



Interim Report January-September 2024

Telia Lietuva, AB

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Management Report

CEO comment

In September, our largest shareholder, Telia Company, made some adjustments to the Group strategy. The updated strategy, as launched, is an ambitious plan with clear priorities for the coming three years. This plan guides all the Group members in where we invest, where we accelerate, how we prioritize and how we can generate the most benefits for all our stakeholders.

While Telia's purpose, "We reinvent better connected living", remains at the core of everything we do, the updated strategy introduces a clear set of priorities to make Telia even more successful over the coming years, namely, to **Simplify, Innovate** and **Grow** our business.

Telia will strive to be #1 or #2 in the Nordic and Baltic markets where it operates by inspiring customer experience, network and technology quality, and being a trusted and sustainable partner. The ultimate goal of our efforts is to have loyal customers, engaged employees, empowered societies and satisfied shareholders.

Telia Company has also announced a change program that is set to simplify its operations in the Nordic and Baltic countries. The more decentralised and streamlined organisation will focus on local customers' needs, while the Group intends to reduce its number of personnel by 3,000 during the full year of 2024.

The announced change of the Group business model gives us an opportunity to make strategically necessary decisions in Lithuania, the benefits of which we will see in the nearest future. Digitizing the business, decommissioning legacy systems, harnessing the breakthrough of artificial intelligence (AI) and attracting the best talent is our path to becoming an industry leader.

Unfortunately, growing investment and talent retention also drives demand to optimize the number of employees: by the year end Telia Lietuva is planning to reduce it by 200.

Talks with Telia Lietuva's trade unions were completed by mid-October, and a new organizational structure with fewer personnel will come into effect from December 2024. The Company's restructuring charges of the change program are expected to amount to approximately EUR 1 million, with expected annual savings of EUR 6.3 million.

Over the year our service revenue for the third quarter of 2024 went up by 2.9 per cent, despite the big one-time connectivity and IT project implemented in July 2023, namely the NATO summit in Vilnius. Service revenue for 9 months of 2024 increased by 4.2 per cent, while equipment sales decreased by 6.5 per cent compared with the same period a year ago.

We aim to make life more interesting for everyone, and digital literacy will allow our customers to make the most of our services. We know how important it is for seniors to embrace modern technology; therefore, this July, we invited our senior customers to visit Telia Lietuva customer care units every week - during the hours reserved exclusively for them. In the course of free, customised lessons, seniors had the opportunity to learn how to use smartphones, tablets and other modern devices, and to ask questions.

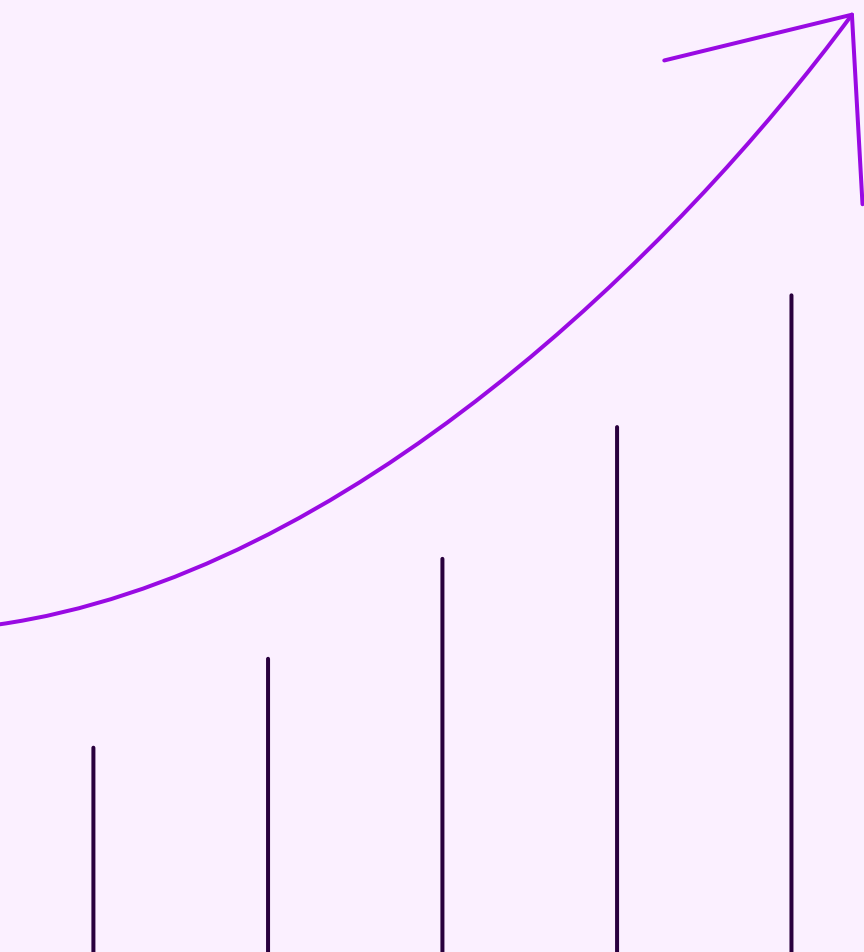
Diversity and inclusion are also important to us. In order to accelerate our work on equal opportunities, acceptance of otherness, freedom to be yourself and contribute to the success of our society even more smoothly and efficiently, we joined the Lithuanian Diversity Charter.

Our ambitious environmental goals and results - driven sustainability agenda have earned us 9.7 points out of a possible 10 in the sustainability index created by the Lithuanian business daily Verslo Žinios and Swedbank.

Giedrė Kaminskaitė-Salters
CEO of Telia Lietuva



Telio 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 Q3 2024

Revenue went down by 1%

and amounted to EUR 121.6 million
(2023: EUR 122.8 million)

EBITDA increased by 0.5%

and amounted to EUR 45.7 million
(2023: EUR 45.4 million)

Capital investments went up by 4.4%

and amounted to EUR 14.1 million
(2023: EUR 13.5 million)

Adjusted EBITDA up by 0.9%

to EUR 46.5 million (2023: EUR 46.1 million)

Profit for the period went down by 5.3%

to EUR 17.5 million (2023: EUR 18.5 million)

Free cash flow went up by 32.7%

and amounted to EUR 32.7 million
(2023: EUR 24.7 million)

Financial highlights of 9 months of 2024

Revenue grew by 1.9%

and amounted to EUR 360.1 million
(2023: EUR 353.3 million)

EBITDA increased by 4.8%

and amounted to EUR 133.0 million
(2023: EUR 126.9 million)

Capital investments down by 1.9%

and amounted to EUR 43.3 million
(2023: EUR 44.1 million)

Adjusted EBITDA up by 4.7%

to EUR 135.2 million (2023: EUR 129.1 million)

Profit for the period went up by 7.2%

to EUR 53.9 million (2023: EUR 50.3 million)

Free cash flow went up by 42.4%

and amounted to EUR 84.4 million
(2023: EUR 59.3 million)

Financial figures

(in thousands of EUR unless otherwise stated)

	January - September 2024	January - September 2023	Change (%)	January - September 2022
Revenue	360,077	353,255	1.9	328,185
Adjusted EBITDA excluding non-recurring items	135,220	129,149	4.7	111,648
Adjusted EBITDA margin excluding non-recurring items (%)	37.6	36.6		34.0
EBITDA	133,042	126,933	4.8	111,307
EBITDA margin (%)	36.9	35.9		33.9
Operating profit (EBIT) excluding non-recurring items	69,261	65,028	6.5	48,924
EBIT margin excluding non-recurring items (%)	19.2	18.4		14.9
Operating profit (EBIT)	67,083	62,812	6.8	48,583
EBIT margin (%)	18.8	17.8		14.8
Profit before income tax	62,556	57,131	9.5	46,888
Profit before income tax margin (%)	17.4	16.2		14.3
Profit for the period	53,921	50,306	7.2	41,678
Profit for the period margin (%)	15.0	14.2		12.7
Earnings per share (EUR)	0.093	0.086	7.2	0.072
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.595	1.610	(0.9)	1.925
Market capitalisation at the end of period	929,268	938,007	(0.9)	1,121,530
Total assets	596,422	615,165	(3.0)	630,385
Shareholders' equity	358,314	343,540	4.3	313,471
Cash flow from operations	127,439	104,645	21.8	108,193
Free cash flow	84,369	59,266	42.4	40,062
Capital investments (Capex)	43,287	44,122	(1.9)	55,491
Net debt	46,191	89,265	(48.3)	115,617

Operating figures

	30-09-2024	30-09-2023	Change (%)	30-09-2022
Mobile service subscriptions, in total (thousand)	1,690	1,642	2.9	1,602
– Post-paid (thousand)	1,382	1,308	5.7	1,270
– Pre-paid (thousand)	308	334	(7.8)	332
Broadband Internet connections, in total (thousand)	421	426	(1.2)	426
– Fiber-optic (FTTH/B) (thousand)	314	315	0.3	311
– Copper (DSL, VDSL) (thousand)	107	111	(2.7)	115
TV service customers (thousand)	259	259	0.0	255
Fixed telephone lines in service (thousand)	162	182	(11.0)	207
Number of personnel (headcounts)	1,865	1,931	(3.4)	2,024
Number of full-time employees	1,750	1,818	(3.7)	1,888

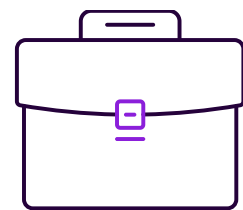
Financial ratios*

	30-09-2024	30-09-2023	30-09-2022
Return on capital employed (%)	19.5	17.7	13.1
Return on average assets (%)	13.8	12.6	9.6
Return on shareholders' equity (%)	18.8	19.4	17.8
Operating cash flow to sales (%)	38.1	29.2	31.0
Capex (excl. mobile licenses) to sales (%)	12.4	14.8	22.1
Net debt to EBITDA ratio	0.27	0.55	0.81
Gearing ratio (%)	12.9	26.0	36.9
Debt to equity ratio (%)	19.1	30.6	46.4
Current ratio (%)	76.4	63.9	64.5
Rate of turnover of assets (%)	79.4	76.4	69.8
Equity to assets ratio (%)	60.1	55.8	49.7
Price to earnings (P/E) ratio	13.8	14.4	19.7

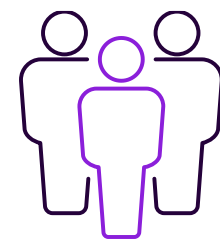
Notes: *Description of financial ratios and their calculation is provided at <https://www.telia.lt/eng/investors/financial-results>



Revenue



36.3%
Enterprises



63.7%
Consumers

(in thousands of EUR)

	July - September 2024	July - September 2023	Change (%)
Fixed services	53,147	52,942	0.4
Voice telephony services	9,777	9,467	3.3
Internet services	20,121	19,110	5.3
Datacom and network capacity services	4,605	4,538	1.5
TV services	9,496	9,379	1.2
IT services	7,032	8,734	(19.5)
Other services	2,116	1,714	23.5
Mobile services	45,838	43,239	6.0
Billed services	43,189	39,862	8.3
Other mobile service	2,649	3,377	(21.6)
Equipment	22,611	26,603	(15.0)
Total	121,596	122,784	(1.0)

(in thousands of EUR)

	January - September 2024	January - September 2023	Change (%)
Fixed services	157,782	155,879	1.2
Voice telephony services	28,553	30,732	(7.1)
Internet services	59,633	56,325	5.9
Datacom and network capacity services	13,813	13,516	2.2
TV services	28,379	28,052	1.2
IT services	21,144	21,162	(0.1)
Other services	6,260	6,092	2.8
Mobile services	132,690	122,951	7.9
Billed services	125,994	114,188	10.3
Other mobile service	6,696	8,763	(23.6)
Equipment	69,605	74,425	(6.5)
Total	360,077	353,255	1.9

Expenses

(in thousands of EUR)	July - September 2024	July - September 2023	Change (%)	January - September 2024	January - September 2023	Change (%)
Cost of goods and services	(44,500)	(47,891)	(7.1)	(132,522)	(136,634)	(3.0)
Operating expenses	(31,643)	(29,825)	6.1	(95,397)	(90,579)	5.3
Employee related	(16,373)	(14,771)	10.8	(50,553)	(45,314)	11.6
Other	(15,270)	(15,054)	1.4	(44,844)	(45,265)	(0.9)
Non-recurring expenses	934	800	16.7	2,400	2,339	2.6
Operating expenses (excl. non-recurring expenses)	(30,709)	(29,025)	5.8	(92,997)	(88,240)	5.4
Employee related	(15,901)	(14,444)	10.1	(49,455)	(44,440)	11.3
Other	(14,808)	(14,581)	1.6	(43,542)	(43,800)	(0.6)

Cost of goods and services for the nine months of 2024 compared with the same period a year ago went down mainly due to lower equipment sale and decrease in networks interconnection and roaming charges. Employee related expenses in 2024 continued to grow due to employees' salaries increase. Other operating expenses for January-September of 2024 were almost on the same level as a year ago.

During July-September of 2024, the total number of employees (headcount) decreased by 29 – from 1,894 to 1,865. In terms of full-time employees (FTE), the total number of employees decreased by 42 – from 1,792 to 1,750. Over the last 12 months total number of employees went down by 66 and in terms of number of full-time employees – by 68.

Non-recurring items for the third quarter and the nine months of 2024 were comprised of one-off redundancy pay-outs of EUR 472 thousand (2023: EUR 327 thousand) and EUR 1,098 thousand (2023: EUR 874 thousand), and non-recurring other expenses of EUR 462 thousand (2023: EUR 473 thousand) and EUR 1,302 thousand (EUR 1,465 thousand), respectively.

Earnings

(in thousands of EUR)	July - September 2024	July - September 2023	Change (%)	January - September 2024	January - September 2023	Change (%)
EBITDA	45,671	45,437	0.5	133,042	126,933	4.8
Margin (%)	37.6	37.0		36.9	35.9	
Depreciation and amortisation	(22,734)	(21,559)	5.5	(65,959)	(64,121)	2.9
Operating profit (EBIT)	22,937	23,878	(3.9)	67,083	62,812	6.8
Margin (%)	18.9	19.4		18.6	17.8	
Non-recurring expenses	934	800	16.7	2,400	2,339	2.6
Gain (loss) on sale of property	62	91	(31.9)	222	123	80.5
Adjusted EBITDA excluding non-recurring items	46,543	46,146	0.9	135,220	129,149	4.7
Margin (%)	38.3	37.6		37.6	36.6	
EBIT excluding non-recurring items	23,809	24,587	(3.2)	69,261	65,028	6.5
Margin (%)	19.6	20.0		19.2	18.4	

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 2.1 million (2023: EUR 2.7 million).

(in thousands of EUR)	July - September 2024	July - September 2023	Change (%)	January - September 2024	January - September 2023	Change (%)
Profit before income tax	21,489	20,825	3.2	62,556	57,131	9.5
Margin (%)	17.7	17.0		17.4	16.2	
Income tax	(3,985)	(2,348)	69.7	(8,635)	(6,825)	26.5
Profit for the period	17,504	18,477	(5.3)	53,921	50,306	7.2
Margin (%)	14.4	15.0		15.0	14.2	

Financial position and cash flow

As of 30 September 2024, the total non-current assets amounted to 81 per cent (81 per cent a year ago), the total current assets – to 19 per cent (19 per cent), whereof cash and cash equivalent alone represented 3.7 per cent (2.6 per cent) of total assets. At the end of September 2024, shareholders' equity amounted to 60.1 per cent of the total assets (55.8 per cent a year ago).

(in thousands of EUR)	30-09-2024	31-12-2023	Change (%)
Total assets	596,422	616,121	(3.2)
Non-current assets	483,226	498,415	(3.0)
Current assets	111,780	116,234	(3.8)
whereof cash and cash pool arrangement	22,145	20,604	7.5
Assets for sale	1,416	1,472	(3.8)
Shareholders' equity	358,314	356,828	0.4

On 26 April 2024, the Annual General Meeting of Shareholders decided 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 - September 2024	January - September 2023	Change (%)
Net cash generated by operating activities	127,439	104,645	21.8
Purchase of PPE and intangible assets (Cash Capex)	(44,957)	(46,733)	(3.8)
Proceeds from disposal of PPE and intangible assets	1,887	1,354	39.4
Free cash flow	84,369	59,266	42.4
Increase (decrease) in lease liabilities	(8,390)	(6,001)	(39.8)
Operational free cash flow	75,979	53,265	42.6

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)	30-09-2024	31-12-2023	30-09-2023
Loans from banks	-	30,000	30,000
Loans from Telia Company AB	25,000	25,000	50,000
Liabilities under reverse factoring agreements	43,335	36,782	25,273
Borrowings	68,335	91,782	105,273
Cash and cash equivalents	6,131	20,604	16,008
Cash pool arrangement	16,014	-	-
Net debt	46,190	71,178	89,265
Net debt to equity (Gearing) ratio (%)	12.9	19.9	26.0

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. In August 2024, the Company had repaid an amount of EUR 25 million to Telia Company and for 3 months prolonged a EUR 25 million loan.

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 higher interest rates the Company has renegotiated terms and conditions of some agreements with vendors and 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

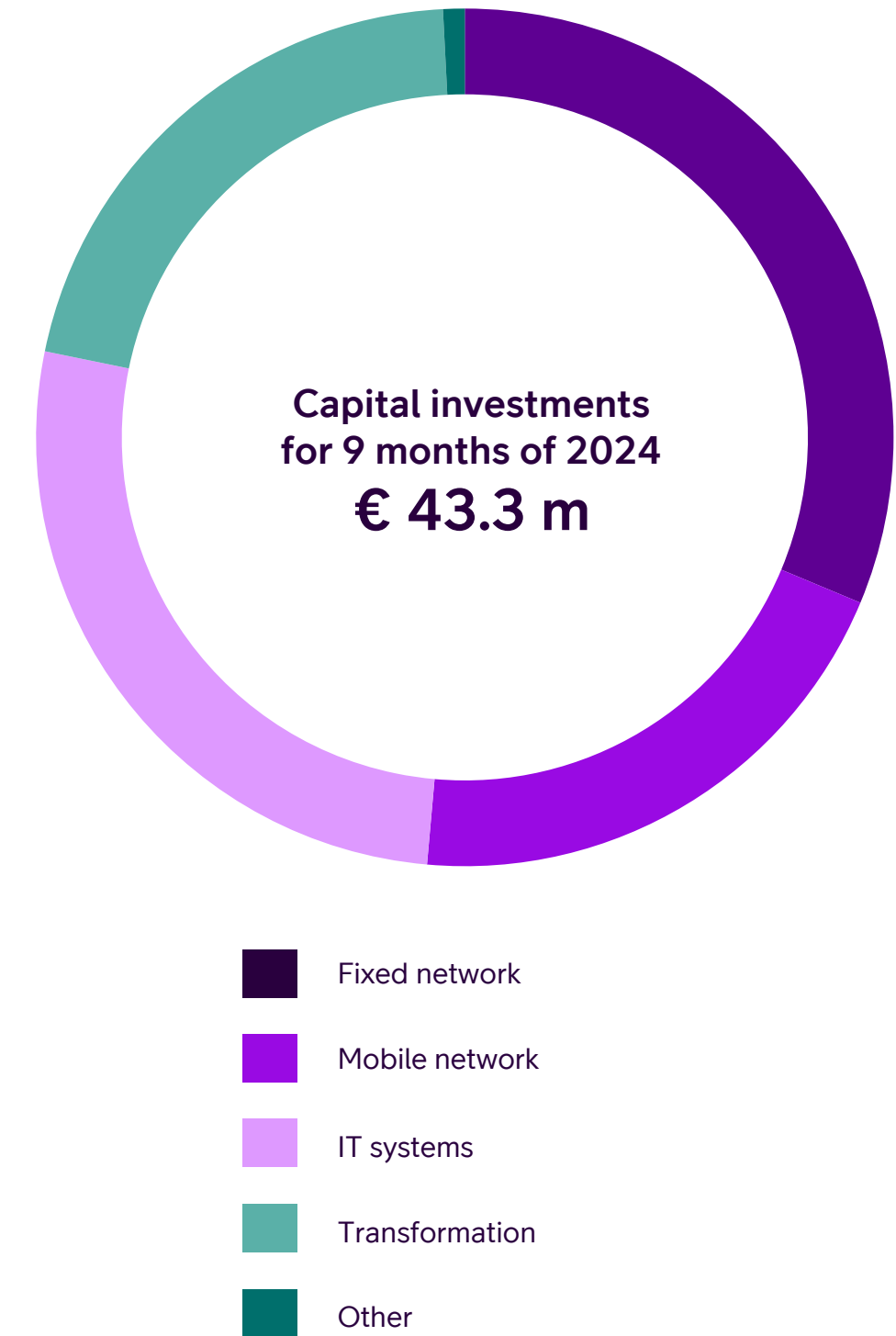
(in thousands of EUR)	January - September 2024	January - September 2023	Change (%)
Fixed network	13,549	12,555	7.9
Mobile network	8,703	11,032	(21.1)
IT systems and infrastructure	11,607	10,011	15.9
Transformation program	9,076	10,283	(11.7)
Other	352	241	46.1
Total capital investments	43,287	44,122	(1.9)
Capital investments to revenue ratio (%)	12.0	12.5	

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 January-September 2024 amounted to 221.6 Mbps (202.2 Mbps in 2023).

By the end of September 2024, the Company had 977 thousand households passed (971 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.



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-September 2024:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.66	1.735	1.505	1.595	1.629	2,876,572	4,685,021

Shareholders, holding more than 5 per cent of the share capital and votes, as on 30 September 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.

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:

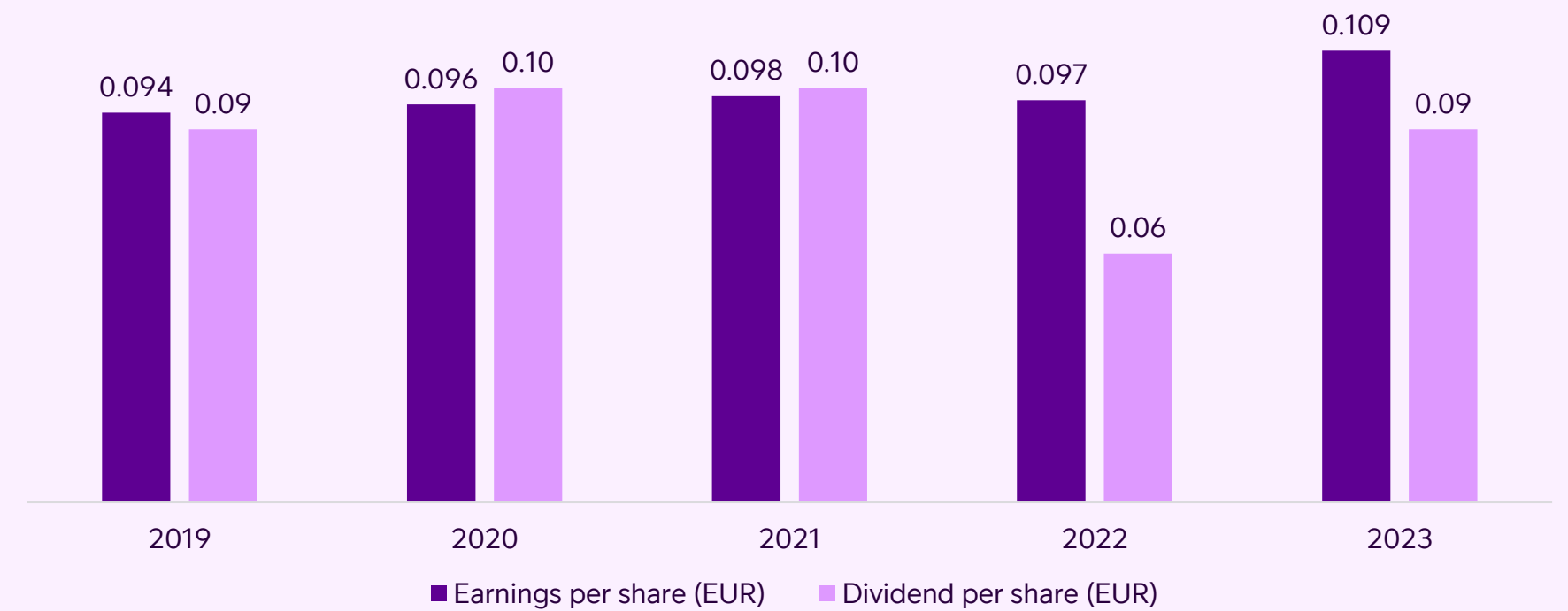
- the Company must maintain the net debt to EBITDA ratio not higher than 1.5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company's net profit as dividend.

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.

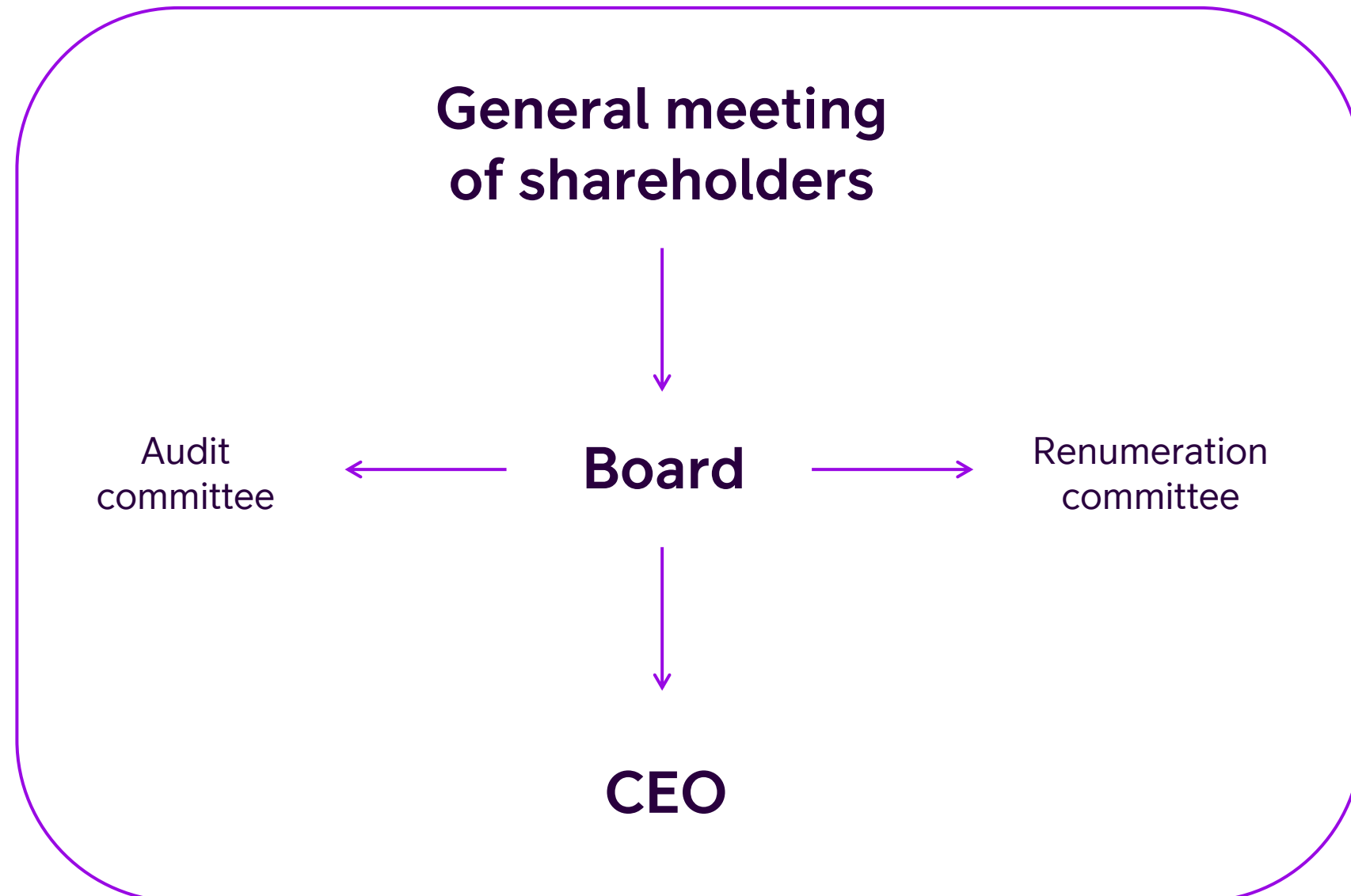
Information about the Company's dividend pay-out during the last five years (in EUR thousand unless otherwise stated):

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



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.



Board

Dan Strömberg, Chair of the Board, has resigned from the Board of the Company as of 25 April 2024, and on 26 April 2024 the Annual General Meeting of Shareholders following the proposal of the largest Company’s shareholder, Telia Company AB, 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.

Agneta Wallmark, a member of the Board and Chair of the Audit Committee, has resigned from the Board as of 20 September 2024. On 4 October 2024, the Board has elected Board member, Hannu-Matti Mäkinen, as a new member and Chair of the Audit Committee.

According to the By-laws of the Company, the Board shall be comprised of 6 members. The current two-year term of the Company’s Board terminates on 27 April 2025, thus election of a new member of the Board is not planned at the moment.

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.

Management team

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.

Members of the Board



Stefan Backman
Chair of the Board



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



Hannu-Matti Mäkinen
Member of the Board,
Chair of the Audit Committee,
Member of the Remuneration Committee



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



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

Management Team



**Giedrė
Kaminskaitė-
Salters**
CEO



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



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



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



**Andrius
Šemeškevičius**
Head of Technology



**Vygintas
Domarkas**
Head of Digital
Transformation



**Daina
Večkytė**
Head of Finance



**Ramūnas
Bagdonas**
Head of People &
Engagement



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



**Vaida
Jurkonienė**
Head of Marketing &
Communication



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

Financial Statements

Statement of profit or loss and other comprehensive income

	Notes	July – September		January – September	
		2024	2023	2024	2023
Revenue		121,596	122,784	360,077	353,255
Cost of goods and services		(44,500)	(47,891)	(132,522)	(136,634)
Employee related expenses		(16,373)	(14,771)	(50,553)	(45,314)
Other operating expenses		(15,270)	(15,054)	(44,844)	(45,265)
Other income		-	-	-	-
Other gain / (loss) – net		218	369	884	891
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(22,734)	(21,559)	(65,959)	(64,121)
Operating profit		22,937	23,878	67,083	62,812
Finance income		598	296	1,673	880
Finance costs		(2,046)	(3,349)	(6,200)	(6,561)
Finance and investment activities – net		(1,448)	(3,053)	(4,527)	(5,681)
Profit before income tax		21,489	20,825	62,556	57,131
Income tax	3	(3,985)	(2,348)	(8,635)	(6,825)
Profit for the year		17,504	18,477	53,921	50,306
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		17,504	18,477	53,921	50,306
Profit and comprehensive income attributable to:					
Owners of the Parent		17,504	18,477	53,921	50,306
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	0.030	0.032	0.093	0.086

Statement of financial position

		As at 30 September	As at 31 December
	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	243,829	253,738
Goodwill	7	26,769	26,769
Intangible assets	7	136,668	141,742
Right-of-use assets	8	45,349	45,134
Costs to obtain contract		5,576	5,477
Contract asset		665	718
Trade and other receivables		18,490	18,855
Finance lease receivables		5,880	5,982
		483,226	498,415
Current assets			
Inventories		16,440	12,617
Contract asset		1,478	1,012
Trade and other receivables		65,769	75,900
Current income tax assets		-	249
Finance lease receivables		5,948	5,852
Cash pool receivables		16,014	-
Cash and cash equivalents		6,131	20,604
		111,780	116,234
Assets classified as held for sale		1,416	1,472
Total assets		596,422	616,121

		As at 30 September	As at 31 December
	Notes	2024	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		172,460	170,974
Equity attributable to owners of the Company		358,314	356,828
Non-controlling interests		-	-
Total equity		358,314	356,828
LIABILITIES			
Non-current liabilities			
Borrowings		-	-
Lease liabilities		42,598	42,495
Deferred tax liabilities		17,436	16,965
Deferred revenue and accrued liabilities		18,761	19,036
Contract liability		-	-
Provisions	11	12,979	13,039
		91,774	91,535
Current liabilities			
Trade, other payables and accrued liabilities		57,221	58,576
Current income tax liabilities		2,628	-
Borrowings		68,335	91,782
Contract liability		3,338	2,895
Lease liabilities		14,812	14,505
Provisions	11	-	-
		146,334	167,758
Total liabilities		238,108	259,293
Total equity and liabilities		596,422	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	-	-	50,306	50,306
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	50,306	50,306
Dividends paid for 2022	-	-	(34,957)	(34,957)
Balance at 30 September 2023	168,958	16,896	157,686	343,540
Balance at 1 January 2024	168,958	16,896	170,974	356,828
Profit for the year	-	-	53,921	53,921
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	53,921	53,921
Dividends paid for 2023	-	-	(52,435)	(52,435)
Balance at 30 September 2024	168,958	16,896	172,460	358,314

Statement of cash flows

	Notes	January – September	
		2024	2023
Operating activities			
Profit for the year		53,921	50,306
Adjustments for:			
Income tax expenses recognized in profit or loss	3	8,635	6,825
Depreciation, amortisation and impairment charge	6	67,675	66,212
Other gain / (loss) – net		(934)	(1,029)
Interest income		(1,672)	(1,304)
Interest expenses		6,163	6,939
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Inventories / Assets held for sale		(4,206)	(1,626)
Trade and other receivables		8,691	(6,393)
Decrease/(increase) in contract assets		(413)	230
Decrease/(increase) in contract costs		(99)	78
Trade, other payables and accrued liabilities, deferred tax liability		278	(4,133)
Increase/(decrease) in contract liabilities		443	274
Increase/(decrease) in deferred revenue and accrued liabilities		(275)	(603)
Increase/(decrease) in provisions	11	(60)	(62)
Cash generated from operations		138,147	115,714
Interest paid		(5,656)	(6,160)
Interest received		234	210
Income taxes paid		(5,286)	(5,119)
Net cash generated by operating activities		127,439	104,645

	Notes	January – September	
		2024	2023
Investing activities			
Purchase of property, plant and equipment and intangible assets		(44,957)	(46,733)
Proceeds from disposal of property, plant and equipment and intangible assets		1,887	1,354
Proceeds from / repayments for finance sublease receivables		1,444	(1,124)
Increase / decrease in interest bearing receivables (cash pool)		(16,014)	-
Net cash used in investing activities		(57,640)	(46,503)
Financing activities			
Repayment of borrowings		(136,768)	(143,123)
Proceeds from borrowings		113,321	134,848
Increase (decrease) in lease liabilities		(8,390)	(6,001)
Dividends paid to shareholders		(52,435)	(34,957)
Net cash received in financing activities		(84,272)	(49,233)
Increase (decrease) in cash and cash equivalents		(14,473)	8,909
Movement in cash and cash equivalents			
At the beginning of the financial year		20,604	7,099
Increase (decrease) in cash and cash equivalents		(14,473)	8,909
At the end of the financial year		6,131	16,008

Notes to the financial statements

1 Basic of preparation

The interim financial statements for the nine months' period ended 30 September 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 September 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 September 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 September 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).

	July – September		January – September	
	2024	2023	2024	2023
Current tax expenses	3,462	2,914	8,164	7,672
Deferred tax change	523	(566)	471	(847)
Total	3,985	2,348	8,635	6,825

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 2.1 million (2023: EUR 2.7 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.

	July – September		January – September	
	2024	2023	2024	2023
Net profit	17,504	18,477	53,921	50,306
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613	582,613	582,613
Basic earnings per share (EUR)	0.030	0.032	0.093	0.086

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 – September	
	2024	2023
Depreciation of property, plant and equipment (Note 6)	34,067	36,243
Impairment of property, plant and equipment (Note 6)	32	19
Amortisation of intangible assets (Note 7)	23,275	19,994
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	8,585	7,865
Total	65,959	64,121
Impairment of assets classified as held for sale	-	-
Total	65,959	64,121

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
Nine months ended 30 September 2023					
Opening net book amount	9,776	225,343	10,943	23,591	269,653
Additions	-	-	-	25,817	25,817
Reclassifications	(1,579)	16	-	(46)	(1,609)
Disposals and write-offs	(1)	(359)	39	-	(321)
Transfers from construction in progress	1,027	27,978	1,973	(30,978)	-
Depreciation charge	(958)	(31,536)	(3,749)	-	(36,243)
Impairment charge	-	(19)	-	-	(19)
Closing net book amount	8,265	221,423	9,206	18,384	257,278
At 30 September 2023					
Cost	27,381	787,140	49,583	18,384	882,488
Accumulated depreciation	(19,075)	(564,814)	(40,376)	-	(624,265)
Impairment charge	(41)	(903)	(1)	-	(945)
Net book amount	8,265	221,423	9,206	18,384	257,278
Nine months ended 30 September 2024					
Opening net book amount	8,249	218,849	10,944	15,696	253,738
Additions	-	-	-	24,965	24,965
Reclassifications	34	(36)	-	(286)	(288)
Disposals and write-offs	(180)	(303)	(4)	-	(487)
Transfers from construction in progress	440	22,180	1,441	(24,061)	-
Depreciation charge	(957)	(29,611)	(3,499)	-	(34,067)
Impairment charge	-	(32)	-	-	(32)
Closing net book amount	7,586	211,047	8,882	16,314	243,829
At 30 September 2024					
Cost	27,364	759,463	46,597	16,314	849,738
Accumulated depreciation	(19,737)	(547,576)	(37,714)	-	(605,027)
Impairment charge	(41)	(840)	(1)	-	(882)
Net book amount	7,586	211,047	8,882	16,314	243,829

7 Intangible assets

	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Nine months ended 30 September 2023					
Opening net book amount	88,540	26,769	27,805	26,305	169,419
Additions	-	-	-	18,302	18,302
Reclassifications	-	-	-	56	56
Disposals and write-offs	(3)	-	(1)	-	(4)
Transfers to other accounts	12,753	-	-	(12,753)	-
Amortization charge	(17,416)	-	(2,578)	-	(19,994)
Closing net book amount	83,874	26,769	25,226	31,910	167,779
At 30 September 2023					
Cost	174,823	29,408	53,124	31,910	289,265
Accumulated amortization	(90,949)	-	(27,898)	-	(118,847)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	83,874	26,769	25,226	31,910	167,779
Nine months ended 30 September 2024					
Opening net book amount	80,763	26,769	24,366	36,613	168,511
Additions	-	-	-	18,323	18,323
Reclassifications	-	-	-	288	288
Disposals and write-offs	(409)	-	-	(1)	(410)
Transfers to other accounts	15,298	-	-	(15,298)	-
Amortization charge	(20,697)	-	(2,578)	-	(23,275)
Closing net book amount	74,955	26,769	21,788	39,925	163,437
At 30 September 2024					
Cost	190,252	29,408	53,124	39,924	312,708
Accumulated depreciation	(115,297)	-	(31,336)	1	(146,632)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	74,955	26,769	21,788	39,925	163,437

Notes to the financial statements

8 Right-of-use-assets

	Land and premises	Dark fibre	Equipment rent	Other	Total
Nine months ended 30 September 2023					
Opening net book amount	36,018	8,134	-	843	44,995
Additions	1,893	1	6,034	455	8,383
Lease modifications	3,213	414	-	871	4,498
Disposals and write-offs	-	-	(6,034)	-	(6,034)
Amortization charge	(6,685)	(818)	-	(362)	(7,865)
Closing net book amount	34,439	7,731	-	1,807	43,977
At 30 September 2023					
Cost	70,698	13,348	-	3,287	87,333
Accumulated amortization	(36,259)	(5,617)	-	(1,480)	(43,356)
Net book amount	34,439	7,731	-	1,807	43,977
Nine months ended 30 September 2024					
Opening net book amount	33,993	8,413	-	2,728	45,134
Additions	1,262	-	4,354	1,039	6,655
Lease modifications	5,827	285	-	387	6,499
Disposals and write-offs	-	-	(4,354)	-	(4,354)
Amortization charge	(6,959)	(827)	-	(799)	(8,585)
Closing net book amount	34,123	7,871	-	3,355	45,349
At 30 September 2024					
Cost	79,545	14,590	-	5,828	99,963
Accumulated depreciation	(45,422)	(6,719)	-	(2,473)	(54,614)
Net book amount	34,123	7,871	-	3,355	45,349

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 September 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	-	(62)	(62)
Closing net book amount at 30 September 2023	-	13,117	13,117
Closing net book amount at 31 December 2023	-	13,039	13,039
Additions	-	-	-
Discounting	-	-	-
Used provisions	-	(60)	(60)
Closing net book amount at 30 September 2024	-	12,979	12,979

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 – September	
	2024	2023
Sales and purchases from Telio Company AB and its subsidiaries:		
Sales of telecommunication and other services	7,759	6,665
Sales of assets	381	-
Total sales of assets and services	8,140	6,665
Purchases of assets and services:		
Purchases of services	11,798	13,556
Purchases of assets	317	1,106
Total purchases of assets and services	12,115	14,662

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

	January – September	
	2024	2023
Receivables from related parties	543	189
Interest bearing receivables (cash pool)	16,014	-
Accrued revenue from related parties	304	440
Total receivables and accrued revenue from related parties	16,861	629

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 – September	
	2024	2023
Borrowings	25,000	50,000
Short term borrowings	25,000	50,000
Payables to related parties	2,178	2,171
Accrued expenses to related parties	13	19
Total borrowings, payables and accrued expenses to related parties	2,191	2,190

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 9 months' period ended 30 September 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, 23 October 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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