



Interim Report January-June 2024

Telia Lietuva, AB

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Management Report



CEO comment

The second quarter of 2024 was marked with the completion of one of the largest B2B projects – modernization of data transmission network (WAN) of Lithuanian Railways (LTG). The project which was implemented over two years together with our partners reached the value of EUR 12 million and covered all aspects of technology levels – starting from replacement of network nodes, implementation of security and network management systems and finishing with cable installation and transfer of the existing services to the upgraded network.

The Company's resilience to cybersecurity threats was rated 9.7 out of 10 by globally recognized RiskRecon cybersecurity rating. Over the past years, we have invested in advanced threat detection and response systems that have significantly reduced the risk of network intrusions. This ensures that our customers can confidently operate their private data on the Internet and not be afraid that an unexpected disconnection will prevent them from making important purchases or disrupt their daily agenda.

All in all, it proves that Telio Lietuva is well positioned to be the first choice for business customers regardless of their size when it comes to not only connectivity but integrated IT and cybersecurity solutions.

Revenue generated from IT and billed mobile communication services fueled total revenue growth during the first half of 2024. Compared with the first half of 2023, total mobile data usage during January-June 2024 increased by 38 per cent, while using 5G network alone has grown 2.8 times. During the second quarter of 2024, the number of mobile communication service subscribers increased by 29 thousand and over the last 12 months – by 44 thousand.

Despite the fact that total number of broadband Internet connection over the last 12 months went down by 4 thousand (solely DSL connections), revenue from Internet services went up. Revenue from TV services increased in line with higher number of Telio Play services users notwithstanding shrinking pay TV market and tough competition.

The higher total revenue in combination with the costs saving initiatives resulted in an adjusted EBITDA margin increase by 1.2 percentage points to 37.2 per cent, as compared with the previous year.

In May 2024, following the revised dividend policy and the Annual General Meeting decision the Company paid out EUR 0.09 of dividend per share for the year 2023 (EUR 0.06 for the year 2022).

During the second quarter an important milestone was achieved in implementing mobility business transformation program – 90 per cent of residential customers has been migrated into SAP customer relationship management (CRM) system streamlining the legacy systems shut-down.

In June, the first part of the full mobile gadgets buy-back service came to life and online tool for evaluation of old devices was launched, confirming Telio's commitment to circular economy solutions as part of our sustainability agenda.

Continuing its support to Ukraine Telio Lietuva will continue to provide calls from Lithuania to Ukraine and from Ukraine to Lithuania as well as mobile data services in Ukraine at special tariffs applied from the start to the war and we intend to do this at least until the end of 2024.

Giedrė Kaminskaitė-Salters
CEO of Telio Lietuva

What is Telia Lietuva?

By combining fixed and mobile connections, we provide people and businesses in Lithuania with the most advanced telecommunications, TV, and IT services and solutions. Throughout Lithuania, our team of 2,000 professionals provides services to residents, enterprises, public sector institutions, and non-governmental organizations. We are also a service provider to other local and international telecommunications operators.

We are a part of the international Telia Company Group, operating in the Nordic and Baltic countries. By working together and sharing experiences and ideas, we provide millions of customers in six countries with more opportunities and quality.

Telia Company owns 88.15 percent of Telia Lietuva shares. Since 2000, Telia Lietuva shares have been traded on the Nasdaq Vilnius Stock Exchange (symbol – TEL1L). In total, Telia Lietuva has more than 15 thousand shareholders.

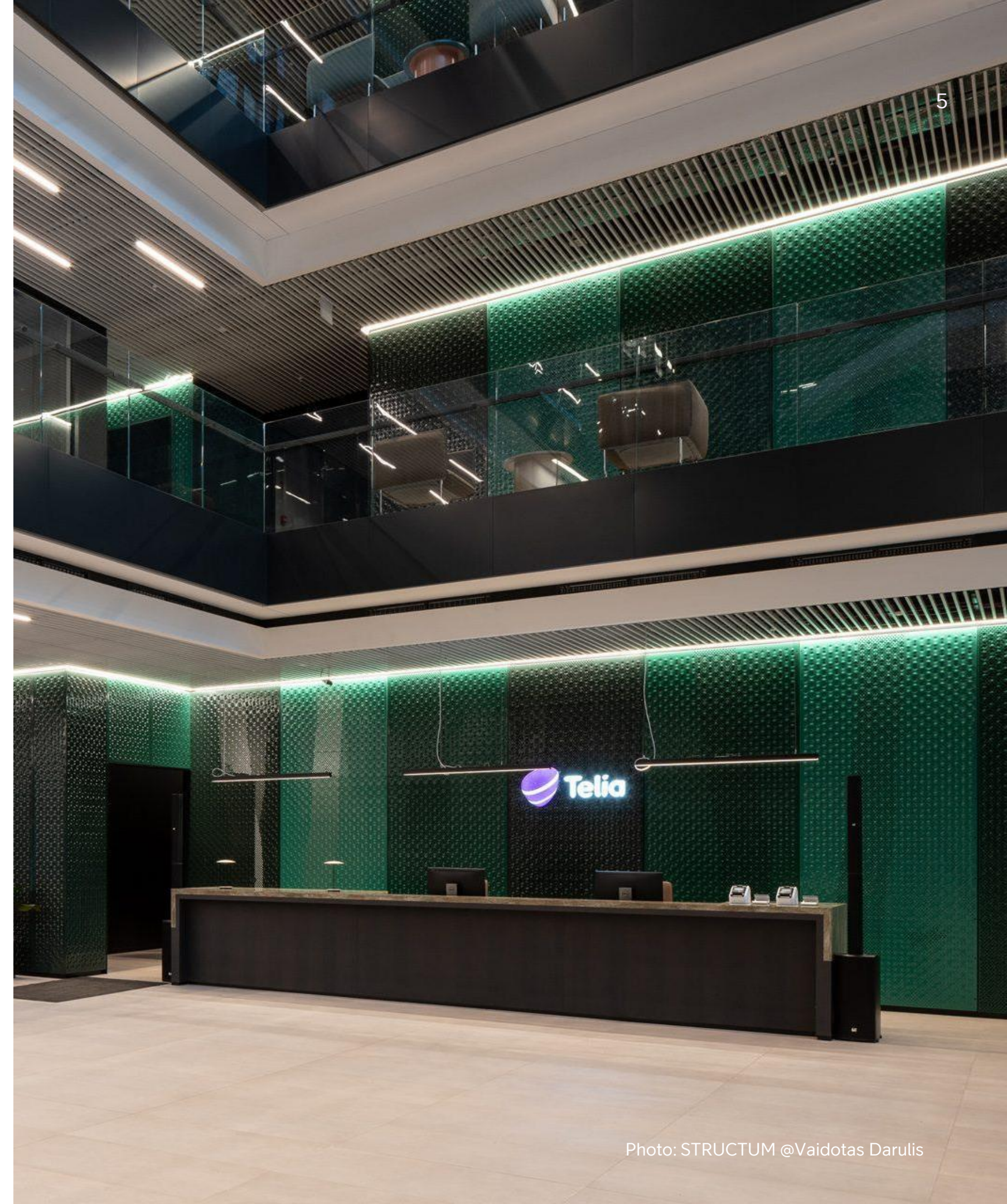
Being the largest telecommunications operator in Lithuania, we have been designated by the Communication Regulatory Authority (CRA) of Lithuania as an operator with significant market power (SMP) in five telecommunications markets:

- Voice call termination on the mobile network.
- Call termination on individual public telephone networks provided at a fixed location.
- Wholesale local access provided at a fixed location.
- Wholesale central access for mass-market products.
- Wholesale high-quality data transmission services via the terminating segment.

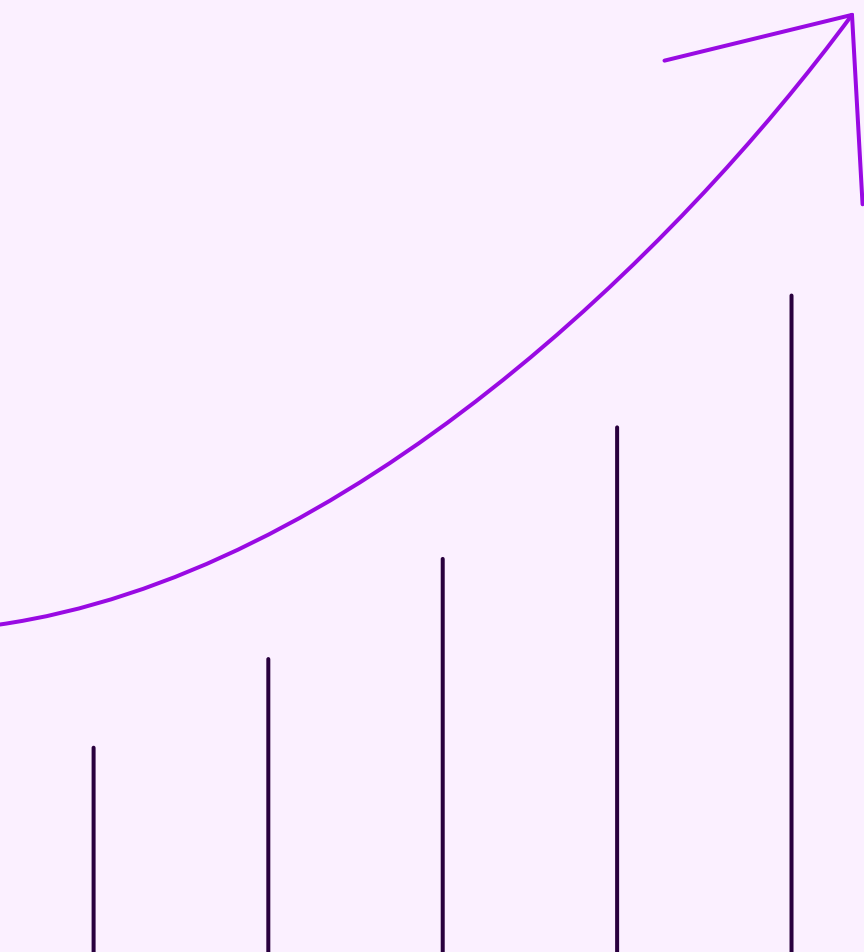
Together with the other largest Lithuanian telecommunications operators, Bitė Lietuva and Tele2, we have established the non-profit organization VŠĮ Numerio Perkėlimas, which administers a central database for ensuring telephone number portability in Lithuania. The company has no other investments in subsidiaries or associates and has no branches or representative offices.

Our activities are certified for compliance with the following ISO standards: IT Management (ISO/IEC 20000-1), Information Security Management (ISO/IEC 27001 and ISO/IEC 27017), Quality Management (ISO 9001), Data Security (PCI DSS), Environmental Management (ISO 14001), and Occupational Health & Safety (ISO 45001).

Telia Lietuva, AB is a public company (joint-stock company) incorporated on 6 February 1992. The company is headquartered in Vilnius, the capital of the Republic of Lithuania. The address of its registered office is Saltoniškių str. 7A, LT-03501, Vilnius, Lithuania. Our other offices are in Kaunas and Šiauliai.



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 Q2 2024

Revenue grew by 5.7%

and amounted to EUR 119.5 million
(2023: EUR 113.1 million)

EBITDA increased by 7.3%

and amounted to EUR 44 million
(2023: EUR 41 million)

Capital investments down by 21.1%

and amounted to EUR 11.4 million
(2023: EUR 14.5 million)

Adjusted EBITDA up by 7.5%

to EUR 44.7 million (2023: EUR 41.6 million)

Profit for the period went up by 17.1%

to EUR 18.3 million (2023: EUR 15.6 million)

EUR 52.4 million of dividends

were paid for the year 2023 (EUR 0.09 per share)
(EUR 35 million or EUR 0.06 per share for the year 2022)

Financial highlights of H1 2024

Revenue grew by 3.5%

and amounted to EUR 238.5 million
(2023: EUR 230.5 million)

EBITDA increased by 7.2%

and amounted to EUR 87.4 million
(2023: EUR 81.5 million)

Capital investments down by 4.6%

and amounted to EUR 29.2 million
(2023: EUR 30.6 million)

Adjusted EBITDA up by 6.8%

to EUR 88.7 million (2023: EUR 83 million)

Profit for the period went up by 14.4%

to EUR 36.4 million (2023: EUR 31.8 million)

Free cash flow went up by 63.4%

and amounted to EUR 51.6 million
(2023: EUR 31.6 million)

Financial figures

(in thousands of EUR unless otherwise stated)

	January - June 2024	January - June 2023	Change (%)	January - June 2022
Revenue	238,481	230,471	3.5	214,901
Adjusted EBITDA excluding non-recurring items	88,677	83,003	6.8	73,067
Adjusted EBITDA margin excluding non-recurring items (%)	37.2	36.0		34.0
EBITDA	87,371	81,496	7.2	73,206
EBITDA margin (%)	36.6	35.4		34.1
Operating profit (EBIT) excluding non-recurring items	45,452	40,441	12.4	31,391
EBIT margin excluding non-recurring items (%)	19.1	17.5		14.6
Operating profit (EBIT)	44,146	38,934	13.4	31,530
EBIT margin (%)	18.5	16.9		14.7
Profit before income tax	41,067	36,306	13.1	30,408
Profit before income tax margin (%)	17.2	15.8		14.1
Profit for the period	36,417	31,829	14.4	26,272
Profit for the period margin (%)	15.3	13.8		12.2
Earnings per share (EUR)	0.063	0.055	14.4	0.045
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.545	1.895	(18.5)	1.935
Market capitalisation at the end of period	900,137	1,104,052	(18.5)	1,127,356
Total assets	602,376	611,442	(1.5)	606,167
Shareholders' equity	340,810	325,063	4.8	298,065
Cash flow from operations	80,404	74,792	7.5	71,550
Free cash flow	51,638	31,600	63.4	38,647
Capital investments (Capex)	29,226	30,649	(4.6)	31,909
Net debt	76,743	114,856	(33.2)	117,218

Operating figures

	30-06-2024	30-06-2023	Change (%)	30-06-2022
Mobile service subscriptions, in total (thousand)	1,655	1,611	2.7	1,582
— Post-paid (thousand)	1,343	1,288	4.3	1,265
— Pre-paid (thousand)	312	323	(3.4)	317
Broadband Internet connections, in total (thousand)	423	427	(0.9)	424
— Fiber-optic (FTTH/B) (thousand)	315	314	0.3	309
— Copper (DSL, VDSL) (thousand)	108	113	(4.4)	115
TV service customers (thousand)	260	258	0.8	254
Fixed telephone lines in service (thousand)	167	188	(11.2)	215
Number of personnel (headcounts)	1,894	1,979	(4.3)	2,050
Number of full-time employees	1,792	1,855	(3.4)	1,904

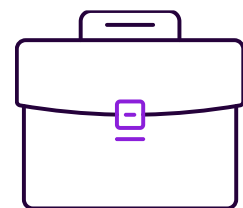
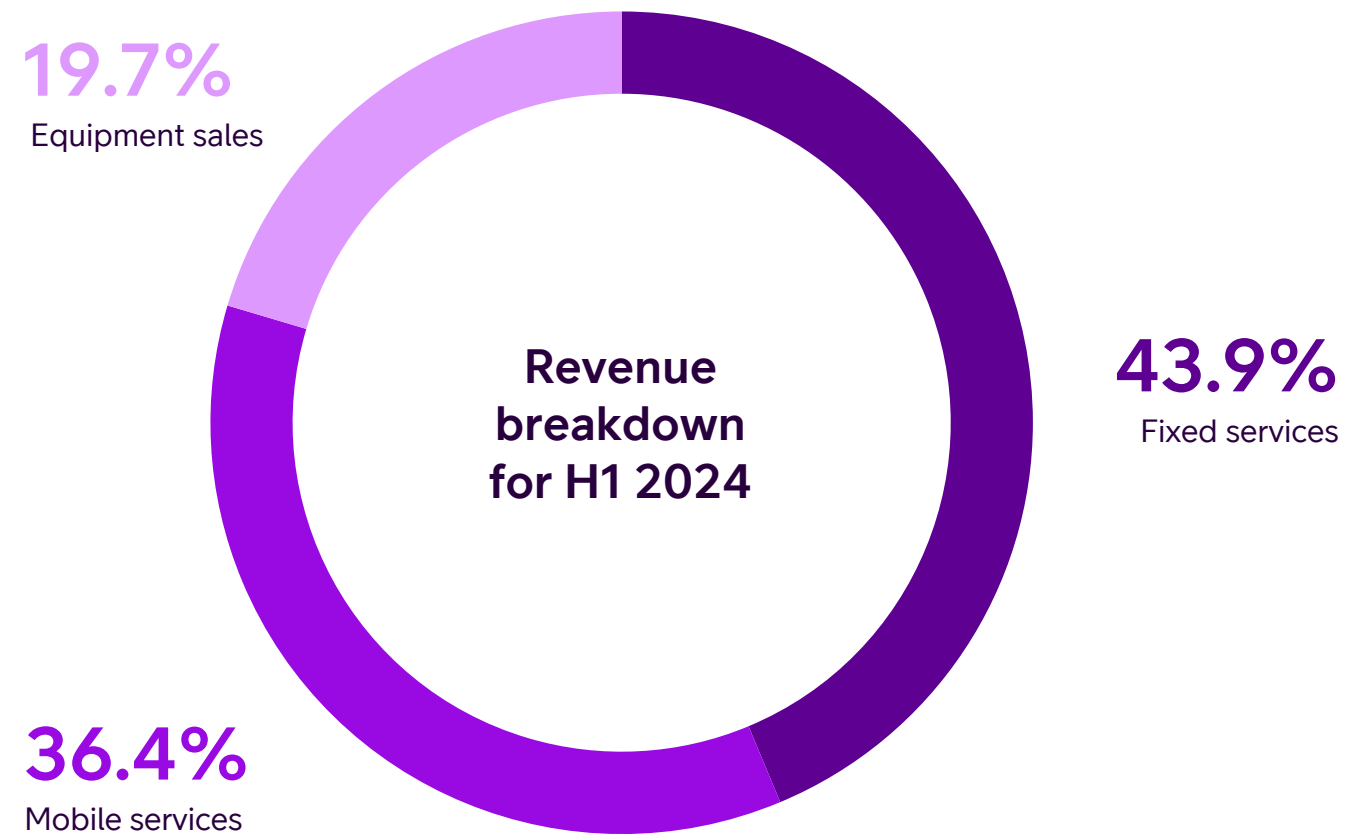
Financial ratios*

	30-06-2024	30-06-2023	30-06-2022
Return on capital employed (%)	19.4	16.1	13.3
Return on average assets (%)	13.8	11.5	9.9
Return on shareholders' equity (%)	19.3	18.9	18.0
Operating cash flow to sales (%)	34.4	31.3	32.5
Capex (excl. mobile licenses) to sales (%)	12.2	17.3	21.8
Net debt to EBITDA ratio	0.45	0.74	0.82
Gearing ratio (%)	22.5	35.3	39.3
Debt to equity ratio (%)	28.5	38.0	51.1
Current ratio (%)	64.3	54.7	65.3
Rate of turnover of assets (%)	79.0	74.4	69.0
Equity to assets ratio (%)	56.6	53.2	49.2
Price to earnings (P/E) ratio	13.2	17.8	19.5

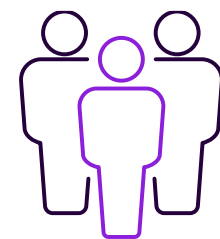
Notes: *Description of financial ratios and their calculation is provided at <https://www.telia.lt/eng/investors/financial-results>



Revenue



36.6%
Enterprises



63.4%
Consumers

(in thousands of EUR)

	April - June 2024	April - June 2023	Change (%)
Fixed services	52,640	52,067	1.1
Voice telephony services	9,377	11,067	(15.3)
Internet services	19,948	18,821	6.0
Datacom and network capacity services	4,652	4,516	3.0
TV services	9,431	9,339	1.0
IT services	7,352	6,447	14.0
Other services	1,880	1,877	0.2
Mobile services	44,091	39,967	10.3
Billed services	41,962	37,878	10.8
Other mobile service	2,129	2,089	1.9
Equipment	22,765	21,034	8.2
Total	119,496	113,068	5.7

(in thousands of EUR)

	January - June 2024	January - June 2023	Change (%)
Fixed services	104,635	102,935	1.7
Voice telephony services	18,776	21,265	(11.7)
Internet services	39,512	37,215	6.2
Datacom and network capacity services	9,208	8,978	2.6
TV services	18,883	18,673	1.1
IT services	14,112	12,428	13.6
Other services	4,144	4,376	(5.3)
Mobile services	86,852	79,712	9.0
Billed services	82,805	74,326	11.4
Other mobile service	4,047	5,386	(24.9)
Equipment	46,994	47,822	(1.7)
Total	238,481	230,469	3.5

Expenses

(in thousands of EUR)	April - June 2024	April - June 2023	Change (%)	January - June 2024	January - June 2023	Change (%)
Cost of goods and services	(43,441)	(42,292)	2.7	(88,022)	(88,743)	(0.8)
Operating expenses	(32,510)	(30,322)	7.2	(63,754)	(60,754)	4.9
Employee related	(17,636)	(15,518)	13.6	(34,180)	(30,543)	11.9
Other	(14,874)	(14,804)	0.5	(29,574)	(30,211)	(2.1)
Non-recurring expenses	(764)	(800)	(4.5)	(1,466)	(1,532)	(4.7)
Operating expenses (excl. non-recurring expenses)	(31,746)	(29,522)	7.5	(62,288)	(59,215)	5.2
Employee related	(17,307)	(15,284)	13.2	(33,554)	(29,996)	11.9
Other	(14,439)	(14,238)	1.4	(28,734)	(29,219)	(1.7)

Cost of goods and services for the first half of 2024 compared with the same period a year ago decreased mainly due to lower networks' interconnection and roaming cost. The annual salaries' increase and higher annual bonuses for the year 2023 resulted in increase in employee related expenses in 2024. During January-June 2024, expenses for energy were by 11.4 per cent higher due to employment of 5G technology, while marketing expenses were by 22 per cent lower that a year ago.

During January-June 2024, the total number of employees (headcount) decreased by 41 – from 1,935 to 1,894. In terms of full-time employees (FTE), the total number of employees decreased by 37 – from 1,829 to 1,792. Over the last 12 months total number of employees went down by 85 and in terms of number of full-time employees – by 63.

Non-recurring expenses for the second quarter and the first half of 2024 were comprised from one-off redundancy payouts of EUR 329 thousand (2023: EUR 234 thousand) and EUR 626 thousand (EUR 547 thousand), respectively, and non-recurring other expenses related to transformation program of EUR 435 thousand (EUR 566 thousand) and EUR 840 thousand (EUR 992 thousand), respectively.

Earnings

(in thousands of EUR)	April - June 2024	April - June 2023	Change (%)	January - June 2024	January - June 2023	Change (%)
EBITDA	43,993	40,981	7.3	87,371	81,496	7.2
Margin (%)	36.8	36.2		36.6	35.4	
Depreciation and amortisation	(22,259)	(21,354)	4.2	(43,225)	(42,562)	1.6
Operating profit (EBIT)	21,734	19,627	10.7	44,146	38,934	13.4
Margin (%)	18.2	17.4		18.5	16.9	
Non-recurring expenses	(764)	(800)	(4.5)	(1,466)	(1,539)	(4.7)
Gain (loss) on sale of property	20	164	(87.8)	160	32	400.0
Adjusted EBITDA excluding non-recurring items	44,737	41,617	7.5	88,677	83,003	6.8
Margin (%)	37.4	36.8		37.2	36.0	
EBIT excluding non-recurring items	22,478	20,263	10.9	45,452	40,441	12.4
Margin (%)	18.8	17.9		19.1	17.5	

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 1.6 million (2023: EUR 1.8 million).

(in thousands of EUR)	April - June 2024	April - June 2023	Change (%)	January - June 2024	January - June 2023	Change (%)
Profit before income tax	20,179	18,075	11.6	41,067	36,306	13.1
Margin (%)	16.9	16.0		17.2	15.8	
Income tax	(1,927)	(2,490)	(22.6)	(4,650)	(4,477)	3.9
Profit for the period	18,252	15,585	17.1	36,417	31,829	14.4
Margin (%)	15.3	13.8		15.3	13.8	

Financial position and cash flow

As of 30 June 2024, the total non-current assets amounted to 81.7 per cent (82.3 per cent a year ago), the total current assets – to 18.3 per cent (17.7 per cent), whereof cash and cash equivalent alone represented 3.4 per cent (1.4 per cent) of total assets. At the end of June 2024, shareholders' equity amounted to 56.6 per cent of the total assets (53.2 per cent a year ago).

(in thousands of EUR)	30-06-2024	31-12-2023	Change (%)
Total assets	602,376	616,121	(2.2)
Non-current assets	492,322	498,415	(1.1)
Current assets	108,638	116,234	(6.5)
whereof cash and cash pool arrangement	20,431	20,604	(0.8)
Assets for sale	1,416	1,472	(3.8)
Shareholders' equity	340,810	356,828	(4.5)

On 26 April 2024, 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 - June 2024	January - June 2023	Change (%)
Net cash generated by operating activities	80,404	74,792	7.5
Purchase of PPE and intangible assets (Cash Capex)	(30,204)	(44,116)	(31.5)
Proceeds from disposal of PPE and intangible assets	1,438	924	55.6
Free cash flow	51,638	31,600	63.4
Increase (decrease) in lease liabilities	(5,005)	(8,036)	(37.7)
Operational free cash flow	46,633	23,564	97.9

On 23 May 2024, the Company fully repaid an outstanding EUR 30 million amount of the syndicated loan of EUR 60 million granted by SEB, Nordea and Danske banks in 2017.

(in thousands of EUR)	30-06-2024	31-12-2023	30-06-2023
Loans from banks	-	30,000	30,000
Loans from Telia Company AB	50,000	25,000	65,000
Liabilities under reverse factoring agreements	47,174	36,782	28,627
Borrowings	97,174	91,782	123,627
Cash and cash equivalents	5,714	20,604	8,771
Cash pool arrangement	14,717	-	-
Net debt	76,743	71,178	114,856
Net debt to equity (Gearing) ratio (%)	22.5	19.9	35.3

In January 2023, the Company has entered into agreement with Telia Company AB regarding Revolving Credit Facility 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 2024, the Company had borrowed from Telia Company EUR 50 million for 3 months and temporary (till the end of October 2024) increased borrowing limit by EUR 10 million up to EUR 60 million in total.

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, 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 liquidity.

Capital investments

During Q2 of 2024, the total capital investments amounted to EUR 11.4 million (EUR 14.5 million a year ago).

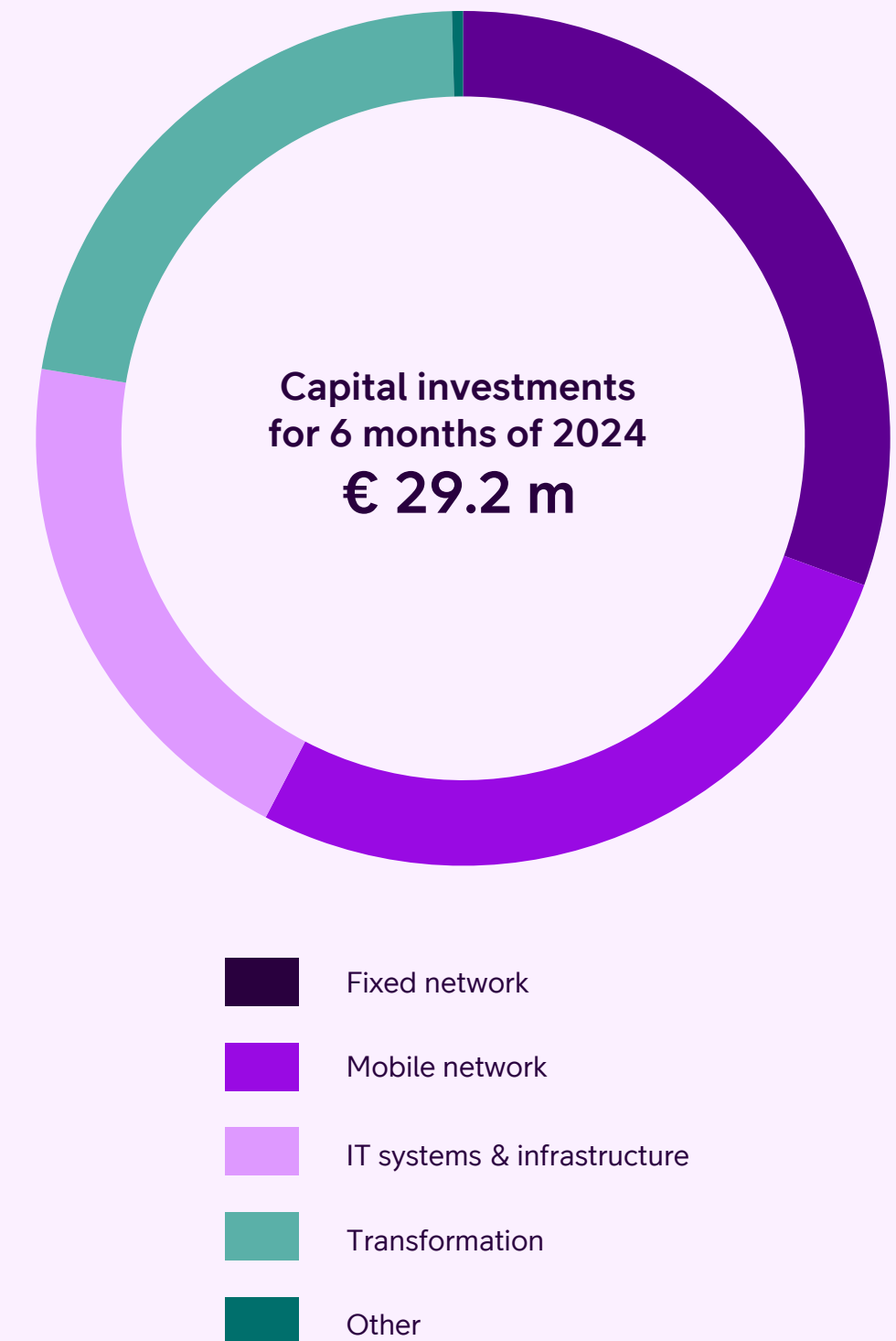
(in thousands of EUR)	January - June 2024	January - June 2023	Change (%)
Fixed network	8,939	8,960	(0.2)
Mobile network	7,909	7,793	1.5
IT systems and infrastructure	5,832	6,696	(12.9)
Transformation program	6,424	6,983	(8.0)
Other	122	217	(43.7)
Total capital investments	29,226	30,649	(4.6)
Capital investments to revenue ratio (%)	12.3	13.3	

In 2024, the Company continues 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 is reached.

According to the latest Communication Regulatory Authorities measurement data, the average mobile data download speed in Telia Lietuva network remains the highest in the country and during the first half of 2024 amounted to 240.9 Mbps (193 Mbps a year ago).

By the end of June 2024, the Company had 976 thousand households passed (969 thousand a year ago), or 62 per cent of the country's households, by the fiber-optic network.

As a result of ongoing business transformation program 90 per cent of the Company's residential customers are migrated into new SAP based customer management system.



Investment into subsidiaries / associates

As of 30 June 2024, the Company had the following entity as associate of the Company:

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	The Company's share in the share capital of the entity (%)	The Company's share of votes (%)
VšĮ Numerio Perkėlimas	5 September 2014, code 3033 86211, State Enterprise Center of Registers	Jogailos str. 9, LT- 01116 Vilnius, Lithuania	-	50.00

VšĮ Numerio Perkėlimas, a joint not-for-profit organization, established together with Lithuanian telecommunication companies (UAB Bitė Lietuva and UAB Tele2 holding a 25 per cent stakes each), from 1 January 2016 in cooperation with UAB Mediafon administers the central database to ensure telephone number portability in Lithuania. Stake in VšĮ Numerio Perkėlimas is not for public trade.

The Company has no branches or representative offices.

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 Telía 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. Telía Lietuva share's symbol on German stock exchanges is ZWS.

Since 1 December 2000, the Company and SEB Bankas AB (code 1120 21238), Konstitucijos ave. 24, LT-01103 Vilnius, have an agreement on accounting of the Company's securities and services related to the accounting of securities.

During January-June 2024, the Company's share price on Nasdaq Vilnius stock exchange decreased by EUR 0.12 or 7.2 per cent. The shares' turnover in terms of units, compared to the first six months of 2023, increased by 11.2 per cent. The Company's market capitalisation as on 30 June 2024 was EUR 900 million (2023: EUR 1,104 million).

Information on trading in Telía Lietuva shares on Nasdaq Vilnius stock exchange during January-June 2024:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.66	1.735	1.525	1.545	1.668	1,719,945	2,869,443

Share capital and shareholders

Shareholders, holding more than 5 per cent of the share capital and votes, as on 30 June 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 (19 April 2024) for the Annual General Meeting of Shareholders, which was held on 26 April 2024, was 15,509.

Treasury stocks

The Company has no treasury stocks. The Company has never acquired any shares from the management of the Company.

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:

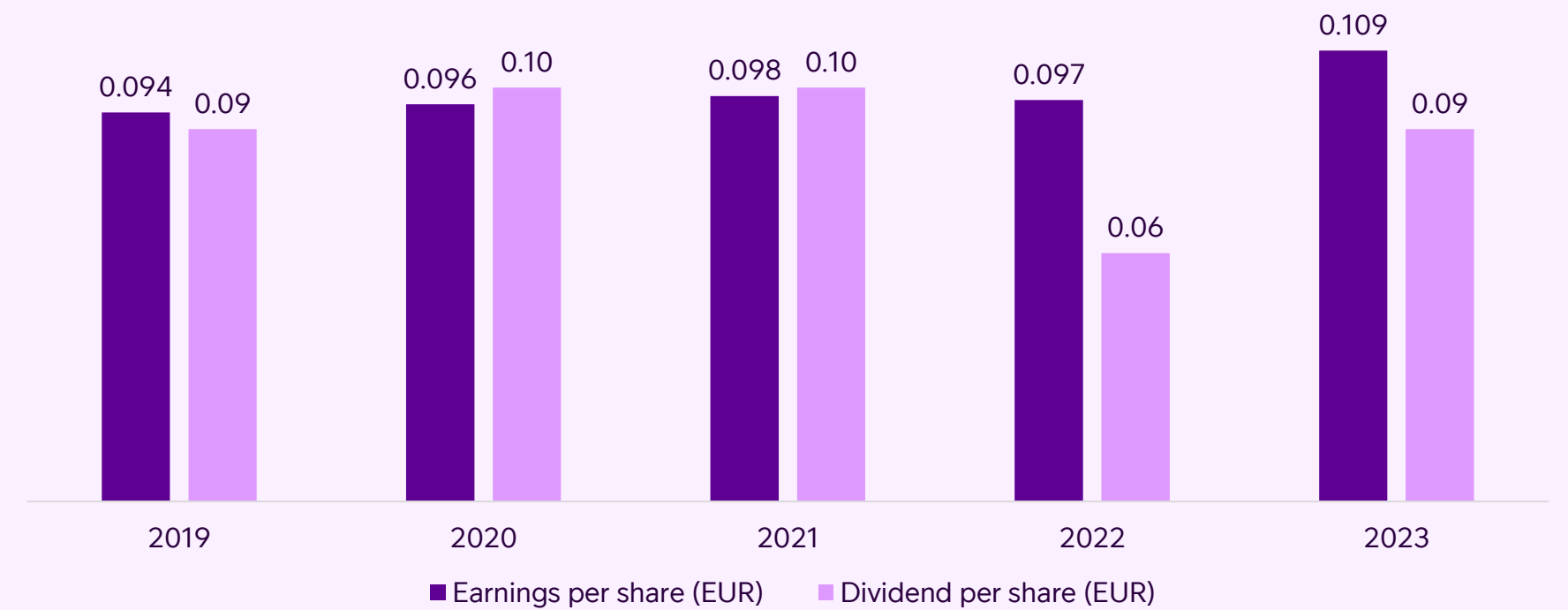
- the Company must maintain the net debt to EBITDA ratio not higher than 1.5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company’s net profit as dividend.

On 23 May 2024, the Company paid out to the shareholders an amount of EUR 52.4 million of dividends or EUR 0.09 per share for the year 2023. 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, 10 May 2024, 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 15 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 (%)
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



Information about related party transactions

Following the International Financial Reporting Standards as adopted by the EU, parties related to the Company include the Company's associate, companies within the Telia Company Group, and the Company's management team. Transactions with related parties are conducted based on the arm's length principle.

On January 10, 2023, the Company entered into an agreement regarding a Revolving Credit Facility, which allows the Company to borrow up to EUR 50 million from Telia Company AB for short-term periods (3 or 6 months). From May 2024 until the end of October 2024, the borrowing limit is temporarily increased up to EUR 60 million.

As of 30 June 2024, the outstanding amount borrowed from Telia Company amounted to EUR 50 million. The Company did not provide any loans to its associate.

Through its largest shareholder, Telia Company AB, the Company is related to the Telia Company Group, which provides telecommunication services in Nordic and Baltic countries. The main buyers and providers of telecommunications and other services to the Company, based on earlier signed agreements, include Telia Company AB (Sweden), Telia Eesti AS (Estonia), LMT (Latvia), Telia Finland Oyj (Finland), Telia Norge AS (Norway), Telia Finance AB (Sweden), and Telia Global Services Lithuania, UAB (Lithuania).

In May 2024, the Company paid out EUR 46.2 million to Telia Company as a dividend for the year 2023.

Information about new related party transactions entered by the Company during 2024:

Related party	Transaction	Value
Telia Company AB, code 556103-4249, 169 94 Solna, Sweden	On 22-05-2024, Telia Company provided a loan for 3 months to Telia Lietuva at interest rate of 3 months Euribor + 1.2 per cent margin.	EUR 50 million

Information about volumes of the Company's transactions with related parties during January-June 2024 (in EUR thousand):

Telia Company Group:	Telecommunication and other services	
	Sales	Purchase
Telia Company AB (Sweden)	377	6,672
Telia Asset Finance AB (Sweden)	-	868
Telia Försäkring AB (Sweden)	3,724	67
Telia Sverige AB (Sweden)	265	(300)
Latvijas Mobilais Telefons SIA (Latvia)	49	8
Telia Norge AS (Norway)	23	16
Telia Eesti AS (Estonia)	13	71
Telia Finland Oyj (Finland)	219	20
Telia Global Services Lithuania, UAB	546	370
Telia Danmark A/S (Denmark)	40	23
Other	-	28
	5,256	7,843

Information about related party transactions is provided in Note 12 of the Company's Financial Statements for the six months' period ended 30 June 2024. Following the Law on Companies of the Republic of Lithuania requirements, information about related party transaction concluded starting from 1 January 2018 is placed on the Company's website www.telia.lt.

Risk management

The purpose of the Company's Risk Management Strategy is the creation and protection of value by addressing uncertainty, identifying, managing, and monitoring risks and opportunities that threaten the achievement of the Company's strategic goals, essential for safeguarding our customers, employees, shareholders, assets, and brands.

The Company's risk management is developed in line with the ISO 31000 standard for risk management and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework.

Risks that could impact Telia's operations include, but are not limited to, the following:



Financial risk management

The Company's activities expose it to the following financial risks: market risk (including foreign exchange risk, cash flow risk, and fair value interest rate risk), credit risk, and liquidity risk. The Group's Financial Management Policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

The Company's exposure to **foreign exchange risk** is not substantial, as Telia Lietuva operates in the eurozone, and the majority of services are provided to residents and businesses in Lithuania, with most services and goods purchased from local or eurozone suppliers. However, certain foreign exchange risk exposure arises from the Company's international activities with telecommunication operators and suppliers outside the eurozone, primarily related to settlements in US Dollars. The Company manages foreign exchange risk by minimizing the net exposure to open foreign currency positions; therefore, no foreign exchange hedging instruments are used.

Since 2022, the Company's income and operating cash flows have become somewhat dependent on changes in market interest rates. In May 2024 repaid EUR 30 million loan provided by SEB Bank, Danske Bank, and Nordea Bank had semi-annually set interest rate based on a 6-month EURIBOR. The Revolving credit facility, up to EUR 50 million, provided by Telia Company AB, is also priced based on 3 or 6-month EURIBOR interest rates. The Company does not use any interest rate hedging tools.

The Company participates in a reverse factoring or Supplier Invoice Financing (SIF) program where suppliers' invoices are paid by third-party banks within 7 days for an agreed fee, covered by the supplier. The Company does not incur any credit fees and does not provide additional collateral or guarantees to the banks. Payment to the banks is made in full invoice amounts within a period of up to one year. The actual term depends on several variables agreed upon by all three parties, one of which is the EURIBOR interest rate, which began to rise in the spring of 2022, resulting in a shortened term and a negative impact on the Company's working capital and cash flow. To mitigate the impact of the rising interest rate, the Company renegotiated the conditions of the SIF program.

The Company's financial assets' exposure to credit risk is related to cash deposits and trade receivables. Credit risk of cash deposits is managed by limiting exposure to financial institutions with credit ratings lower than A (according to Fitch or equivalent ratings by Standard & Poor's or Moody's). As of 30 June 2024, the majority (95 per cent) of the Company's cash and short-term investments were held in A+ rated banks.

The Company has a Participation Agreement with Skandinaviska Enskilda Banken (SEB) for customer receivables. Under the agreement, SEB acquires the rights to the cash flows for certain pools of Telia Lietuva's receivables from the sales of handsets to residential customers. The objective of the agreement is to improve the Company's working capital by achieving derecognition of the receivables, transferring the risk related to the receivables to SEB using the so-called "pass-through" rules in IFRS 9 Financial Instruments.

Risk management

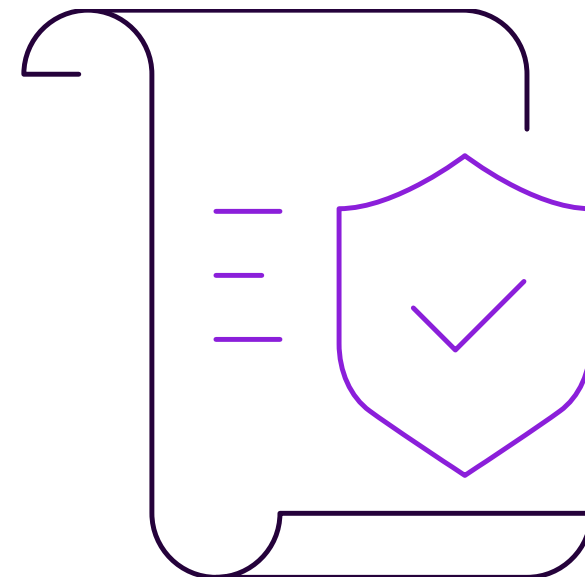
To manage the credit risk of trade receivables, the Company conducts credit checks on all customers (both business and residential) before entering into any new contracts, except for low-value contracts, such as additional TV packages or other value-added services (VAS). Payment control for customers' invoices involves several steps, beginning with a notification before the due date, followed by additional reminders after the due date. Services are restricted after 20 days past due, and contracts are terminated with penalties issued after 50 days past due. For residential customers with bad debts after sending additional reminder letters, the debts are either sold or handed over to external bad debt collection agencies for debt recovery.

Liquidity risk pertains to the availability of adequate funds for the Company's debt service, capital expenditure, working capital requirements, and dividend payouts. Prudent liquidity risk management involves maintaining a sufficient level of cash and cash equivalents. The Company's liquidity risk management goal is to ensure that the minimum liquidity position (calculated as cash and cash equivalents plus undrawn committed credit facilities) always exceeds 2 percent of the annual revenue. In 2024, the Company's average liquidity position amounted to 5 percent of the annual revenue.

To mitigate liquidity risk, in January 2023 the Company signed an agreement with its largest shareholder, Telia Company AB, regarding a Revolving credit facility. This facility allows the Company to borrow any amount up to a total limit of EUR 50 million for 3 or 6 months, with funds available within 2 business days. In May 2024, the credit limit was temporary (till the end of October 2024) was increased by EUR 10 million.

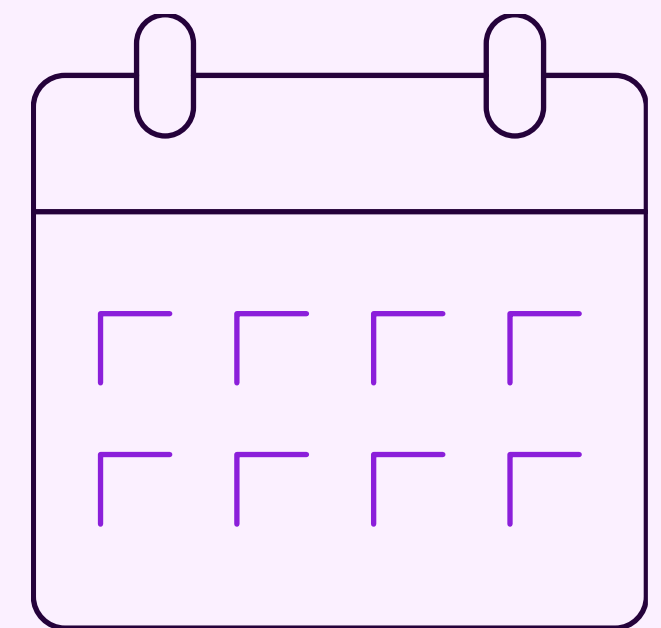
In January 2024, the Company has entered into agreement with Telia Company AB and Telia Global Services Lithuania, UAB on cash pooling at SEB bank. Cash pool arrangement provides the Company with the short-term borrowing possibility to ensure its liquidity.

The Company's financial risk management is conducted by employees of the Finance unit in accordance with Telia Company Group policies, in close cooperation with Telia Company Group Treasury. Further details about the Company's financial risk management can be found in Note 3 of the Company's Financial Statements for the year ended 31 December 2023.



Plans and forecasts

To meet the growing demand for cloud computing services, the Company has acquired a 2-hectare land plot near Vilnius, where it will construct a new data center that will be the largest one in the country. The Company is also continuing renovations and expansions of its existing data centers.



People

Telia Company’s most valuable resource is our people. We strive to have the most engaged employees. Without our ability to identify, hire and retain the best people, we would lose some of our unique culture and competitive edge.

People Policy defines the Company’s expectations of the employees as well as what expectations our employees shall have of each other and on the Company as their employer. The policy does not form part of any employee’s contract of employment and may change from time to time at the discretion of the Company.

The Telia **Code of Conduct** is designed to inspire and guide us in our everyday work, serving as our ethical compass as we travel forward. The Telia Code applies to Telia employees, board members, members of our extended workforce – such as suppliers, consultants, freelance and temporary workers – and anyone else who works or provides services for or on behalf of Telia.

The People Policy covers the following areas:

- Addictive substances
- Child labor and forced labor
- Disclosure of conflicting interests
- Freedom of association and collective bargaining
- Integrity
- Diversity, Equity and Inclusion
- Occupational health, safety and well being
- Recruitment
- Terms of employment and working hours
- Total remuneration
- Travel

Any Telia Company employee who suspects violations of the Code of Conduct or People Policy must speak up and raise the issue primarily to their line manager, and secondly to the Human Resources unit, to the Ethics and Compliance Office, or through the **Speak-Up Line**.

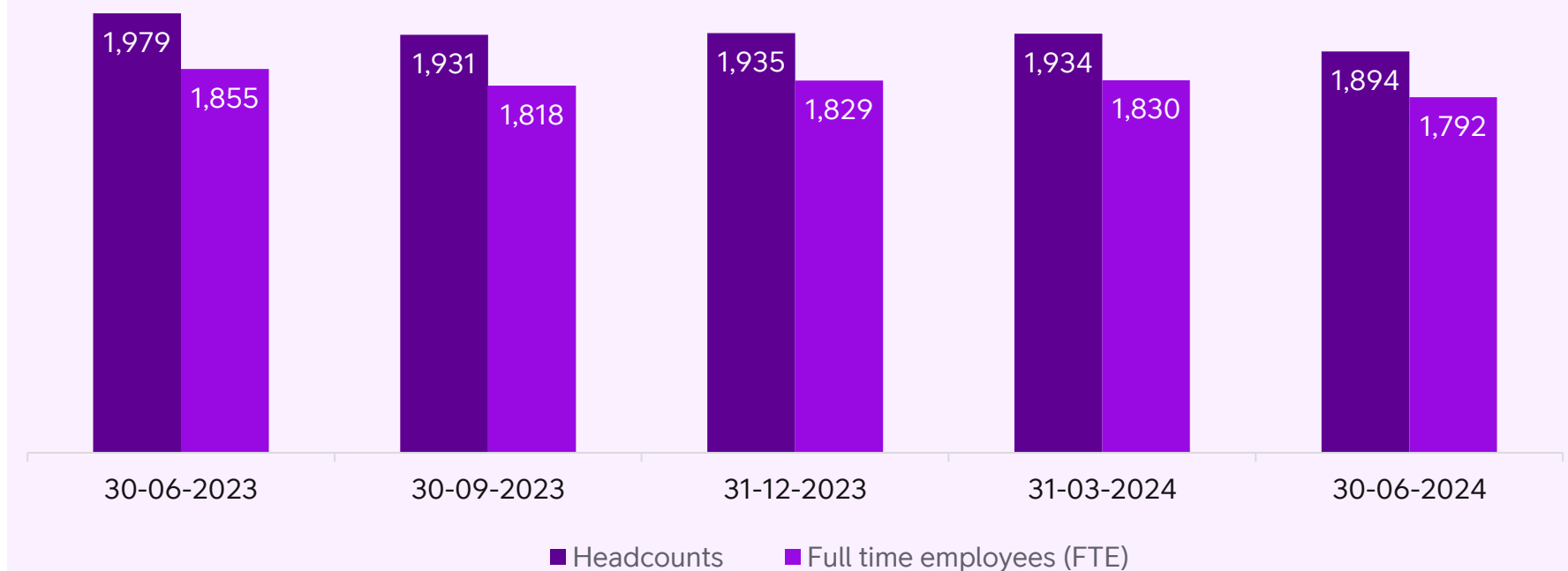
The protection and improvement of the health, safety and well-being of everyone who works for or with the Company, is a guiding principle in all our operations. This definition includes our employees, contractors, suppliers and visitors. Our common approach is built on promoting good health, well-being and safe work conditions, preventing occupational risks and ill health, and rapidly reacting to injuries and unsafe conditions. This applies to both physical and psycho-social work aspects.

The Company’s occupational health and safety (OHS) management system cover all requirements of ISO 45001 standard. The certificate of compliance with Occupational health and safety (ISO 45001) standard was obtained by the Company in October 2017.

The Company’s objective is to maximize the effectiveness of **remuneration** programs to attract, retain and motivate high calibre staff needed to maintain and improve the success of the business and support the change journey of becoming a new generation telecom company. The aim of Remuneration Policy and the associated remuneration practices is to support the strategic direction and objectives of the Company.

While counting full-time employees, the number of part-time employees is recalculated into full-time employees, and this number does not include employees on maternity/paternity leave.

Number of Telia Lietuva employees at the end of period



People

The Remuneration Policy sets out the following principles:

- Competitiveness and positioning
- Job levelling
- Compliance
- Cost effectiveness and administrative efficiency
- Performance orientation
- Equal opportunity

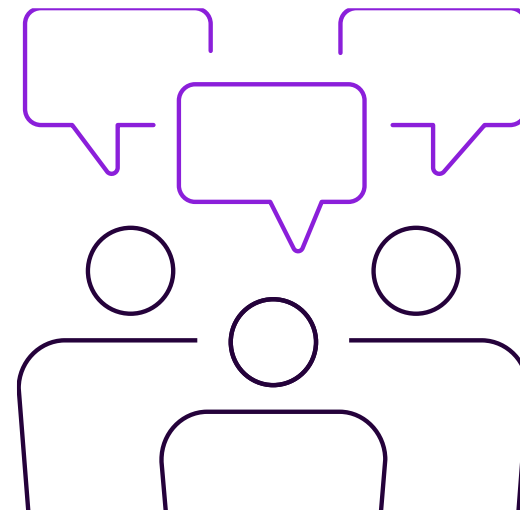
The Company applies total remuneration approach, which means that making remuneration comparisons with market levels and in communicating the value of remuneration to stakeholders, the emphasis is placed on the total value of the remuneration, not on the individual components. The Company offers different remuneration components to its employees differentiated based on types of businesses, functions, roles and markets. The remuneration may consist of one or more of the following components:

- Fixed base pay
- Short-term incentives
- Functional incentives
- the Company may introduce long-term incentive plans (such as share-based);
- other financial and non-financial benefits such as additional health insurance, pension plans, etc.

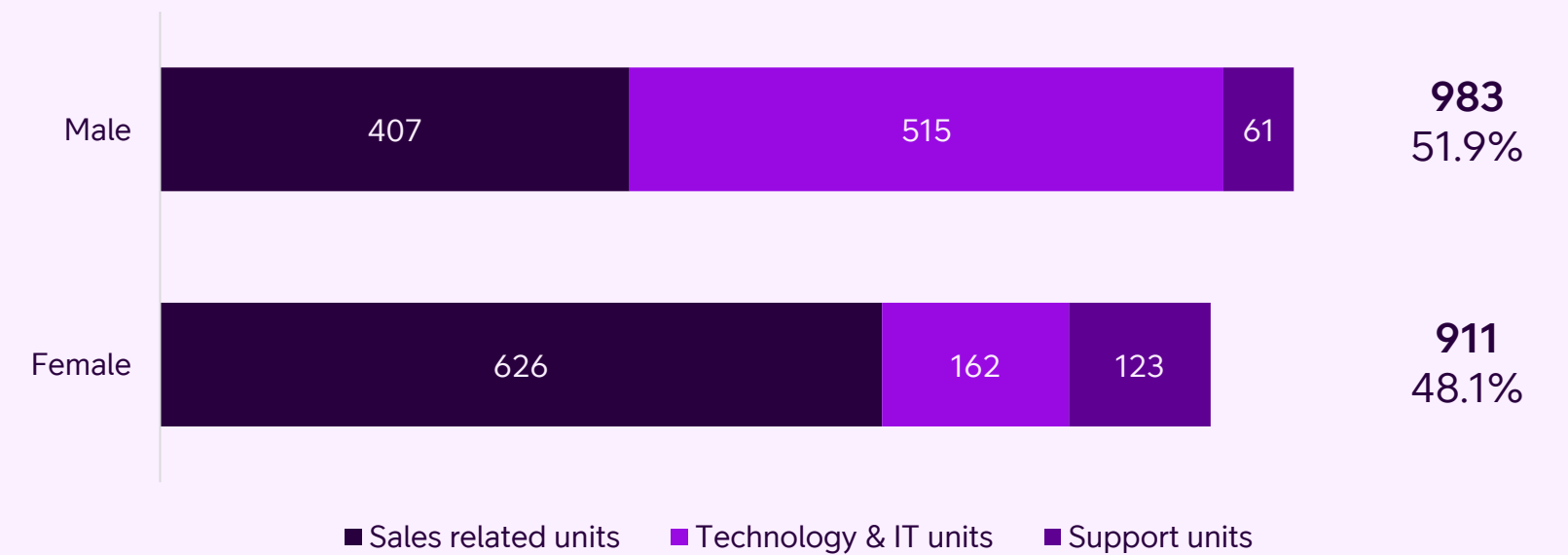
The remuneration of all employees is assessed once a year. In 2024, the remuneration was increased to 90 per cent of the Company employees on average by 7.3 per cent and annual bonuses amounting to roughly two monthly salary on average were paid to all employees of the Company who worked in the Company for at least 3 months in 2023 and who did not receive sales incentive pays.

According to the policy, the remuneration structure and levels for the members of the Company’s Management Team are supervised and governed by the Remuneration Committee of the Company and are approved by the Board.

The Company provides additional health insurance to all employees and offers to employee pension savings at 3rd tier pension funds. We also have Collective Bargaining Agreement which is valid for all employees. More information about these can be found in Annual and Sustainability report for the year 2023.



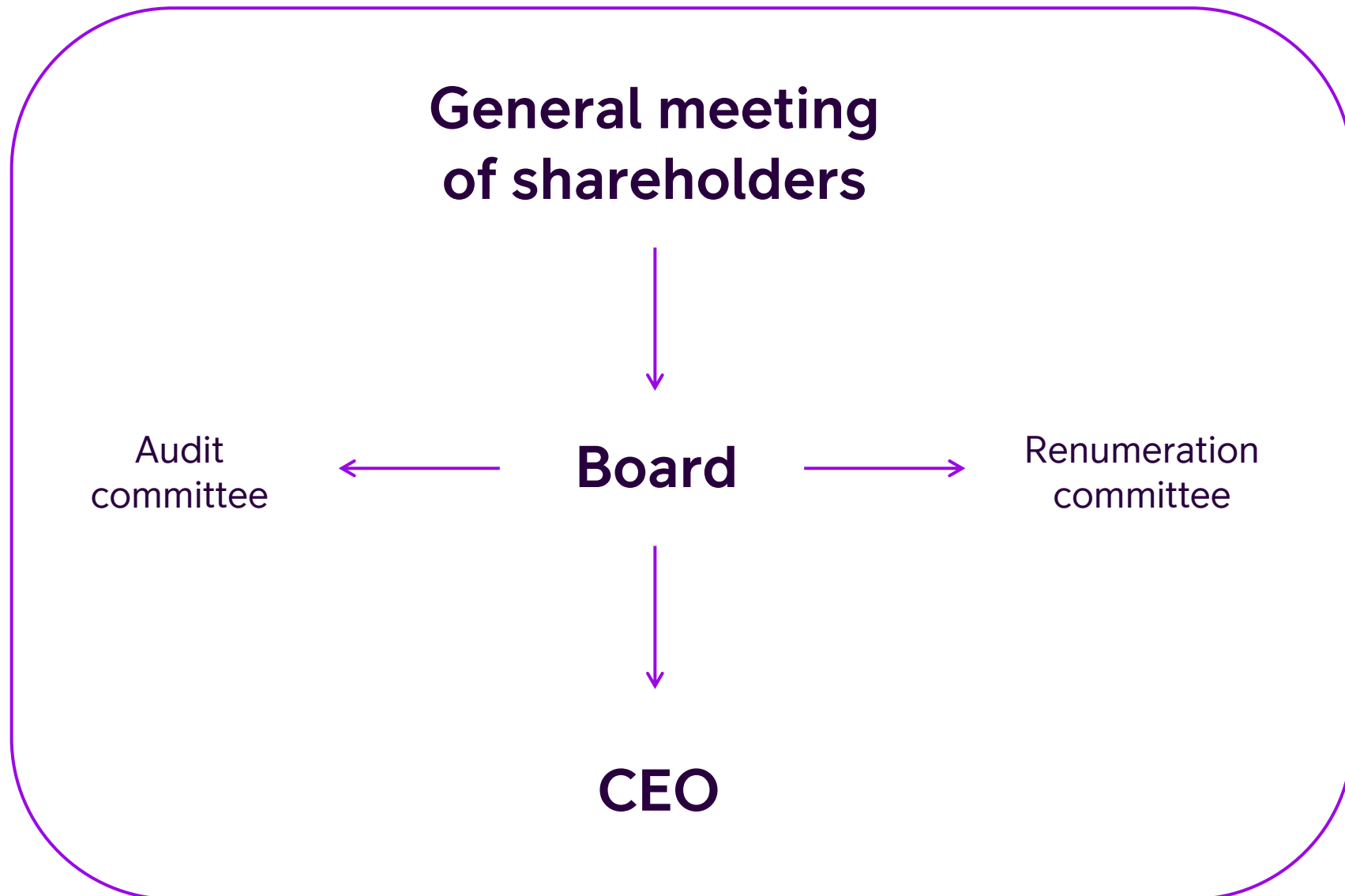
Employees breakdown by gender and units as of 30 June 2024



Corporate Governance

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 decisions of the **General Meeting** made regarding the matters of competence of the General Meeting, are binding upon the Shareholders, the Board, the CEO and other officials of the Company. The Shareholders of the Company that at the end of the date of the record of the General Meeting are shareholders of the Company have the right to participate in the General Meeting. The date of record of the General Meeting of the Shareholders of the Company is the fifth business day prior to the General Meeting or the repeated General Meeting. The person, participating in the General Meeting and having the right to vote, must deliver his/her identification proving document. In case the person is not a shareholder he/she is to present a document, proving his/her right to vote at the General Meeting.

Following the By-laws, **the Board** of the Company consists of six members who are elected for the term of two years and jointly act as a managing body of the Company. The Board represents the shareholders and performs supervision and control functions. The members of the Board are elected by the General Meeting in accordance with the procedure established by the Law on Companies of the Republic of Lithuania. The Chair of the Board is elected by the Board from its members for two years. The Board institutes two Committees: Audit and Remuneration. Three members of the Board comprise each committee.

The By-laws of the Company provides that the Board of Telia Lietuva:

- is responsible for the strategic direction of the Company;
- considers and approves the strategy of the Company, the annual and interim reports of the Company, the structure of the Company’s governance and positions of the employees, the positions to which employees shall be hired through a contest, and nominees to such positions, nominees to the positions directly reporting to the CEO, remuneration and dismissal from the positions, regulations of branches and representative offices of the Company, general principles (procedure) of payment of bonuses to Company’s employees;
- sets the information, which shall be held the commercial secret and confidential information of the Company;
- analyses and assesses materials provided by the CEO concerning the strategy implementation, activities and financial status of the Company;
- adopts decisions to become incorporator or participant of other legal entities, acquisition or disposal by the Company of the shares of other companies, acquisition, transfer, lease of any assets or business, assumption of new debt obligations, when the amount of the transactions exceeds EUR 1.6 million (excl. VAT);
- adopts decisions concerning the annual financial statements of the Company and a draft of profit (loss) distribution that are proposed by the CEO and presents these drafts to the General Meeting;
- adopts decisions on transactions with related parties as prescribed by the Law and transactions that has a significant impact on the Company, its finances, assets, liabilities;
- is responsible for convocation of General Meetings in a timely manner.

Corporate governance

The Board elects and recalls the **CEO** of the Company, sets his remuneration and other conditions of the employment agreement, approves his office regulations, induces and applies penalties to him. The CEO is the Head of the Company. The Head of the Company is a one-man management body of the Company and, within his scope of authority, organizes the day-to-day operation of the Company. An employment agreement with the CEO is signed by the Chair of the Board or other person, authorized by the Board. The remuneration of the CEO comprises a fixed salary and bonuses (premiums), payable contingent on the results of the Company's activities and performance of the CEO. The Work Regulations that are approved by CEO define the duties and authority of CEO and other officers of the Company in more details.

The By-laws of the Company provides that CEO of Telia Lietuva:

- supervises the day-to-day operation and ensure the implementation of the Company's Business Plan;
- prepares annual financial statements and annual report of the Company;
- prepares a draft decision on the allocation of dividends;
- reports on the current operations of the Company at each meeting of the Board;
- performs the functions delegated to him by the Board and implement decisions adopted by the General Meeting;
- represents or procures the representation of the Company before companies, authorities, organizations, courts, arbitration and in relations with any third party;
- opens or closes accounts with banking institutions and dispose of the funds therein;

- executes the Company's transactions pursuant to the By-laws, decisions of the General Meeting and the Board;
- issues authorizations to other persons to perform his functions within the scope of his authority;
- issues procurations;
- issues internal documents regulating the work of the administration, and other structural units;
- appoints and dismisses employees of the Company, signs, amends and terminates on behalf of the Company employment agreements with employees of the Company (except where, in cases provided in these By-laws, Board approval is required);
- determines employees' salaries and bonuses (except where, in cases provided in these By-laws, Board approval is required); presents the procedure for payment of bonuses to the Board for approval;
- ensures the protection and increases of the Company's assets, normal working conditions, and protection of commercial secrets;
- represents or gives another person a power of attorney to represent the Company in general meetings of shareholders of other companies in which the Company has invested;
- approves, amends and supplements the work regulations of the administration;
- provides reports to the Shareholders and the Board on major events that are relevant to the Company's activities;
- complies with legal requirements when concluding transactions with related parties;
- executes other functions, ascribed to the competence of the head of a Company in the valid legal acts.

The Company essentially follows a recommendatory **Corporate Governance Code** for the Companies Listed on Nasdaq Vilnius stock exchange (hereinafter 'the Governance Code') adopted in August 2006, amended in December 2009 and newly worded from January 2019. The Company does not have a Supervisory Council, but supervision functions set by the Law on Companies of the Republic of Lithuania are performed by the Board, which is a non-executive managing body of the Company and is comprised from four representatives of the largest shareholder, Telia Company, and two independent members of the Board. The Company does not have a Nomination Committee as its functions are performed by the Remuneration Committee. Former CEO of the Company, Dan Strömberg, from March 2023 till April 2024 was Chair of the Board.

The Company prepared the disclosure of compliance with the principles and recommendation set by the Governance Code in Telia Lietuva, AB Corporate governance reporting form for the year ended 31 December 2023, which is a part to this Annual Report.

Procedure for amending the Company's By-laws

The Company's By-laws provide that the By-laws of the Company can be amended upon the initiative of the Board or Shareholders, whose shares grant them no less than 1/20 of the whole votes. The decision on amendment of the By-laws shall be taken by the 2/3 majority of the votes of participants of the General Meeting. In case the General Meeting takes the decision to amend the By-laws of the Company the whole text of the amended By-laws shall be drawn and signed by the person, authorized by the General Meeting.

Shareholders' rights

None of the shareholders of the Company have any special controlling rights. Rights of all shareholders are equal. As of 30 June 2024, the number of the Company's shares that provide voting rights during the General Meeting of Shareholders amounted to 582,613,138. One ordinary registered share of the Company gives one vote in the General Meeting of Shareholders.

The Company is not aware of any agreements between the shareholders that could limit transfer of securities and/or their ability to exercise their voting rights.

Shareholders' meeting

The Annual General Meeting held on 26 April 2024 decided to:

- approve of the Company's annual financial statements for the year 2023,
- allocate the Company's profit for the year 2023,
- 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,
- approve the Company's Remuneration Report for the year 2023,
- approve new edition of the Company's CEO and Board members remuneration policy
- recall UAB Deloitte Lietuva as the Company's auditor and elect KPMG Baltics, UAB as the Company's audit enterprise for the year 2024 and 2025,
- elect Stefan Backman to the Company's Board for current term of the Board to succeed Dan Strömberg, who resigned from the Board as of 25 April 2024.

Corporate governance

The Board Activities

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. Following the largest Company's shareholder, Telia Company AB, proposal the Annual General Meeting of Shareholders on 26 April 2024 elected Stefan Backman, Executive Vice President, Group General Counsel and Head of Corporate Affairs at Telia Company AB, to the Board of Telia Lietuva for the current term of the Board till 27 April 2025..

On 25 June 2024, the Board of Telia Lietuva elected Stefan Backman as a Chair of the Board.

During January-June 2024, four ordinary and one extraordinary **meetings of the Board** were held. Ordinary meetings were convened according to the preliminary approved schedule of the Board meetings, while extraordinary meeting was held for appointment of new members of the Management Team. During all Board meetings there was quorum prescribed by legal acts. All meeting were chaired by the then Chair of the Board.

During its meetings the Board, besides the ongoing follow up of the Company's business plan implementation and supervision of transformation program approved:

- financial statements for the 12 months of 2023 and 3 months of 2024,
- financial statements and the annual report for the year ended 31 December 2023,
- convocation of the Annual General Meetings of Shareholders and agenda of the Meeting,
- proposal of profit allocation for the year 2023,

- Remuneration Report for the year 2023,
- new edition of the Company's CEO and Board members remuneration policy,
- audit enterprise for the year 2024-2025,
- internal audit plan for the year 2024,
- payment of annual bonuses for the year 2023,
- resignation of the Chair of the Board and election of new Chair of the Board,
- changes in organizational structure of the Company,
- appointment of new Heads of B2B and Digital Transformation units,
- updates of the Company's Policies.

The Board regularly considered reports of the Audit and Remuneration Committees, as well as reports of the Company's management.

The **Remuneration Committee** of the Company is responsible for making recommendations to the Board on creating a competitive compensation structure aimed at attracting and retaining key management talent. It also ensures the integrity of the Company's compensation and benefit practices, links compensation to performance, and safeguards the interests of all shareholders. The Remuneration Committee reviews and establishes general compensation goals and guidelines for the Company's employees, determines bonus criteria, recommends compensation for executives and management, plans executive development and succession, assists the Chair of the Board in CEO recruitment, and aids the CEO in recruiting managers who report directly to them.

During the first six months of 2024, the Remuneration Committee held two ordinary meetings. The committee discussed the following issues during these meetings:

- evaluation of the Company's Management team members' performance and approval of short-term incentives for Management team for the year 2023,
- base salary review for Management team members,
- short-term incentive KPI's for the year 2024,
- short-term incentives procedure update,
- Company's CEO and Board members remuneration policy,
- Remuneration Report for the year 2023,
- change of organizational structure of the Company
- changes in Management team.

All members of the Committee attended all meetings. The meetings were chaired by the Chair of the Committee, Claes Nycander.

The purpose of the **Audit Committee** is to assist the Board in fulfilling its oversight responsibilities. It reviews the financial reporting process, internal control systems, management of financial risks, audit processes, and the Company's compliance monitoring with laws, regulations, and internal policies.

During the first half of 2024, two meetings of the Audit Committee were held, during which the following issues were considered:

- the report by external auditors regarding the financial statements for the year 2023,

- draft of audited financial statements and the Annual Report for the year 2023,
- draft of Profit allocation statements for the year 2023 (dividends and tantiemes),
- internal audit and risk management reports,
- internal audit plan for the year 2024,
- election of the Company's audit enterprise for the years 2024 and 2025,
- related party transaction – increase of Revolving Credit Facility limit,
- report of GREC (Governance, Risk, Ethics and Compliance) meeting,
- update on funding and liquidity.

All members of the Committee attended all meetings of the Committee. Both meetings were chaired by Chair of the Committee, Agneta Wallmark.

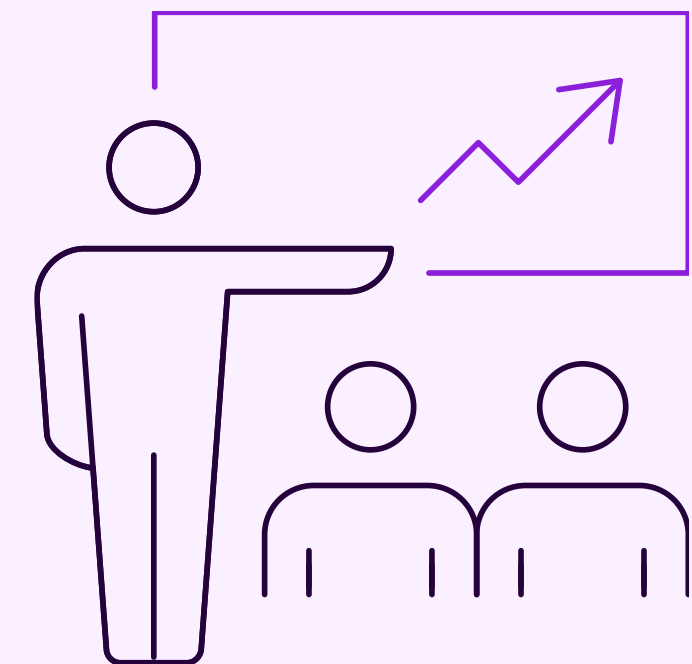
Auditors

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, the Annual General Meeting of Shareholders held on 26 April 2024 recalled UAB Deloitte Lietuva as the Company's audit enterprise and elected KPMG Baltics, UAB as the Company's audit enterprise for the year 2024 and 2025.

Corporate governance

Information about the Board members' attendance of the meetings in 2024 (number of attended/to be attended meetings):

Name, surname	Position	Meeting attendance			Tantiemes for 2023 paid-out in 2024 (EUR)
		Board	Audit Committee	Remuneration Committee	
Dan Strömberg	Chair of the Board, member of the Board till 25 April 2024	3/3			-
Stefan Backman	Chair of the Board, member of the Board from 26 April 2024	2/2			-
Claes Nycander	Member of the Board, Chair of the Remuneration Committee	5/5		2/2	-
Agneta Wallmark	Member of the Board, Chair of the Audit Committee	5/5	2/2		-
Hannu-Matti Mäkinen	Member of the Board, member of the Remuneration Committee	5/5		2/2	-
Leda Iržikevičienė	Independent member of the Board, member of the Audit Committee	5/5	2/2		18,500
Mindaugas Glodas	Independent member of the Board, member of the Audit and Remuneration Committees	5/5	2/2	2/2	18,500



Members of the Board



**Stefan
Backman**

Chair of the Board, member of the Board since 26 April 2024 (nominated by Telia Company AB).

Education – University of Uppsala (Sweden), Master of Laws.

Employment – Telia Company AB, 169 94 Solna, Sweden, code 556103-4249, Executive Vice President, Group General Counsel and Head of Corporate Affairs.

Involvement in activities of other entities:

- Telia Sverige AB, Stjärntorget 1, 169 94 Solna, Sweden, code 556430-0142, member of the Board
- TV4 AB, Tegeluddsvägen 3, 115 41 Stockholm, Sweden, code 556242-7152, Chair of the Board
- Telia Finland Oyj, PL 106, FI-0051 Sonera, Finland, code 1475607-9, Chair of the Board
- Telia Eesti AS, Mustamäe tee 3, 15033 Tallinn, Estonia, code 10234957, member of the Supervisory Council;
- Latvijas Mobilais Telefons (LMT) SIA, Ropažu iela 6, Rīga, LV-1039 Latvia, code 50003050931, member of the Supervisory Council.

Stefan Backman has no direct interest in the share capital of Telia Lietuva.



**Claes
Nycander**

Member of the Board since 29 April 2014, re-elected for the two-year terms on 29 April 2015, 27 April 2017, 26 April 2019, 27 April 2021 and 27 April 2023 (nominated by Telia Company AB), **Chair of the Remuneration Committee**.

Education: Uppsala University (Sweden), Master of Business and Administration; Stanford University Palo Alto (U.S.A.), Master of Science in Electrical Engineering; Institute of Technology at University of Linköping (Sweden), Master of Science in Electrical Engineering, and University of Linköping (Sweden), Bachelor of Science in Mathematics.

Employment – Telia Company AB, 169 94 Solna, Sweden, code 556103-4249, Vice President, Head of Chief Operating Officer Office & part of management support for Latvia, Lithuania and Estonia.

Current Board Assignments:

- Telia Towers AB, 169 94 Solna, Sweden, code 559196-5164, member of the Board;
- Telia Towers Finland Oy, Pasilan asema-aukio 1, FI-00520 Helsinki, Finland, code 2933075-9, member of the Board;

- Telia Towers Norway AS, Lørenfaret 1 A, 0585 Oslo, Norway, code 921589298, member of the Board;
- Svenska UMTS-Nät AB, Warfvinges Väg 45 4tr, 11251 Stockholm, Sweden, code 556606-7996, Chair of the Board;
- Svenska UMTS-licens AB, Warfvinges Väg 45, 112 51 Stockholm, Sweden, code 556606-7772, Chair of the Board;
- Telia Eesti AS, Mustamäe tee 3, 15033 Tallinn, Estonia, code 10234957, member of the Supervisory Council;
- Latvijas Mobilais Telefons (LMT) SIA, Ropažu iela 6, Rīga, LV-1039 Latvia, code 50003050931, member of the Supervisory Council;
- Tilts Communications A/S, Holmbladsgade 139, 2300 København, Denmark, code 17260642, member of the Board;
- Telia Company Danmark A/S, Holmbladsgade 139, 2300 København S, Denmark, code 18530740, Chair of the Board.

Claes Nycander has no direct interest in the share capital of Telia Lietuva.

Members of the Board



Agneta Wallmark

Member of the Board since 25 April 2018, re-elected for the two-year terms on 26 April 2019, 27 April 2021 and 27 April 2023 (nominated by Telia Company AB), **Chair of the Audit Committee**.

Education: Stockholm School of Economics (Sweden), B. Sc. Econ with special focus on Accounting and Finance and Stockholm University (Sweden), LL. M with special focus on Tax and Economics.

Employment – Telia Company AB, 169 94 Solna, Sweden, code 556103-4249, Vice President, Head of Group Treasury.

Current Board assignments:

- Telia Försäkring AB (Telia Insurance), 169 94 Solna, Sweden, code 516401-8490, Chair of the Board;
- Swedish Pension Fund of Telia, 169 94 Solna, Sweden, member of the Board;
- Andra AP-fonden, Östra Hamngatan 26, 404 24 Gothenburg, Sweden, member of the Board;
- Skandia Life Insurance (Mutual), Lindhagensgatan 86, 112 18 Stockholm, Sweden, code 516406-0948, Chair of Nomination Committee for General Council elections.

Agneta Wallmark has no direct interest in the share capital of Telia Lietuva.



Hannu-Matti Mäkinen

Member of the Board since 25 April 2018, re-elected for the two-year terms on 26 April 2019, 27 April 2021 and 27 April 2023 (nominated by Telia Company AB), **member of the Remuneration Committee**.

Education: University of Arizona (U.S.A), College of Law, LL.M (Master of Laws) in International Trade Law, and University of Lapland (Finland), School of Law, LL. B (Bachelor of Laws) and LL.M (Master of Laws) in Finnish and EU-Law.

Employment – Telia Company AB, 169 94 Solna, Sweden, code 556103-4249, Chief Legal Counsel, Telia Asset Management.

Current Board Assignments:

- Telia Finland Oyj, PL 106, FI-0051 Sonera, Finland, code 1475607-9, member of the Board;
- Tilts Communications A/S, Holmbladsgade 139, 2300 København, Denmark, code 17260642, member of the Board;
- Tet SIA, Dzirnava iela 105, Rīga, LV-1011 Latvia, code 40003052786, member of the Supervisory Council;
- Valokuitunen Oy, Hämeentie 15, 00500 Helsinki, Finland, code 3101706-7, member of the Board;
- Telia Towers AB, 169 94 Solna, Sweden, code 559196-5164, Chair of the Board;
- Telia Towers Finland Oy, Pasilan asema-aukio 1, FI-00520 Helsinki, Finland, code 2933075-9, Chair of the Board;
- Telia Towers Sweden AB (Sweden), 169 94 Solna, Sweden, code 559162-3342, Chair of the Board;
- Telia Towers Norway AS, Lørenfareet 1 A, 0585 Oslo, Norway, code 921589298, Chair of the Board.

Hannu-Matti Mäkinen has no direct interest in the share capital of Telia Lietuva.

Members of the Board



**Leda
Iržikevičienė**

Independent member of the Board since 16 March 2023, re-elected for the two year's term on 27 April 2023 (as independent member of the Board nominated by Telia Company AB), **member of the Audit Committee**..

Education: Baltic Management Institute (Lithuania), Executive Master of Business Administration (EMBA), and Vilnius University (Lithuania), Bachelor's degree in business administration and Master's degree in business administration

Employment – OP Corporate Bank plc Lithuanian branch, Konstitucijos ave. 29, LT-08105 Vilnius, Lithuania, code 302535257, Country Manager

Involvement in activities of other entities :

– Association 'Lyderė', Jogailos g. 9, LT-01116 Vilnius, Lithuania, code 304439065, member of the Board.

Leda Iržikevičienė has no direct interest in the share capital of Telia Lietuva.



**Mindaugas
Glodas**

Independent member of the Board since 25 April 2018, re-elected for the two-year terms on 26 April 2019, 27 April 2021 and 27 April 2023 (as independent member of the Board nominated by Telia Company AB), **member of the Audit and Remuneration Committees**.

Education: University of Antwerp, Centre for Business Administration UFSIA (Belgium), Master of Business Administration (MBA), and Vilnius University, Faculty of Economics (Lithuania), Bachelor of Business Administration (BBA).

Employment:

– NRD Companies AS, Løkketangen 20 B, 1337 Sandvika, Norway, code 921985290, General Manager;

– Norway Registers Development AS, Løkketangen 20 B, 1337 Sandvika, Norway, code 985221405, General Manager;

– Norway Registers Development AS Lithuanian branch, Gynėjų g. 14, LT-01109 Vilnius, Lithuania, code 304897486, General Manager.

Involvement in activities of other entities:

– Association Žinių Ekonomikos Forumas, Saulėtekio al. 15, LT-10221, Vilnius, Lithuania, code 225709520, member of the Council;

– Lithuanian National Committee for UNICEF, Aušros Vartų g. 3, LT- 01304 Vilnius, Lithuania, code 191588169, Chair of the Board;

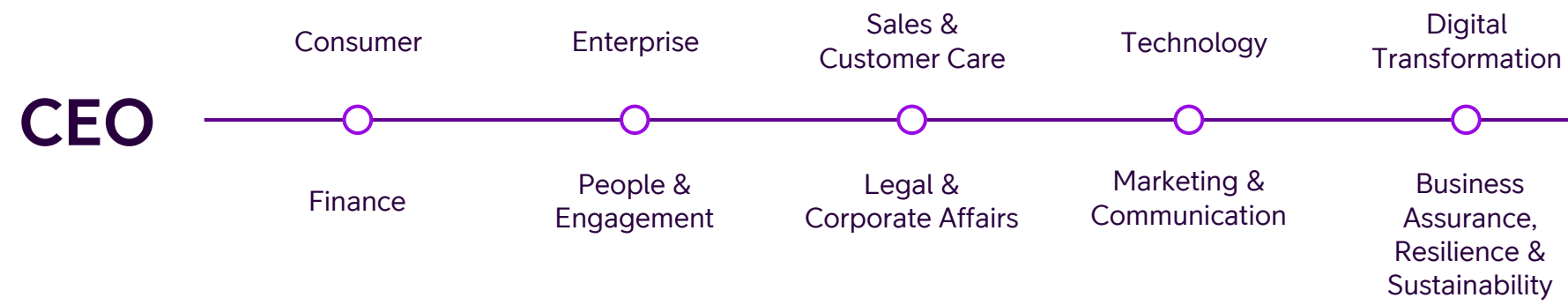
– MB Vox Proxima, Perkūno g. 32, Gilužių k., LT-14195 Vilniaus r., Lithuania, code 303481474, member of partnership (50 per cent);

– UAB Privacy Partners Group, Smolensko g. 6, LT-03201 Vilnius, Lithuania, code 302415083, shareholder (39 per cent).

Mindaugas Glodas has no direct interest in the share capital of Telia Lietuva.

Governing structure of Telia Lietuva

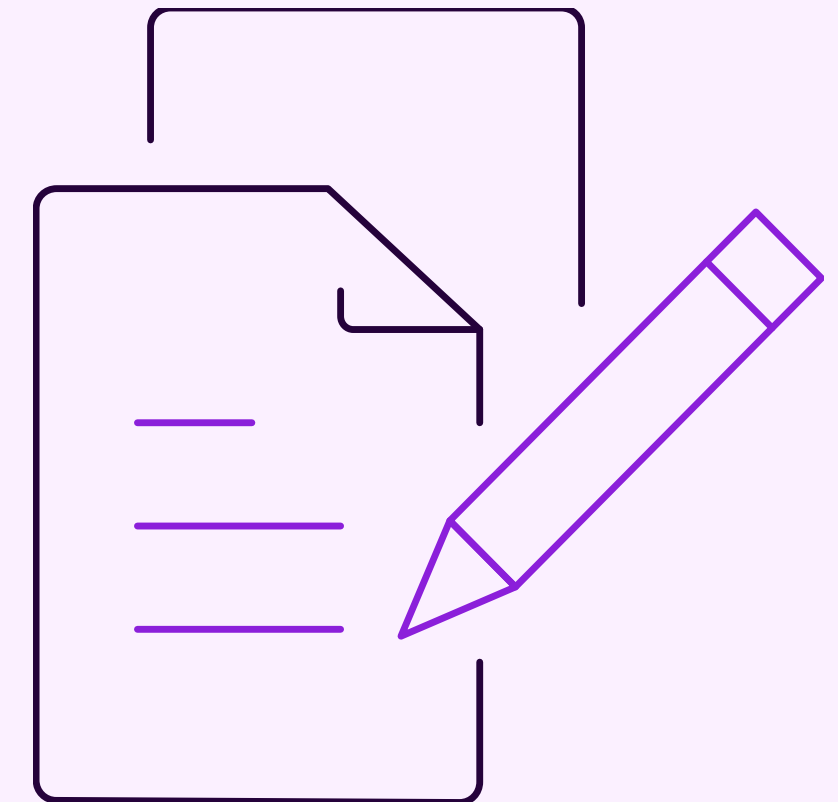
valid from 1 July 2024



In April 2024, the Board has approved a new organization structure of Telia Lietuva valid from 1 July 2024. The Digital and Transformation business functions were merged into new Digital Transformation unit, Business Assurance and Transformation unit was renamed into Business Assurance, Resilience and Sustainability (BARS) unit, and all IT competences concentrated in Technology unit.

Vygintas Domarkas was appointed as Head of Digital Transformation unit from 1 July 2024.

Daniel Karpovič, Head of Enterprise (B2B), left the Company as of 1 July 2024, and Aurimas Žlibinas was appointed to lead the Company's business customers' unit.



Management Team



**Giedrė
Kaminskaitė-
Salters**

CEO
from 1 March 2023.

Education: Maastricht University (The Netherlands), Doctor of Law; BPP Law School, London (United Kingdom), law conversion studies, juris doctor equivalent; Oxford University (United Kingdom), MPhil in International Relations; London School of Economics (United Kingdom), Bachelor of Science in International Relations.

Involvement in activities of other entities:

- Vilnius University Institute of International Relations and Political Science, Vokiečių g. 10-403, Vilnius, Lithuania, code 125745184, member of the Board of Trustees;
- Association Investors' Forum, Totorių str. 5-21, LT-01121 Vilnius, Lithuania, code 224996640, member of the Board;
- 4 procentai, VšĮ, Konstitucijos pr. 21A, LT-08130 Vilnius, Lithuania, code 306689509, member of the Board.

Giedrė Kaminskaitė-Salters has no direct interest in the share capital of Telia Lietuva and has no shareholdings that exceed 5 per cent of the share capital of any company.



**Elina
Dapkevičienė**

**Head of Consumer
(B2C)** from 1 July 2022.

Education – Stockholm School of Economics in Riga (Latvia), Bachelor degree in Economics and Business Administration.

She is not involved in activities of other entities. Elina Dapkevičienė has no direct interest in the share capital of Telia Lietuva, AB and has no shareholdings that exceed 5 percent of the share capital of any company.



**Aurimas
Žlibinas**

**Head of Enterprise
(B2B)** from 1 June 2024.

Education – Lithuanian University of Educational Science, Bachelor of Science, Sociology.

He is not involved in activities of other entities. Aurimas Žlibinas has no direct interest in the share capital of Telia Lietuva and has no shareholdings that exceed 5 per cent of the share capital of any company.



**Lina
Bandzinė**

Head of Sales & Customer Care
from 1 March 2023.

Education – Mykolas Romeris University (Lithuania), Master's degree in Law and Management, and Vilnius Gediminas Technical University (Lithuania), Bachelor's degree in Business Management

She is not involved in activities of other entities. Lina Bandzinė has no direct interest in the share capital of Telia Lietuva, AB and has no shareholdings that exceed 5 percent of the share capital of any company.

Management Team



**Andrius
Šemeškevičius**

Head of Technology
from 18 August 2014.

Education – Vilnius Gediminas Technical University (Lithuania), Bachelor’s degree in Engineering Informatics and Master’s degree in Engineering Informatics.

Involvement in activities of other entities:
— SIA Tet, Dzirnavu iela 105, Rīga, LV-1011, Latvia, code 40003052786, member the Supervisory Council

Andrius Šemeškevičius has 8,761 shares of Telia Lietuva that accounts to 0.0015 per cent of the total number of the Company’s shares and votes. He has no shareholdings that exceed 5 per cent of the share capital of any company.



**Vygintas
Domarkas**

Head of Digital Transformation
from 1 July 2024.

Education: Vilnius University (Lithuania), bachelor’s degree in Informatics.

He is not involved in activities of other entities. Vygintas Domarkas has no direct interest in the share capital of Telia Lietuva, AB and has no shareholdings that exceed 5 percent of the share capital of any company.



**Daina
Večkytė**

Head of Finance
from 4 July 2022.

Education: Vytautas Magnus University (Lithuania), Bachelor of Business Administration and MBA, Finance and Banking.

She is not involved in activities of other entities. Daina Večkytė has no direct interest in the share capital of Telia Lietuva and has no shareholdings that exceed 5 per cent of the share capital of any company.



**Ramūnas
Bagdonas**

Head of People and Engagement
from 1 June 2014.

Education: Vytautas Magnus University (Lithuania), Master of Business Administration; Baltic Management Institute (BMI) (Lithuania), Executive Master of Business Administration.

Involvement in activities of other entities:
— Association of Personnel Management Professionals, Galvydžio g. 5, LT-08236 Vilnius, Lithuania, code 300563101, Chair of the Board;
— UAB EPSO-G, Laisvės pr. 10, LT-04215 Vilnius, Lithuania, code 302826889, member of Remuneration and Nomination Committee

Ramūnas Bagdonas has no direct interest in the share capital of Telia Lietuva. He has no shareholdings that exceed 5 per cent of the share capital of any company.

Management Team



**Daiva
Kasperavičienė**

Head of Legal and Corporate Affairs
from 25 January 2019.

Education – Vilnius University (Lithuania), Law Master's degree.

She is not involved in activities of other entities. Daiva Kasperavičienė has no direct interest in the share capital of Telia Lietuva. She has no shareholdings that exceed 5 percent of the share capital of any company.



**Vaida
Jurkonienė**

Head of Marketing & Communication
from 1 July 2022.

Education: Kaunas Technology University (Lithuania), Bachelor of Business Administration (following Norwegian Business School BI program) and Master in Economics studies.

She is not involved in activities of other entities. Vaida Jurkonienė has no direct interest in the share capital of Telia Lietuva and has no shareholdings that exceed 5 per cent of the share capital of any company.



**Vytautas
Bučinskas**

Head of Business Assurance, Resilience & Sustainability from 15 December 2017.

Education: Baltic Management Institute (BMI) (Lithuania), Executive Master of Business Administration; Kaunas Technology University (Lithuania), Bachelor of Management of Production and Master of Marketing.

Involvement in activities of other entities:

- Member of the Cyber Security Council (Lithuania)
- Association INFOBALT, A. Goštauto g. 8-313, LT-01108 Vilnius, Lithuania, code 122361495, Deputy Chair of Cybersecurity Committee.

Vytautas Bučinskas has no direct interest in the share capital of Telia Lietuva. He has no shareholdings that exceed 5 per cent of the share capital of any company.

Financial Statements

Statement of profit or loss and other comprehensive income

	Notes	April – June		January – June	
		2024	2023	2024	2023
Revenue		119,496	113,069	238,481	230,471
Cost of goods and services		(43,441)	(42,292)	(88,022)	(88,743)
Employee related expenses		(17,636)	(15,518)	(34,180)	(30,543)
Other operating expenses		(14,874)	(14,804)	(29,574)	(30,211)
Other income		-	-	-	-
Other gain / (loss) – net		448	526	666	522
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(22,259)	(21,354)	(43,225)	(42,562)
Operating profit		21,734	19,627	44,146	38,934
Finance income		566	302	1,075	586
Finance costs		(2,121)	(1,854)	(4,154)	(3,214)
Finance and investment activities – net		(1,555)	(1,552)	(3,079)	(2,628)
Profit before income tax		20,179	18,075	41,067	36,306
Income tax	3	(1,927)	(2,490)	(4,650)	(4,477)
Profit for the year		18,252	15,585	36,417	31,829
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		18,252	15,585	36,417	31,829
Profit and comprehensive income attributable to:					
Owners of the Parent		18,252	15,585	36,417	31,829
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	0.027	0.063	0.055

Statement of financial position

	Notes	As at 30 June 2024	As at 31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	247,819	253,738
Goodwill	7	26,769	26,769
Intangible assets	7	138,670	141,742
Right-of-use assets	8	47,019	45,134
Costs to obtain contract		5,493	5,477
Contract asset		592	718
Trade and other receivables		19,647	18,855
Finance lease receivables		6,313	5,982
		492,322	498,415
Current assets			
Inventories		13,659	12,617
Contract asset		1,200	1,012
Trade and other receivables		67,141	75,900
Current income tax assets		-	249
Finance lease receivables		6,207	5,852
Interest bearing receivables (cash pool)		14,717	-
Cash and cash equivalents		5,714	20,604
		108,638	116,234
Assets classified as held for sale		1,416	1,472
Total assets		602,376	616,121

	Notes	As at 30 June 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		154,956	170,974
Equity attributable to owners of the Company		340,810	356,828
Non-controlling interests		-	-
Total equity		340,810	356,828
LIABILITIES			
Non-current liabilities			
Borrowings		-	-
Lease liabilities		44,089	42,495
Deferred tax liabilities		16,913	16,965
Deferred revenue and accrued liabilities		18,618	19,036
Contract liability		-	-
Provisions	11	13,010	13,039
		92,630	91,535
Current liabilities			
Trade, other payables and accrued liabilities		52,194	58,576
Current income tax liabilities		1,164	-
Borrowings		97,174	91,782
Contract liability		2,953	2,895
Lease liabilities		15,451	14,505
Provisions	11	-	-
		168,936	167,758
Total liabilities		261,566	259,293
Total equity and liabilities		602,376	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	-	-	31,829	31,829
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	31,829	31,829
Dividends paid for 2022	-	-	(34,957)	(34,957)
Balance at 30 June 2023	168,958	16,896	139,209	325,063
Balance at 1 January 2024	168,958	16,896	170,974	356,828
Profit for the year	-	-	36,417	36,417
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	36,417	36,417
Dividends paid for 2023	-	-	(52,435)	(52,435)
Balance at 30 June 2024	168,958	16,896	154,956	340,810

Statement of cash flows

	Notes	January – June	
		2024	2023
Operating activities			
Profit for the year		36,417	31,829
Adjustments for:			
Income tax expenses recognized in profit or loss	3	4,650	4,477
Depreciation, amortisation and impairment charge	6	44,380	43,803
Other gain / (loss) – net		(729)	(710)
Interest income		(1,074)	(1,099)
Interest expenses		4,125	3,693
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Inventories / Assets held for sale		(1,205)	(3,390)
Trade and other receivables		7,026	(2,654)
Decrease/(increase) in contract assets		(62)	81
Decrease/(increase) in contract costs		(16)	96
Trade, other payables and accrued liabilities, deferred tax liability		(5,977)	6,220
Increase/(decrease) in contract liabilities		58	217
Increase/(decrease) in deferred revenue and accrued liabilities		(418)	(756)
Increase/(decrease) in provisions	11	(29)	(33)
Cash generated from operations		87,146	81,774
Interest paid		(3,605)	(3,567)
Interest received		151	135
Income taxes paid		(3,288)	(3,550)
Net cash generated by operating activities		80,404	74,792

	Notes	January – June	
		2024	2023
Investing activities			
Purchase of property, plant and equipment and intangible assets		(30,204)	(44,116)
Proceeds from disposal of property, plant and equipment and intangible assets		1,438	924
Proceeds from / repayments for finance sublease receivables		237	2,986
Increase / decrease in interest bearing receivables (cash pool)		(14,717)	-
Net cash used in investing activities		(43,246)	(40,206)
Financing activities			
Repayment of borrowings		(87,783)	(100,460)
Proceeds from borrowings		93,175	110,539
Increase (decrease) in lease liabilities		(5,005)	(8,036)
Dividends paid to shareholders		(52,435)	(34,957)
Net cash received in financing activities		(52,048)	(32,914)
Increase (decrease) in cash and cash equivalents		(14,890)	1,672
Movement in cash and cash equivalents			
At the beginning of the financial year		20,604	7,099
Increase (decrease) in cash and cash equivalents		(14,890)	1,672
At the end of the financial year		5,714	8,771

Notes to the financial statements

1 Basic of preparation

The interim financial statements for the three months' period ended 30 June 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 30 June 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
		30 June 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 30 June 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).

	April – June		January – June	
	2024	2023	2024	2023
Current tax expenses	2,339	2,486	4,702	4,758
Deferred tax change	(412)	4	(52)	(281)
Total	1,927	2,490	4,650	4,477

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 1.6 million (2023: EUR 1.8 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.

	April – June		January – June	
	2024	2023	2024	2023
Net profit	18,252	15,585	36,417	31,829
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613	582,613	582,613
Basic earnings per share (EUR)	0.031	0.027	0.063	0.055

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:

	January – June	
	2024	2023
Depreciation of property, plant and equipment (Note 6)	22,680	24,174
Impairment of property, plant and equipment (Note 6)	15	11
Amortisation of intangible assets (Note 7)	14,870	13,166
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	5,660	5,211
Total	43,225	42,562
Impairment of assets classified as held for sale	-	-
Total	43,225	42,562

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
Six months ended 30 June 2023					
Opening net book amount	9,776	225,343	10,943	23,591	269,653
Additions	-	-	-	18,153	18,153
Reclassifications	(1,543)	14	-	(82)	(1,611)
Disposals and write-offs	-	(249)	40	-	(209)
Transfers from construction in progress	1,000	21,784	1,872	(24,656)	-
Depreciation charge	(654)	(21,030)	(2,490)	-	(24,174)
Impairment charge	-	(11)	-	-	(11)
Closing net book amount	8,579	225,851	10,365	17,006	261,801
At 30 June 2023					
Cost	27,462	790,871	50,149	17,006	885,488
Accumulated depreciation	(18,842)	(563,940)	(39,783)	-	(622,565)
Impairment charge	(41)	(1,080)	(1)	-	(1,122)
Net book amount	8,579	225,851	10,365	17,006	261,801
Six months ended 30 June 2024					
Opening net book amount	8,249	218,849	10,944	15,696	253,738
Additions	-	-	-	17,240	17,240
Reclassifications	36	(36)	-	(189)	(189)
Disposals and write-offs	(29)	(245)	(1)	-	(275)
Transfers from construction in progress	381	17,342	1,059	(18,782)	-
Depreciation charge	(608)	(19,700)	(2,372)	-	(22,680)
Impairment charge	-	(15)	-	-	(15)
Closing net book amount	8,029	216,195	9,630	13,965	247,819
At 30 June 2024					
Cost	27,728	762,833	49,322	13,965	853,848
Accumulated depreciation	(19,658)	(545,793)	(39,692)	-	(605,143)
Impairment charge	(41)	(845)	-	-	(886)
Net book amount	8,029	216,195	9,630	13,965	247,819

7 Intangible assets

	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Six months ended 30 June 2023					
Opening net book amount	88,540	26,769	27,805	26,305	169,419
Additions	-	-	-	12,494	12,494
Reclassifications	-	-	-	94	94
Disposals and write-offs	(4)	-	(1)	-	(5)
Transfers to other accounts	11,596	-	-	(11,596)	-
Amortization charge	(11,446)	-	(1,720)	-	(13,166)
Closing net book amount	88,686	26,769	26,084	27,297	168,836
At 30 June 2023					
Cost	173,723	29,408	53,122	27,297	283,550
Accumulated amortization	(85,037)	-	(27,038)	-	(112,075)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	88,686	26,769	26,084	27,297	168,836
Six months ended 30 June 2024					
Opening net book amount	80,763	26,769	24,366	36,613	168,511
Additions	-	-	-	11,984	11,984
Reclassifications	-	-	-	192	192
Disposals and write-offs	(378)	-	-	-	(378)
Transfers to other accounts	13,116	-	-	(13,116)	-
Amortization charge	(13,151)	-	(1,719)	-	(14,870)
Closing net book amount	80,350	26,769	22,647	35,673	165,439
At 30 June 2024					
Cost	188,310	29,408	53,124	35,673	306,515
Accumulated depreciation	(107,960)	-	(30,477)	-	(138,437)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	80,350	26,769	22,647	35,673	165,439

Notes to the financial statements

8 Right-of-use-assets

	Land and premises	Dark fibre	Equipment rent	Other	Total
Six months ended 30 June 2023					
Opening net book amount	36,018	8,134	-	843	44,995
Additions	1,578	-	2,925	455	4,958
Lease modifications	2,479	335	-	191	3,005
Disposals and write-offs	-	-	(2,925)	-	(2,925)
Amortization charge	(4,457)	(539)	-	(215)	(5,211)
Closing net book amount	35,618	7,930	-	1,274	44,822
At 30 June 2023					
Cost	69,649	13,268	-	2,605	85,522
Accumulated amortization	(34,031)	(5,338)	-	(1,331)	(40,700)
Net book amount	35,618	7,930	-	1,274	44,822
Six months ended 30 June 2024					
Opening net book amount	33,993	8,413	-	2,728	45,134
Additions	806	-	3,416	1,039	5,261
Lease modifications	5,207	101	-	392	5,700
Disposals and write-offs	-	-	(3,416)	-	(3,416)
Amortization charge	(4,605)	(543)	-	(512)	(5,660)
Closing net book amount	35,401	7,971	-	3,647	47,019
At 30 June 2024					
Cost	78,470	14,406	-	5,832	98,708
Accumulated depreciation	(43,069)	(6,435)	-	(2,185)	(51,689)
Net book amount	35,401	7,971	-	3,647	47,019

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 30 June 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	-	(33)	(33)
Closing net book amount at 30 June 2023	-	13,146	13,146
Closing net book amount at 31 December 2023	-	13,039	13,039
Additions	-	-	-
Discounting	-	-	-
Used provisions	-	(29)	(29)
Closing net book amount at 30 June 2024	-	13,010	13,010

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 – June	
	2024	2023
Sales and purchases from Telio Company AB and its subsidiaries:		
Sales of telecommunication and other services	5,256	4,250
Sales of assets	349	-
Total sales of assets and services	5,605	4,250
Purchases of assets and services:		
Purchases of services	7,843	9,166
Purchases of assets	187	1,047
Total purchases of assets and services	8,030	10,213

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

	January – June	
	2024	2023
Receivables from related parties	523	332
Interest bearing receivables (cash pool)	14,717	-
Accrued revenue from related parties	298	451
Total receivables and accrued revenue from related parties	15,538	783

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 – June	
	2024	2023
Borrowings	50,000	65,000
Short term borrowings	50,000	65,000
Payables to related parties	2,299	2,553
Accrued expenses to related parties	11	21
Total borrowings, payables and accrued expenses to related parties	2,310	2,574

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 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 6 months' period ended 30 June 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, and Interim Report for the 6 months' period ended 30 June 2024 includes a fair review of the development and performance of the business and the position of the Company in relation to the description of the main risks and contingencies faced thereby.

Giedrė Kaminskaitė-Salters
CEO

Daina Večkytė
Head of Finance

Vilnius, 17 July 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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