



Interim Report January-March 2024

Telia Lietuva, AB

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Management Report

CEO comment

During the first quarter of 2024 we continued our journey in achieving our strategic goals by inspiring customers, connecting everyone, transforming to digital and delivering sustainably.

The latest data released by Communications Regulatory Authority clearly indicates Telia Lietuva's leadership in deploying the next generation 5G communication: 93-95 per cent of the country's territory is covered by the Company's 5G network and weighted average data download speed in our mobile network during the first quarter of 2024 amounted to 263.6 Mbps. As a result, our customers are the heaviest mobile data users in Lithuania starting from the second quarter of 2023.

In response to continuously growing data flow, development of Internet of Things and other high-speed demanding technologies, we have upgraded our fiber optic backbone network (DWDM) and achieved 800 Gbps data speed between Vilnius and Kaunas.

We continue to expand our IT service portfolio. Telia Lietuva is the first in the Baltic states to provide "Oracle Database as a Service" service to B2B customers.

From February subscribers of prepaid mobile communication service "Ežys" and from March – subscribers of post-paid service can enjoy the new "Ežys" and My Telia apps.

Mobile communication and IT services are behind our continuous growth. During January-March of 2024 our service revenue went up by 4.6 per cent, while both fixed and mobile equipment sales declined by 9.6 per cent. Total revenue growth combined with costs control led to adjusted EBITDA margin increase over the year by 1.6 percentage points to 36.9 per cent.

In April 2024, the Company's Board, following the revised dividend policy that provides for the allocation of a dividend payout of not more than 80 per cent of the Company's free cash flow and not more than 100 per cent of the previous year's net profit, proposed to the Annual General Meeting of shareholders to approve the pay out EUR 0.09 of dividend per share for the year 2023.

In pursuit of the Company's goal of halving greenhouse gas emissions in the entire value chain by 2030 and reducing greenhouse gas emissions in our own operations by 90 per cent, we continue the electrification of our transportation fleet and construction of our own network of charging stations.

Having teamed up with Lithuanian autism association "Lietaus vaikai" (Children of the Rain) we will become more accessible to all of our customers with the help of the "Invisible Disability Sunflower" ribbon. Persons with invisible disabilities can pick up a ribbon marked with sunflowers at Telia Lietuva's customer care shops and our trained staff will be able to assist them.

Our sustainability activities were noticed by society. According to research of Sustainable Brand Index, Lithuanians consider Telia Lietuva as the most sustainable telecommunication operators in the country and ranked us in the 10th place among all Lithuanian undertakings.

As the geopolitical situation is showing no signs of easing, Telia Lietuva alongside with the other leading companies in the country, have come out with the "4% initiative", which is asking for the Government of Lithuania to find a way to finance up to 4% GDP spending on defense, including through increased taxation.

Giedrė Kaminskaitė-Salters
CEO of Telia Lietuva



Financial highlights of Q1 2024



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 1.3%

and amounted to EUR 119 million
(2023: EUR 117.4 million)

EBITDA increased by 7.1%

and amounted to EUR 43.4 million
(2023: EUR 40.5 million)

Capital investments up by 10.1%

amounted to EUR 17.8 million
(2023: EUR 16.2 million)

Adjusted EBITDA up by 6.2%

to EUR 43.9 million (2023: EUR 41.4 million)

Profit for the period went up by 11.8%

to EUR 18.2 million (2023: EUR 16.2 million)

Free cash flow went up by 57.4%

and amounted to EUR 25.7 million
(2023: EUR 16.3 million)

Financial figures

(in thousands of EUR unless otherwise stated)	January - March 2024	January - March 2023	Change (%)	January - March 2022
Revenue	118,985	117,402	1.3	104,212
Adjusted EBITDA excluding non-recurring items	43,940	41,386	6.2	35,582
Adjusted EBITDA margin excluding non-recurring items (%)	36.9	35.3		34.1
EBITDA	43,378	40,515	7.1	35,687
EBITDA margin (%)	36.5	34.5		34.2
Operating profit (EBIT) excluding non-recurring items	22,974	20,178	13.9	14,832
EBIT margin excluding non-recurring items (%)	19.3	17.2		14.2
Operating profit (EBIT)	22,412	19,307	16.1	14,937
EBIT margin (%)	18.8	16.4		14.3
Profit before income tax	20,888	18,231	14.6	14,264
Profit before income tax margin (%)	17.6	15.5		13.7
Profit for the period	18,165	16,244	11.8	12,179
Profit for the period margin (%)	15.3	13.8		11.7
Earnings per share (EUR)	0.031	0.028	11.8	0.021
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.675	2.02	(17.1)	1.99
Market capitalisation at the end of period	975,877	1,176,879	(17.1)	1,159,400
Total assets	620,493	620,678	0.0	650,444
Shareholders' equity	374,993	344,435	8.9	342,233
Cash flow from operations	42,025	42,419	(0.9)	34,226
Free cash flow	25,712	16,337	57.4	17,577
Capital investments (Capex)	17,810	16,177	10.1	13,280
Net debt	47,628	92,741	(48.6)	77,523

Operating figures

	31-03-2024	31-03-2023	Change (%)	31-03-2022
Mobile service subscriptions, in total (thousand)	1,626	1,599	1.7	1,532
— Post-paid (thousand)	1,320	1,282	3.0	1,245
— Pre-paid (thousand)	306	317	(3.5)	287
Broadband Internet connections, in total (thousand)	425	427	(0.5)	422
— Fiber-optic (FTTH/B) (thousand)	315	314	0.3	306
— Copper (DSL, VDSL) (thousand)	110	113	(2.7)	116
TV service customers (thousand)	260	258	0.8	254
Fixed telephone lines in service (thousand)	172	193	(10.9)	223
Number of personnel (headcounts)	1,934	2,007	(3.6)	2,101
Number of full-time employees	1,830	1,883	(2.8)	1,954

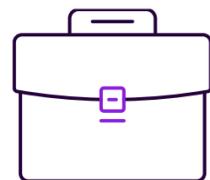
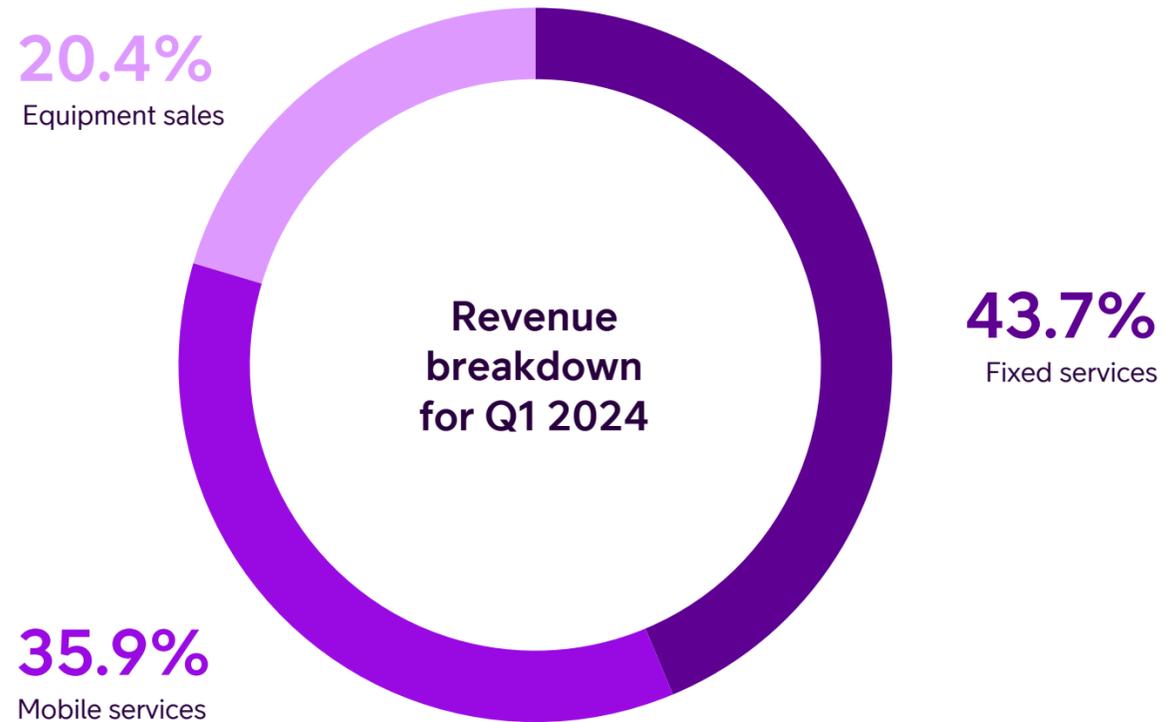
Financial ratios*

	31-03-2024	31-03-2023	31-03-2022
Return on capital employed (%)	18.7	15.4	13.1
Return on average assets (%)	13.4	11.0	9.7
Return on shareholders' equity (%)	18.7	18.8	17.4
Operating cash flow to sales (%)	33.6	32.5	30.2
Capex (excl. mobile licenses) to sales (%)	15.0	13.8	22.4
Net debt to EBITDA ratio	0.28	0.61	0.56
Gearing ratio (%)	12.7	26.9	22.7
Debt to equity ratio (%)	20.0	30.3	46.0
Current ratio (%)	79.0	71.1	87.8
Rate of turnover of assets (%)	77.6	74.2	67.9
Equity to assets ratio (%)	60.4	55.5	52.6
Price to earnings (P/E) ratio	14.9	19.5	20.7

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



Revenue



36.5%
Enterprises



63.5%
Consumers

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
Fixed services	51,995	50,869	2.2
Voice telephony services	9,399	10,198	(7.8)
Internet services	19,564	18,394	6.4
Datacom and network capacity services	4,556	4,462	2.1
TV services	9,452	9,334	1.3
IT services	6,760	5,981	13.0
Other services	2,264	2,500	(9.4)
Mobile services	42,761	39,745	7.6
Billed services	40,843	36,448	12.1
Other mobile services	1,918	3,297	(41.8)
Equipment	24,229	26,788	(9.6)
Total	118,985	117,402	1.3

Service revenue fueled by continuous double-digit growth in revenue from billed mobile services and IT services increased by 4.6 per cent, while equipment sale for the first quarter of 2024 contracted by almost a tenth compared with the same period a year ago.

During January-March of 2024, number of post-paid mobile subscriptions eased by 3 thousand and pre-paid – by 14 thousand, but over the last 12 months the total number of mobile subscriptions increased by 27 thousand. Expanding customer base combined with higher mobile data usage resulted in continuous growth in revenue from billed mobile services. Revenue from other mobile services went down due to ongoing regulation of network interconnection fees.

Over the last 12 months number of FTTH/B connections increased by 1 thousand, while number of DSL connections went down by 3 thousand. Price adjustment activities led to increase in revenue from broadband Internet services despite contracted number of connections.

Compared with end of March 2023, the number of TV service users over the year increased by 2 thousand and in combination with more of unique content offered on Telia Play platform resulted in moderate revenue from TV services increase.

The Company’s IT services provided to B2B customers portfolio was expanded with “Oracle Database as a Service”.

Decrease in revenue from retail voice telephony services that directly reflects the continues decline in number of fixed lines was partially off-set by revenue from voice transit.

Expenses

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
Cost of goods and services	(44,581)	(46,451)	(4.0)
Operating expenses	(31,244)	(30,432)	2.7
Employee related	(16,544)	(15,025)	10.1
Other	(14,700)	(15,407)	(4.6)
Non-recurring expenses	(702)	(739)	(5.0)
Operating expenses (excl. non-recurring expenses)	(30,542)	(29,693)	2.9
Employee related	(16,247)	(14,712)	10.4
Other	(14,295)	(14,981)	(4.6)

Lower equipment sale volume and decreased network interconnection and roaming costs resulted in lower total cost of goods and services for the first quarter of 2024 compared with the same period a year ago. Employee related expenses increased due to higher employees' salaries in 2024 than a year ago. During January-March 2024, expenses for energy were just 3.2 per cent higher than for the same period in 2023, while advertising expenses went down by 44.3 per cent and resulted in overall lower level of other operating expenses.

During January-March 2024, the number of employees remained stable, while over the last 12 months the total number of employees (headcounts) went down by 73 – from 2,007 to 1,934, and in terms of full-time employees by 53 – from 1,883 to 1,830.

Non-recurring redundancy pay-outs for the first quarter of 2024 amounted to EUR 297 thousand (2023: EUR 313 thousand) and other non-recurring expenses mainly related to business transformation program amounted to EUR 405 thousand (2023: EUR 426 thousand).

Earnings

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
EBITDA	43,378	40,515	7.1
Margin (%)	36.5	34.5	
Depreciation and amortisation	(20,966)	(21,208)	(1.1)
Operating profit (EBIT)	22,412	19,307	16.1
Margin (%)	18.8	16.4	
Non-recurring expenses	(702)	(739)	(5.0)
Gain (loss) on sale of property	140	(132)	
Adjusted EBITDA excluding non-recurring items	43,940	41,386	6.2
Margin (%)	36.9	35.3	
EBIT excluding non-recurring items	22,974	20,178	13.9
Margin (%)	19.3	17.2	

During the first quarter of 2024, the Company recorded a non-recurring gain of EUR 140 thousand from sale of property, while during the same period a year ago suffered a loss of EUR 132 thousand on revaluation of property for sale..

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
Profit before income tax	20,888	18,231	14.8
Margin (%)	17.6	15.5	
Income tax	(2,723)	(1,987)	37.0
Profit for the period	18,165	16,244	11.8
Margin (%)	15.3	13.8	

The profit tax rate in Lithuania is 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 2024 amounted to EUR 1.2 million (2023: EUR 0.9 million).

Financial position and cash flow

As of 31 March 2024, the total non-current assets amounted to 80 per cent (82.3 per cent a year ago), the total current assets – to 19.7 per cent (17.6 per cent), whereof cash and cash pool arrangement alone represented 4.4 per cent (1.9 per cent) of total assets. At the end of March 2023, shareholders' equity amounted to 60.4 per cent of the total assets (55.5 per cent a year ago).

(in thousands of EUR)	31-03-2024	31-12-2023	Change (%)
Total assets	620,493	616,121	0.7
Non-current assets	496,629	498,415	(0.4)
Current assets	122,448	116,234	5.3
whereof cash and cash pool arrangement	27,397	20,604	33.0
Assets for sale	1,416	1,472	(3.8)
Shareholders' equity	374,993	356,828	5.1

The Board proposed to the Annual General Meeting of Shareholders from the Company's distributable profit of EUR 171 million to allocate EUR 52.4 million for the payment of dividends for the year 2023, i. e. EUR 0.09 dividend per share, and carry forward to the next financial year an amount of EUR 118,5 million as retained earnings (undistributed profit)

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
Net cash generated by operating activities	42,025	42,419	(0.9)
Purchase of PPE and intangible assets (Cash Capex)	(16,734)	(26,374)	(36.6)
Proceeds from disposal of PPE and intangible assets	421	292	44.2
Free cash flow	25,712	16,337	57.4
Increase (decrease) in lease liabilities	(3,245)	(2,264)	43.3
Operational free cash flow	22,467	14,073	59.6

Since January 2023, the Company has an 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. During the first quarter of 2024, the Company has repaid the outstanding loans to Telia Company in total of EUR 25 million.

(in thousands of EUR)	31-03-2023	31-12-2023	31-03-2023
Loans from banks	30,000	30,000	30,000
Loans from Telia Company AB	-	25,000	30,000
Liabilities under reverse factoring agreements	45,025	36,782	44,317
Borrowings	75,025	91,782	104,317
Cash and cash equivalents	5,379	20,604	11,576
Cash pool arrangement	22,018	-	-
Net debt	47,628	71,178	92,741
Net debt to equity (Gearing) ratio (%)	12.7	19.9	26.9

The outstanding EUR 30 million syndicated loan from SEB, Nordea and Danske banks will be repaid in full on 23 May 2024.

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. To mitigate negative impact of increased interest rates the Company has renegotiated terms and conditions of some agreements with vendors as well as onboarded new vendors to SIF program.

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.

Capital investments

(in thousands of EUR)	January - March 2024	January - March 2023	Change (%)
Fixed network	6,660	6,111	9.0
Mobile network	6,113	3,863	58.2
IT systems and infrastructure	1,614	2,512	(35.7)
Transformation program	3,406	3,559	(4.3)
Other	17	132	(87.1)
Total capital investments	17,810	16,177	10.1
Capital investments to revenue ratio (%)	15.0	13.8	

During January-March 2024, the Company continued to invest into upgrade and expansion of its core network and network infrastructure to ensure further 5G mobile network roll-out with deployment of ultra-high-speed base stations at existing sites. As a result of fiber optic backbone network (DWDM) upgraded 800 Gbps data speed between Vilnius and Kaunas was reached.

According to the latest Communication Regulatory Authorities measurement data, the weighted average mobile data download speed in Telia Lietuva network remains the highest in the country and during the first quarter of 2024 amounted to 263.6 Mbps (160 Mbps a year ago).

By the end of March 2024, the Company had 975 thousand households passed (968 thousand a year ago), or 65 per cent of the country's households, by the fiber-optic network.

The business transformation program that implies customers and business management systems migration from legacy systems into new SAP based ones is taking its momentum.



- Fixed network
- Mobile network
- IT systems
- Transformation
- Other

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 2024:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.66	1.735	1.65	1.675	1.693	886,007	1,500,152

Shareholders, holding more than 5 per cent of the share capital and votes, as on 31 March 2024:

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 October 2023) for the last General Meeting of Shareholders, which was held on 24 October 2023, was 14,956.

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:

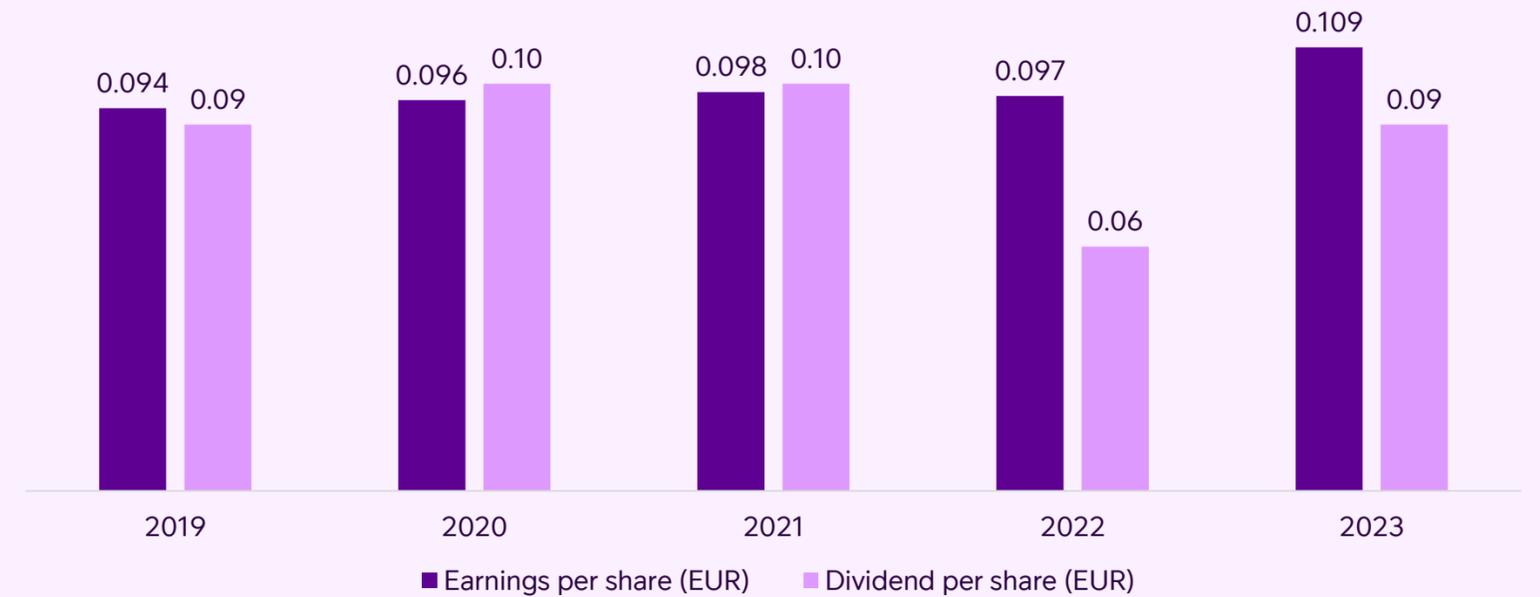
- the Company must maintain the net debt to EBITDA ratio not higher than 1.5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company's net profit as dividend.

Following the revised dividend policy, the Board of the Company proposed to allocate EUR 52.4 million for the payment of dividends for the year 2023, i. e. EUR 0.09 dividend per share.

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

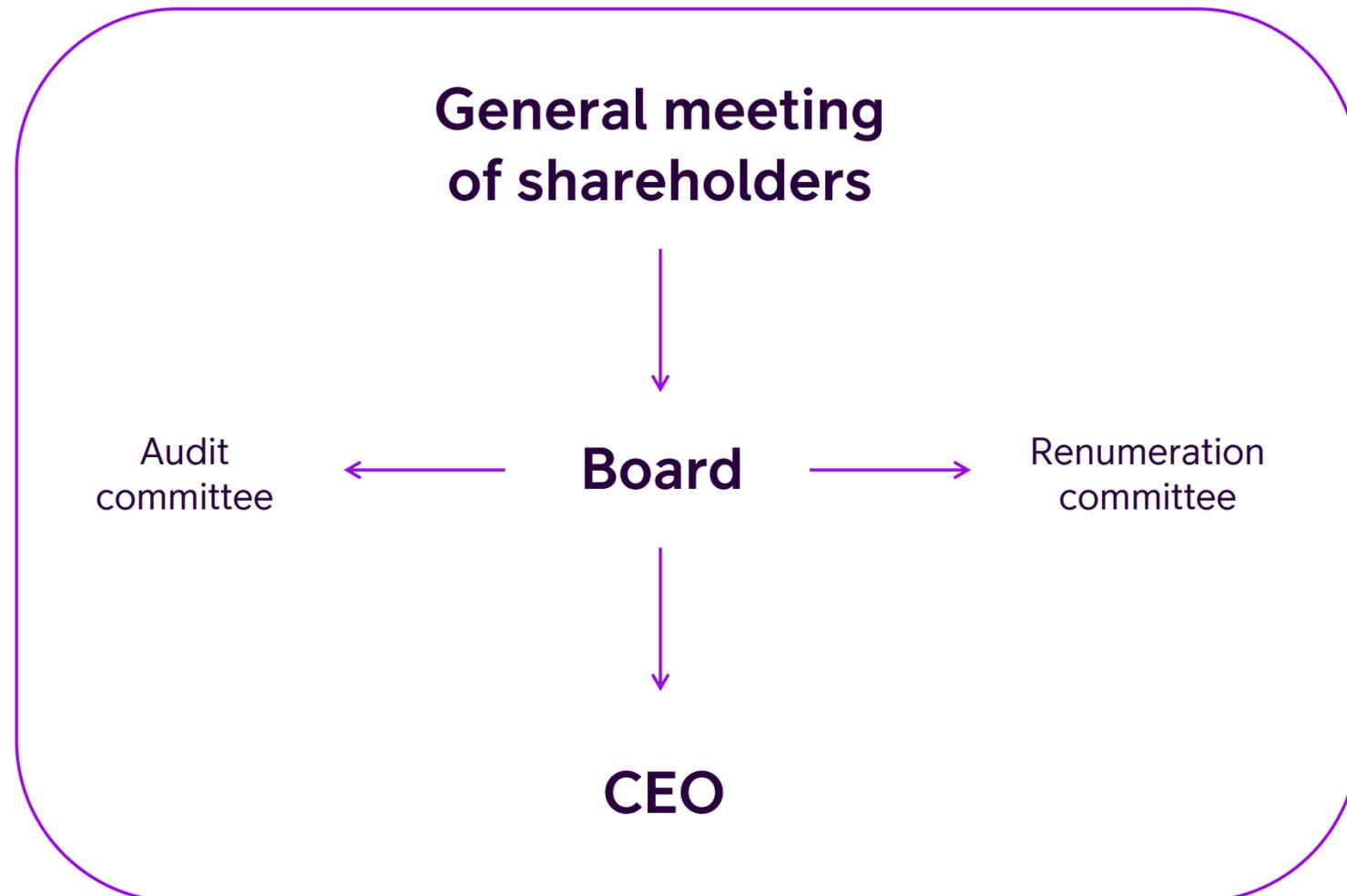
Information about the Company's dividend pay-out during the last five years (in EUR thousand unless otherwise stated):

Year	Profit for the period	Earnings per share (EUR)	Dividends paid	Dividend per share (EUR)	Dividends to profit ratio (%)
2019	54,726	0.094	52,435	0.09	95.8
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



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.



On 4 April 2024, Dan Strömberg, Chair of the Board, has submitted his letter of resignation from the Board of the Company as of 25 April 2024. Telia Company AB, as a shareholder holding 88.15 per cent of the Company’s shares and votes, for the forthcoming Annual General Meeting of Shareholders proposed to elect Mr. Per Stefan Backman, Executive Vice President, Group General Counsel and Head of Corporate Affairs at Telia Company AB, to the Board of Telia Lietuva, AB for the current term of the Board.

Decisions of the Board

On 4 April 2024, the Board of the Company proposed to the Annual General Meeting of shareholders:

- to allocate EUR 52.4 million for the payment of dividends for the year 2023, i. e. EUR 0.09 dividend per share,
- to allocate EUR 37 thousand for tantiemes for the year 2023 to two independent members of the Board – Leda Iržikevičienė and Mindaugas Glodas – EUR 18.5 thousand each.
- taking into consideration that UAB Deloitte Lietuva has audited Telia Lietuva, AB for 10 years and Telia Company, a parent company of Telia Lietuva, has chosen KPMG as the audit enterprise, proposed to the Annual General Meeting of Shareholders to recall UAB Deloitte Lietuva as the Company’s audit enterprise and elect KPMG Baltics, UAB as the Company’s audit enterprise for the year 2024 and 2025.

Convocation of the Annual General Meeting

The Annual General Meeting will be held on 26 April 2024 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 2023 and presentation of the Company’s annual report for the year 2023.
- Allocation of the Company’s profit for the year 2023.
- Approval of the Company’s Remuneration Report for the year 2023.
- Approval of new edition of the Company’s CEO and Board members remuneration policy.
- Regarding the Company’s auditor.
- Election of the Company’s Board members.
- Regarding the implementation of decisions.

Members of the Board



Dan Strömberg
Chair of the Board
till 25 April 2024



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



Agneta Wallmark
Member of the Board,
Chair of the Audit
Committee



Hannu-Matti Mäkinen
Member of the Board,
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)



**Daniel
Karpovič**
Head of Enterprise
(B2B)



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



**Andrius
Šemeškevičius**
Head of Technology



**Diana
Gold**
Head of Digital &
Analytics



**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

	Notes	January – March	
		2024	2023
Revenue		118,985	117,402
Cost of goods and services		(44,581)	(46,451)
Employee related expenses		(16,544)	(15,025)
Other operating expenses		(14,700)	(15,407)
Other income		-	-
Other gain / (loss) – net		218	(4)
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(20,966)	(21,208)
Operating profit		22,412	19,307
Gain/loss from investment activities		-	-
Finance income		509	284
Finance costs		(2,033)	(1,360)
Finance and investment activities – net		(1,524)	(1,076)
Profit before income tax		20,888	18,231
Income tax	3	(2,723)	(1,987)
Profit for the year		18,165	16,244
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		18,165	16,244
Profit and comprehensive income attributable to:			
Owners of the Parent		18,165	16,244
Non-controlling interests		-	-
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (expressed in EUR per share)	4	0.031	0.028

Statement of financial position

	Notes	As at 31 March 2024	As at 31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	254,167	253,738
Goodwill	7	26,769	26,769
Intangible assets	7	140,796	141,742
Right-of-use assets	8	44,923	45,134
Costs to obtain contract		5,500	5,477
Contract asset		646	718
Trade and other receivables		18,460	18,855
Finance lease receivables		5,368	5,982
		496,629	498,415
Current assets			
Inventories		15,787	12,617
Contract asset		1,068	1,012
Trade and other receivables		72,376	75,900
Current income tax assets		-	249
Finance lease receivables		5,820	5,852
Interest bearing receivables (cash pool)		22,018	-
Cash and cash equivalents		5,379	20,604
		122,448	116,234
Assets classified as held for sale		1,416	1,472
Total assets		620,493	616,121

	Notes	As at 31 March 2024	As at 31 December 2023
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		189,139	170,974
Equity attributable to owners of the Company		374,993	356,828
Non-controlling interests		-	-
Total equity		374,993	356,828
LIABILITIES			
Non-current liabilities			
Borrowings		-	-
Lease liabilities		41,537	42,495
Deferred tax liabilities		17,326	16,965
Deferred revenue and accrued liabilities		18,536	19,036
Contract liability		-	-
Provisions	11	13,060	13,039
		90,459	91,535
Current liabilities			
Trade, other payables and accrued liabilities		61,808	58,576
Current income tax liabilities		545	-
Borrowings		75,025	91,782
Contract liability		2,904	2,895
Lease liabilities		14,759	14,505
Provisions	11	-	-
		155,041	167,758
Total liabilities		245,500	259,293
Total equity and liabilities		620,493	616,121

Statement of changes in equity

	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2023	168,958	16,896	142,337	328,191
Profit for the year	-	-	16,244	16,244
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	16,244	16,244
Dividends paid for 2022	-	-	-	-
Balance at 31 March 2023	168,958	16,896	158,581	344,435
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

Statement of cash flows

	Notes	January – March	
		2024	2023
Operating activities			
Profit for the year		18,165	16,244
Adjustments for:			
Income tax expenses recognized in profit or loss	3	2,723	1,987
Depreciation, amortisation and impairment charge	6	21,680	21,926
Other gain / (loss) – net		(250)	(190)
Interest income		(509)	(516)
Interest expenses		2,026	1,579
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Inventories / Assets held for sale		(3,413)	(3,405)
Trade and other receivables		3,088	(3,622)
Decrease/(increase) in contract assets		16	29
Decrease/(increase) in contract costs		(23)	(46)
Trade, other payables and accrued liabilities, deferred tax liability		2,049	11,708
Increase/(decrease) in contract liabilities		9	79
Increase/(decrease) in deferred revenue and accrued liabilities		(500)	(908)
Increase/(decrease) in provisions	11	(34)	(19)
Cash generated from operations		45,027	44,846
Interest paid		(1,505)	(1,222)
Interest received		72	64
Income taxes paid		(1,569)	(1,269)
Net cash generated by operating activities		42,025	42,419

	Notes	January – March	
		2024	2023
Investing activities			
Purchase of property, plant and equipment and intangible assets		(16,734)	(26,374)
Proceeds from disposal of property, plant and equipment and intangible assets		421	292
Proceeds from / repayments for finance sublease receivables		1,083	(365)
Increase / decrease in interest bearing receivables (cash pool)		(22,018)	-
Net cash used in investing activities		(37,248)	(26,447)
Financing activities			
Repayment of borrowings		(43,757)	(62,472)
Proceeds from borrowings		27,000	53,241
Increase (decrease) in lease liabilities		(3,245)	(2,264)
Dividends paid to shareholders		-	-
Net cash received in financing activities		(20,002)	(11,495)
Increase (decrease) in cash and cash equivalents		(15,225)	4,477
Movement in cash and cash equivalents			
At the beginning of the financial year		20,604	7,099
Increase (decrease) in cash and cash equivalents		(15,225)	4,477
At the end of the financial year		5,379	11,576

Notes to the financial statements

1 Basic of preparation

The interim financial statements for the three months' period ended 31 March 2024 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 2023.

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 March 2024 are not audited. Financial statements for the year ended 31 December 2023 are audited by the external auditor Deloitte Lietuva 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 2024	31 December 2023	
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 2024 and 31 December 2023, 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 2024 is taxable at a rate of 15 per cent in accordance with Lithuanian regulatory legislation on taxation (2023: 15 per cent).

	January – March	
	2024	2023
Current tax expenses	2,363	2,273
Deferred tax change	360	(286)
Total	2,723	1,987

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 2024 to EUR 1.2 million (2023: EUR 0.9 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.

	January – March	
	2024	2023
Net profit	18,165	16,244
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613
Basic earnings per share (EUR)	0.031	0.028

5 Dividends per share

A dividend that relates to the period to 31 December 2022 was approved by the Annual General Meeting of Shareholders on 27 April 2023. The total amount of allocated dividend, that was paid off in May 2023, is EUR 34,957 thousand or EUR 0.06 per ordinary share.

6 Property, plant and equipment

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

	January – March	
	2024	2023
Depreciation of property, plant and equipment (Note 6)	11,245	12,219
Impairment of property, plant and equipment (Note 6)	6	8
Amortisation of intangible assets (Note 7)	6,963	6,384
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	2,752	2,597
Total	20,966	21,208
Impairment of assets classified as held for sale	-	-
Total	20,966	21,208

Notes to the financial statements

6 Property, plant and equipment (continued)

	Land and buildings	Ducts and telecommunication equipment	Other tangible fixed assets	Construction in progress	Total
Three months ended 31 March 2023					
Opening net book amount	9,776	225,343	10,943	23,591	269,653
Additions	-	-	-	9,902	9,902
Reclassifications	(177)	15	20	61	(81)
Disposals and write-offs	-	(138)	40	-	(98)
Transfers from construction in progress	487	10,922	1,597	(13,006)	-
Depreciation charge	(339)	(10,649)	(1,231)	-	(12,219)
Impairment charge	-	(8)	-	-	(8)
Closing net book amount	9,747	225,485	11,369	20,548	267,149
At 31 March 2023					
Cost	31,577	798,484	50,790	20,548	901,399
Accumulated depreciation	(21,789)	(571,659)	(39,420)	-	(632,868)
Impairment charge	(41)	(1,340)	(1)	-	(1,382)
Net book amount	9,747	225,485	11,369	20,548	267,149
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

7 Intangible assets

	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Three months ended 31 March 2023					
Opening net book amount	88,540	26,769	27,805	26,305	169,419
Additions	-	-	-	6,272	6,272
Reclassifications	10,361	-	-	(10,439)	(78)
Disposals and write-offs	(4)	-	-	-	(4)
Amortization charge	(5,524)	-	(860)	-	(6,384)
Closing net book amount	93,373	26,769	26,945	22,138	169,225
At 31 March 2023					
Cost	172,577	29,408	53,124	22,138	277,247
Accumulated amortization	(79,204)	-	(26,179)	-	(105,383)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	93,373	26,769	26,945	22,138	169,225
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	10,197	-	-	(10,114)	83
Disposals and write-offs	(28)	-	(1)	-	(29)
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 depreciation	(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

Notes to the financial statements

8 Right-of-use-assets

	Land and premises	Dark fibre	Equipment rent	Other	Total
Three months ended 31 March 2023					
Opening net book amount	36,018	8,134	-	843	44,995
Additions	935	-	1,771	2	2,708
Lease modifications	1,869	194	-	(9)	2,054
Disposals and write-offs	-	-	(1,771)	-	(1,771)
Amortization charge	(2,236)	(266)	-	(95)	(2,597)
Closing net book amount	36,586	8,062	-	741	45,389
At 31 March 2023					
Cost	68,396	13,127	-	1,953	83,476
Accumulated amortization	(31,810)	(5,065)	-	(1,212)	(38,087)
Net book amount	36,586	8,062	-	741	45,389
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 depreciation	(40,711)	(6,164)	-	(1,908)	(48,783)
Net book amount	33,864	8,160	-	2,899	44,923

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 March 2024 and 31 December 2023 legal reserve – EUR 16.9 million.

11 Provisions

	Provision for restructuring	Assets retirement obligation	Total
Closing net book amount at 31 December 2022			
	-	13,179	13,179
Additions	-	-	-
Discounting	-	-	-
Used provisions	-	(19)	(19)
Closing net book amount at 31 March 2023	-	13,160	13,160
Closing net book amount at 31 December 2023			
	-	13,039	13,039
Additions	-	55	55
Discounting	-	-	-
Used provisions	-	(34)	(34)
Closing net book amount at 31 March 2024	-	13,060	13,060

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:

	January – March	
	2024	2023
Sales and purchases from Telio Company AB and its subsidiaries:		
Sales of telecommunication and other services	2,634	2,120
Purchases of assets and services:		
Purchases of services	4,041	4,383
Purchases of assets	29	210
Total purchases of assets and services	4,070	4,593

Balances arising from sales/purchase of assets/services and other transaction to/from Telio Company AB and its subsidiaries:

	January – March	
	2024	2023
Receivables from related parties	541	328
Interest bearing receivables (cash pool)	22,018	-
Accrued revenue from related parties	305	469
Total receivables and accrued revenue from related parties	22,864	797

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.

	January – March	
	2024	2023
Borrowings	-	30,000
Short term borrowings	-	30,000
Payables to related parties	2,013	2,127
Accrued expenses to related parties	10	16
Total borrowings, payables and accrued expenses to related parties	2,023	2,143

In January 2023, the Company had signed an agreement regarding revolving credit facility with Telio 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.

In May 2023, the Company paid-out to Telio Company an amount of EUR 30.8 million as dividend for the year 2022.

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 2024, 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, 24 April 2024



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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