to related parties:

In thousands of EUR	January – March	
	2025	2024
Payables and accrued expenses to Telio Company AB and its subsidiaries:		
Short-term payables	3,892	2,013
of which Telio Company AB	2,810	1,064
Accrued expenses	86	10
Total payables and accrued expenses	3,978	2,023

On 10 January 2023, the Company had signed 2-years agreement regarding revolving credit facility with Telio Company AB that provides the Company 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. As at 31 March 2025 and 31 March 2024, the Company had no outstanding internal loans provided by Telio Company AB.

In May 2024, the Company paid-out to Telio Company an amount of EUR 46.2 million as dividend for the year 2023.

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 3 months' period ended 31 March 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, 23 April 2025



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
Registered office	Saltoniškių str. 7A, LT-03501 Vilnius, Lithuania
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