



Interim Report January-December 2024

Telia Lietuva, AB

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Management Report

CEO comment

2024 has been a year of challenges and exciting opportunities for Telia Lietuva. At the end of the year, we are proud to report a year of solid growth across all segments as well as a marked increase in the EBITDA margin, which positions us for a strong start of 2025, delivering for our customers, shareholders and the broader society.

During the last quarter of 2024, Telia Lietuva as well as the whole Telia Company Group has undergone a change program that was set to simplify Group's operations in the Nordic and Baltic countries. By becoming simpler, more efficient and more customer-focused, we will be in the best position to deliver long-term success for our company and stakeholders.

The change program had two main priorities: changing operating model and ways of working to a more decentralized set-up, with stronger country units, and resetting cost base.

In practice, this means that each country will have full responsibility and accountability for commercial planning and execution, and for meeting our customers' needs. At the same time, the Group is keeping the scalability benefits of what is truly common across markets, through a simplified and more focused Technology unit and Group functions.

From 1 December 2024, local IT, analytics, products, customer-facing capabilities and strategy functions moved from central organizations to the countries.

In Lithuania, colleagues and teams moving from Group functions were incorporated into existing Telia Lietuva organizational structure.

As an outcome of the change program and ongoing digitalisation of our business, decommissioning of legacy systems and employment of opportunities provided by artificial intelligence (AI) development, was an optimisation of our workforce. In the course of the entire year of 2024, Telia Lietuva has reduced the number of job positions by almost 200 (including the ones that were vacant).

During the fourth quarter of 2024, the Company recorded EUR 1.3 million of non-recurring employee redundancy charges.

The total revenue for October-December of 2024, compared with the last quarter of the previous year, was 6.3 per cent higher and contributed to overall annual revenue growth of 3.1 per cent. The main driver was revenue stream from billed mobility services from both – consumer and business segments. Over the last 12 months, the total number of mobile subscriptions went up by 60 thousand.

Due to pricing activities and more additional TV content, revenue from broadband Internet and TV services also grew despite the slight decrease in the number of service users over the course of the year.

Adjusted EBITDA margin for the full year 2024 stood at 36 per cent (35.4 per cent in 2023).

We continue with our commitment to foster diversity and inclusion in our society. Our Christmas campaign featuring a family and a young person with autism spectrum disorder was noticed and recognized as the most memorable season's advertising campaign in Lithuania.

Telia Company's (including Telia Lietuva) sustainability performance in 2024 ranks in the top 1% of 130,000 global companies assessed by EcoVadis, a provider of business sustainability ratings. As a result, Telia has been awarded the prestigious EcoVadis Platinum Medal for the third consecutive year.

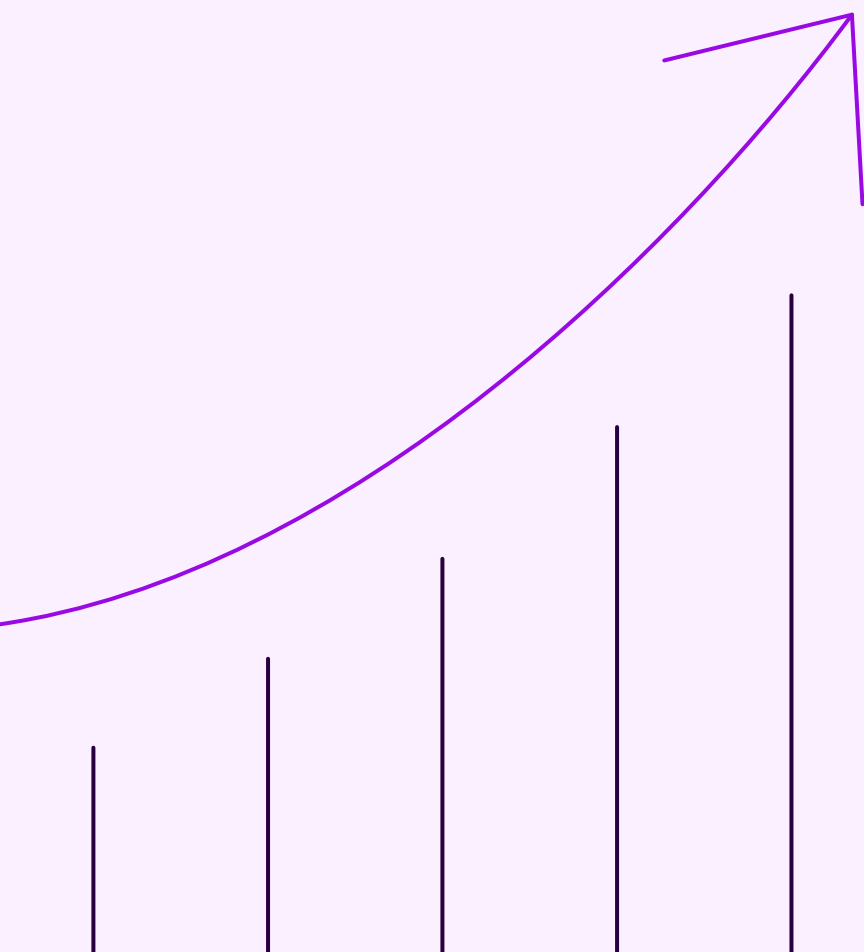
For the environment area, EcoVadis highlights Telia's usage of renewable energy – across all markets, Telia's networks are 100% powered by fossil-free sources – along with innovative services that help consumers extend the lifetime of their mobile devices.

In the Ethics category, Telia's strengths include corruption risk assessments, training and processes to support information security, and the provision of whistleblower mechanisms.

Giedrė Kaminskaitė-Salters
CEO of Telia Lietuva



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



Financial highlights of Q4 2024

Revenue went up by 6.3%

and amounted to EUR 131 million
(2023: EUR 123.3 million)

EBITDA increased by 6.4%

and amounted to EUR 40.7 million
(2023: EUR 38.3 million)

Capital investments were 18.8%

higher and amounted to EUR 19.6 million
(2023: EUR 16.5 million)

Adjusted EBITDA up by 6.1%

to EUR 41.8 million (2023: EUR 39.3 million)

Profit for the period grew by 33.2%

to EUR 17.7 million (2023: EUR 13.3 million)

Free cash flow went up by 57.8%

and amounted to EUR 33.3 million
(2023: EUR 21.1 million)

Financial highlights of 12 months of 2024

Revenue grew by 3.1%

and amounted to EUR 491.1 million
(2023: EUR 476.6 million)

EBITDA increased by 5.2%

and amounted to EUR 173.7 million
(2023: EUR 165.2 million)

Capital investments up by 3.7%

and amounted to EUR 62.8 million
(2023: EUR 60.6 million)

Adjusted EBITDA up by 5%

to EUR 177 million (2023: EUR 168.5 million)

Profit for the period went up by 12.6%

to EUR 71.6 million (2023: EUR 63.6 million)

Free cash flow went up by 46.4%

and amounted to EUR 117.7 million
(2023: EUR 80.4 million)

Financial figures

(in thousands of EUR unless otherwise stated)

	January - December 2024	January - December 2023	Change (%)	January - December 2022
Revenue	491,114	476,578	3.1	444,623
Adjusted EBITDA excluding non-recurring items	176,978	168,492	5.0	148,137
Adjusted EBITDA margin excluding non-recurring items (%)	36.0	35.4		33.3
EBITDA	173,731	165,182	5.2	147,537
EBITDA margin (%)	35.4	34.7		33.2
Operating profit (EBIT) excluding non-recurring items	91,699	82,946	10.6	64,054
EBIT margin excluding non-recurring items (%)	18.7	17.4		14.4
Operating profit (EBIT)	88,452	79,636	11.1	63,454
EBIT margin (%)	18.0	16.7		14.3
Profit before income tax	82,614	71,863	15.0	60,819
Profit before income tax margin (%)	16.8	15.1		13.7
Profit for the period	71,619	63,594	12.6	56,398
Profit for the period margin (%)	14.6	13.3		12.7
Earnings per share (EUR)	0.123	0.109	12.6	0.097
Number of shares (thousand)	582,613	582,613	-	582,613
Share price at the end of period (EUR)	1.575	1.665	(5.4)	1.985
Market capitalisation at the end of period	917,616	970,051	(5.4)	1,156,487
Total assets	610,614	616,121	(0.9)	611,047
Shareholders' equity	376,012	356,828	5.4	328,191
Cash flow from operations	172,719	161,174	7.2	140,805
Free cash flow	117,706	80,394	46.4	34,637
Capital investments (Capex)	62,846	60,584	3.7	80,935
Net debt	15,354	71,178	(78.4)	106,449

Operating figures

	31-12-2024	31-12-2023	Change (%)	31-12-2022
Mobile service subscriptions, in total (thousand)	1,703	1,643	3.7	1,604
— Post-paid (thousand)	1,399	1,323	5.7	1,278
— Pre-paid (thousand)	304	320	(5.0)	326
Broadband Internet connections, in total (thousand)	420	426	(1.4)	427
— Fiber-optic (FTTH/B) (thousand)	314	315	(0.3)	313
— Copper (DSL, VDSL) (thousand)	106	111	(4.5)	114
TV service customers (thousand)	259	261	(0.8)	257
Fixed telephone lines in service (thousand)	157	177	(11.3)	200
Number of personnel (headcounts)	1,781	1,935	(8.0)	2,051
Number of full-time employees	1,688	1,829	(7.7)	1,925

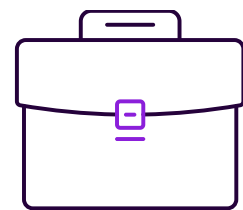
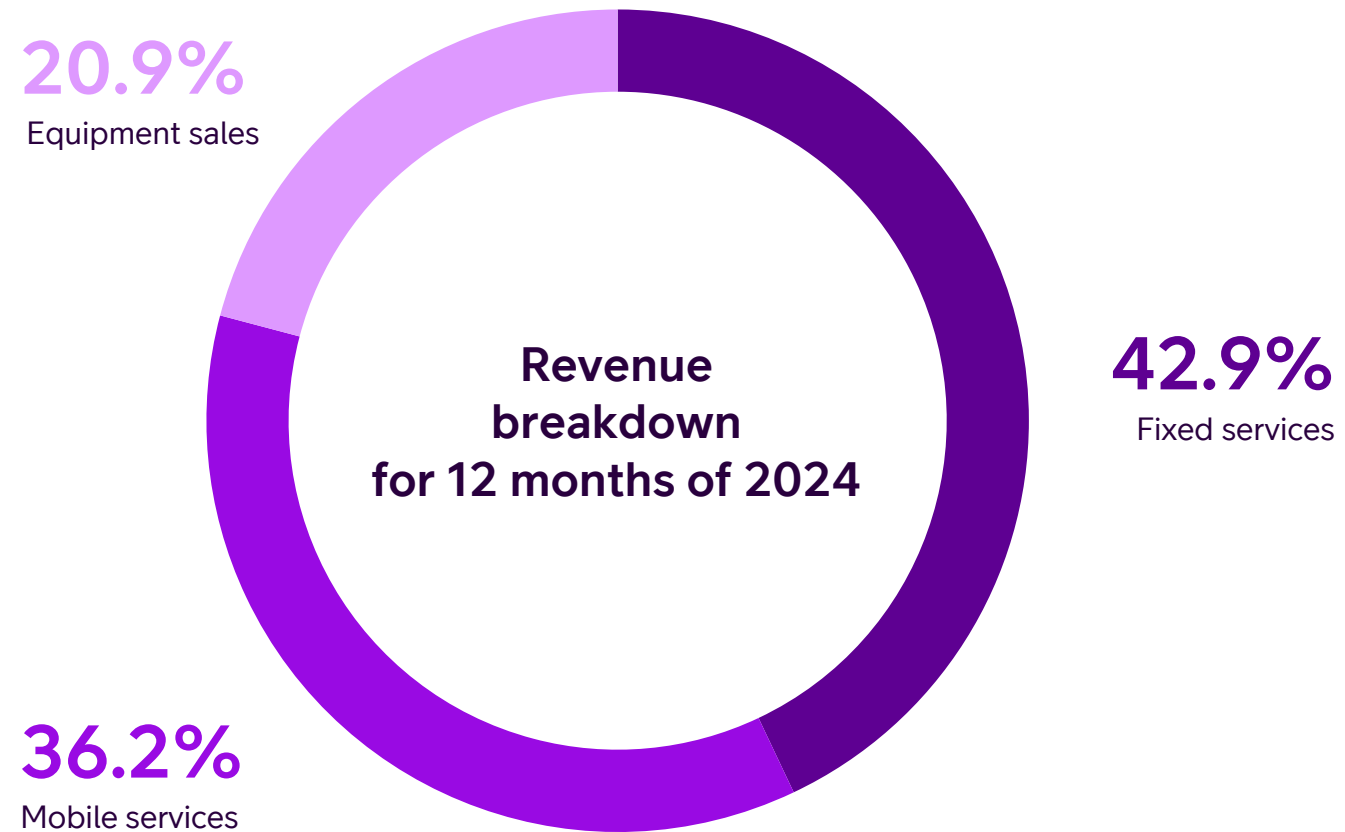
Financial ratios*

	31-12-2024	31-12-2023	31-12-2022
Return on capital employed (%)	20.9	18.0	14.0
Return on average assets (%)	14.6	12.9	10.2
Return on shareholders' equity (%)	19.8	18.6	17.6
Operating cash flow to sales (%)	35.2	33.8	31.7
Capex (excl. mobile licenses) to sales (%)	12.8	12.7	18.2
Net debt to EBITDA ratio	0.09	0.43	0.72
Gearing ratio (%)	4.1	19.9	32.4
Debt to equity ratio (%)	13.3	25.7	34.6
Current ratio (%)	85.8	69.3	62.0
Rate of turnover of assets (%)	80.8	77.4	71.2
Equity to assets ratio (%)	61.6	57.9	53.7
Price to earnings (P/E) ratio	12.8	15.3	20.4

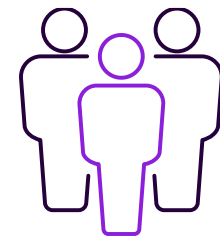
Notes: *Description of financial ratios and their calculation is provided at <https://www.telia.lt/eng/investors/financial-results>



Revenue



36.3%
Enterprises



63.7%
Consumers

(in thousands of EUR unless otherwise stated)

	October - December 2024	October - December 2023	Change (%)
Fixed services	53,200	49,898	6.6
Voice telephony services	8,715	7,861	10.9
Internet services	20,318	19,490	4.2
Datacom and network capacity services	4,669	4,547	2.7
TV services	9,690	9,421	2.9
IT services	7,921	6,698	18.3
Other services	1,887	1,881	0.3
Mobile services	44,941	42,734	5.2
Billed services	43,493	40,492	7.4
Other mobile service	1,448	2,242	(35.4)
Equipment	32,895	30,692	7.2
Total	131,036	123,324	6.3

(in thousands of EUR unless otherwise stated)

	January - December 2024	January - December 2023	Change (%)
Fixed services	210,982	205,776	2.5
Voice telephony services	37,268	38,593	(3.4)
Internet services	79,951	75,815	5.5
Datacom and network capacity services	18,482	18,063	2.3
TV services	38,069	37,473	1.6
IT services	29,065	27,860	4.3
Other services	8,147	7,973	2.2
Mobile services	177,631	165,685	7.2
Billed services	169,487	154,680	9.6
Other mobile service	8,144	11,005	(26.0)
Equipment	102,500	105,117	(2.5)
Total	491,113	476,578	3.1

Expenses

(in thousands of EUR unless otherwise stated)	October - December 2024	October - December 2023	Change (%)	January - December 2024	January - December 2023	Change (%)
Cost of goods and services	(54,494)	(49,769)	9.5	(187,016)	(186,404)	0.3
Operating expenses	(36,466)	(35,128)	3.8	(131,864)	(125,707)	4.9
Employee related	(19,470)	(19,055)	2.2	(70,023)	(64,369)	8.8
Other	(16,996)	(16,073)	5.7	(61,841)	(61,338)	0.8
Non-recurring expenses	1,728	783	120.7	4,128	3,122	32.2
Operating expenses (excl. non-recurring expenses)	(34,738)	(34,345)	1.1	(127,736)	(122,585)	4.2
Employee related	(18,184)	(18,811)	(3.3)	(67,639)	(63,251)	6.9
Other	(16,554)	(15,534)	6.6	(60,097)	(59,334)	1.3

Higher cost of goods and services for the fourth quarter of 2024 compared with the same period a year ago is in line with revived equipment sale at the end of the year. During 2024 networks interconnection and roaming charges continued to go down due to EU regulations, while employee related expenses grew due to employees' salaries increase. Other operating expenses for January-December of 2024 were almost on the same level as a year ago despite higher spending on energy.

During October-December of 2024, the total number of employees (headcount) went down by 84 – from 1,865 to 1,781 due to implemented efficiency improvement program. In terms of full-time employees (FTE), the total number of employees decreased by 62 – from 1,750 to 1,688. Over the last 12 months the total number of employees went down by 154 and in terms of number of full-time employees – by 141.

Non-recurring items for the fourth quarter and 12 months of 2024 were comprised of one-off redundancy pay-outs of EUR 1,286 thousand (2023: EUR 244 thousand) and EUR 2,384 thousand (2023: EUR 1,118 thousand), and non-recurring other expenses of EUR 442 thousand (2023: EUR 539 thousand) and EUR 1,744 thousand (EUR 2,004 thousand), respectively.

Earnings

(in thousands of EUR unless otherwise stated)	October - December 2024	October - December 2023	Change (%)	January - December 2024	January - December 2023	Change (%)
EBITDA	40,690	38,251	6.4	173,731	165,182	5.2
Margin (%)	31.1	31.0		35.4	34.7	
Depreciation and amortisation	(19,320)	(21,426)	(9.8)	(85,279)	(85,546)	(0.3)
Operating profit (EBIT)	21,370	16,825	27.0	88,452	79,636	11.1
Margin (%)	16.3	13.6		18.0	16.7	
Non-recurring expenses	(1,728)	(783)	120.7	(4,128)	(3,122)	32.2
Gain (loss) on sale of property	659	(311)		881	(188)	
Adjusted EBITDA excluding non-recurring items	41,759	39,345	6.1	176,978	168,492	5.0
Margin (%)	31.9	31.9		36.0	35.4	
EBIT excluding non-recurring items	21,370	17,919	25.2	91,699	82,946	10.6
Margin (%)	17.1	14.5		18.7	17.4	

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 2.9 million (2023: EUR 3.4 million)..

(in thousands of EUR unless otherwise stated)	October - December 2024	October - December 2023	Change (%)	January - December 2024	January - December 2023	Change (%)
Profit before income tax	20,059	14,732	36.2	82,614	71,863	15.0
Margin (%)	15.3	11.9		16.8	15.1	
Income tax	(2,360)	(1,444)	63.4	(10,995)	(8,269)	33.0
Profit for the period	17,699	13,288	33.2	71,619	63,594	12.6
Margin (%)	13.5	10.8		14.6	13.3	

Financial position and cash flow

As at 31 December 2024, the total non-current assets amounted to 80.2 per cent (80.9 per cent a year ago), the total current assets – to 19.8 per cent (18.9 per cent), whereof cash and cash equivalent alone represented 5.7 per cent (3.3 per cent) of total assets. At the end of December 2024, shareholders' equity amounted to 61.6 per cent of the total assets (57.9 per cent a year ago).

(in thousands of EUR unless otherwise stated)	31-12-2024	31-12-2023	Change (%)
Total assets	610,614	616,121	(0.9)
Non-current assets	489,828	498,415	(1.7)
Current assets	120,735	116,234	3.9
whereof cash and cash pool arrangement	34,796	20,604	68.9
Assets for sale	51	1,472	(96.5)
Shareholders' equity	376,012	356,828	5.4

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 unless otherwise stated)	January - December 2024	January - December 2023	Change (%)
Net cash generated by operating activities	172,719	161,174	7.2
Purchase of PPE and intangible assets (Cash Capex)	(59,081)	(83,099)	(28.9)
Proceeds from disposal of PPE and intangible assets	4,068	2,319	75.4
Free cash flow	117,706	80,394	46.4
Increase (decrease) in lease liabilities	(11,252)	(9,423)	19.4
Operational free cash flow	106,454	70,971	50.0

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 unless otherwise stated)	31-12-2024	31-12-2023	31-12-2022
Loans from banks	-	30,000	30,000
Loans from Telia Company AB	-	25,000	-
Liabilities under reverse factoring agreements	50,150	36,782	83,548
Borrowings	50,150	91,782	113,548
Cash and cash equivalents	7,025	20,604	7,099
Cash pool arrangement	27,771	-	-
Net debt	15,354	71,178	106,449
Net debt to equity (Gearing) ratio (%)	4.1	19.9	32.4

In January 2023, the Company has entered into 2-years 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 and in November – a remaining EUR 25 million to Telia Company. As of 31 December 2024, the Company had no outstanding loans borrowed from Telia Company.

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

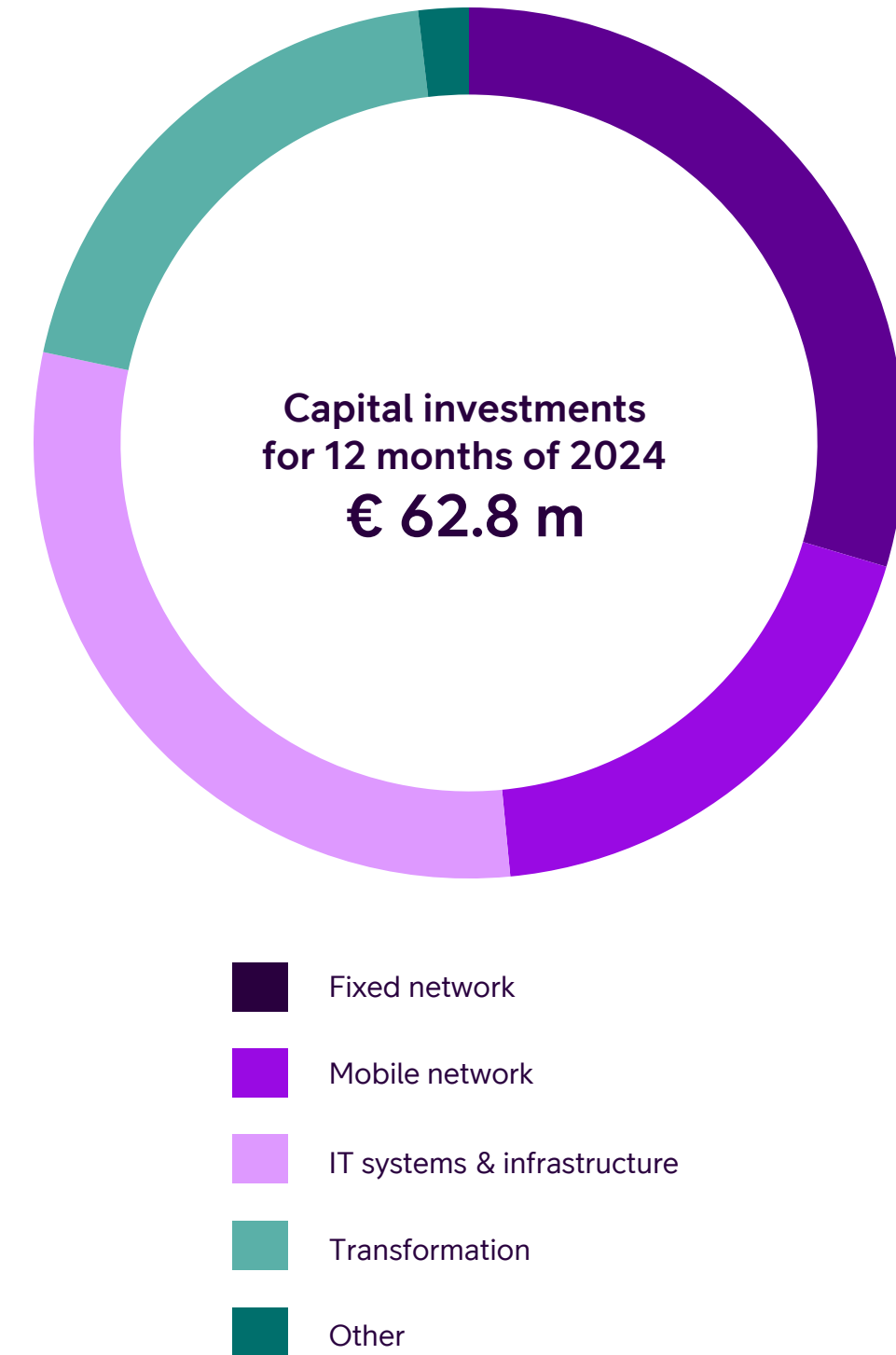
(in thousands of EUR unless otherwise stated)	January - December 2024	January - December 2023	Change (%)
Fixed network	18,594	16,901	10.0
Mobile network	11,877	13,761	(13.7)
IT systems and infrastructure	18,768	15,372	22.1
Transformation program	12,433	13,667	(9.0)
Other	1,174	883	32.9
Total capital investments	62,846	60,584	3.7
Capital investments to revenue ratio (%)	12.8	12.7	

In 2024, the Company continued to invest into upgrade and expansion of its core network and network infrastructure to ensure further 5G mobile network roll-out with deployment of ultra-high-speed base stations at existing sites. Also, capital investments were allocated for upgrade of fiber optic network nodes to ensure higher Internet speed and quality of services. As a result of fiber optic backbone network (DWDM) upgrade 800 Gbps data speed between Vilnius and Kaunas was 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-December 2024 amounted to 250.9 Mbps (202.2 Mbps in 2023).

By the end of December 2024, the Company had 981 thousand households passed (974 thousand a year ago), or 63 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 Telvia 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. Telvia Lietuva share's symbol on German stock exchanges is ZWS.

Information on **trading in Telvia Lietuva shares** on Nasdaq Vilnius stock exchange during January-December 2024:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	1.66	1.735	1.505	1.575	1.618	4,098,838	6,633,799

Shareholders, holding more than 5 per cent of the share capital and votes, as at 31 December 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 (%)
Telvia 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:

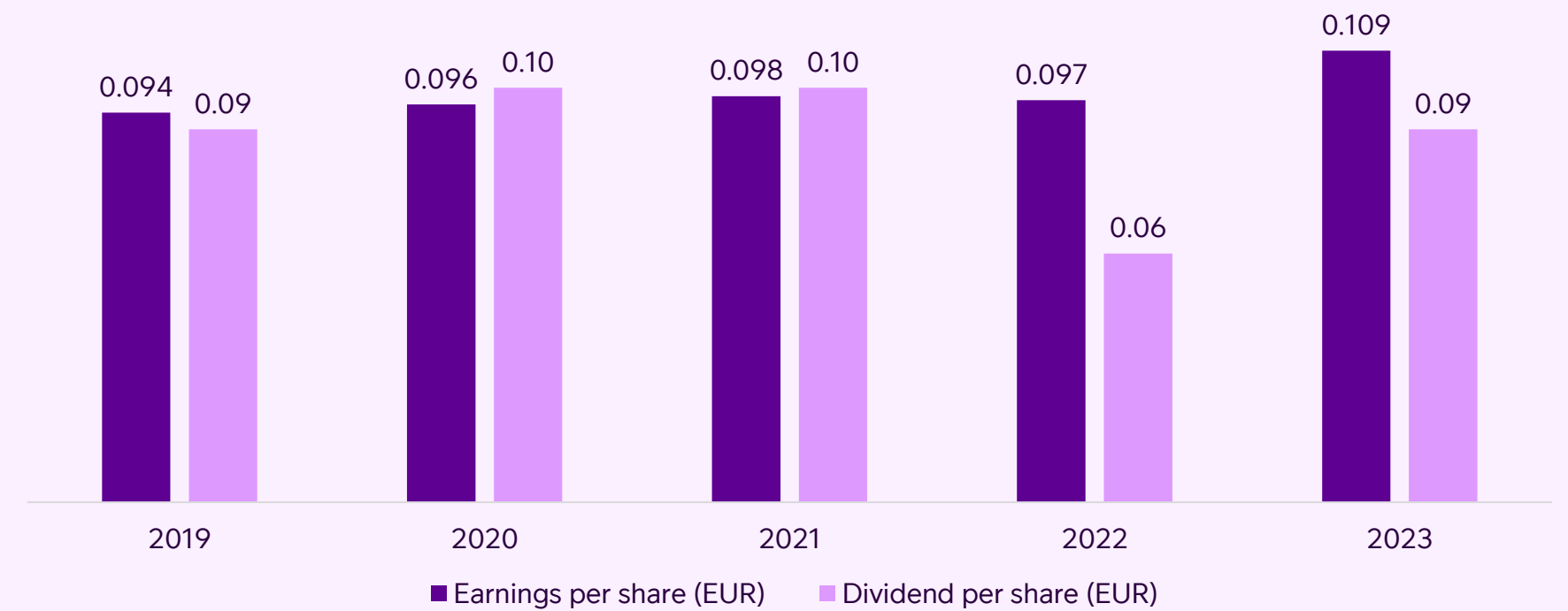
- the Company must maintain the net debt to EBITDA ratio not higher than 1.5, and
- to pay out not more than 80% of free cash flow but not more than 100% of the Company’s net profit as dividend.

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.

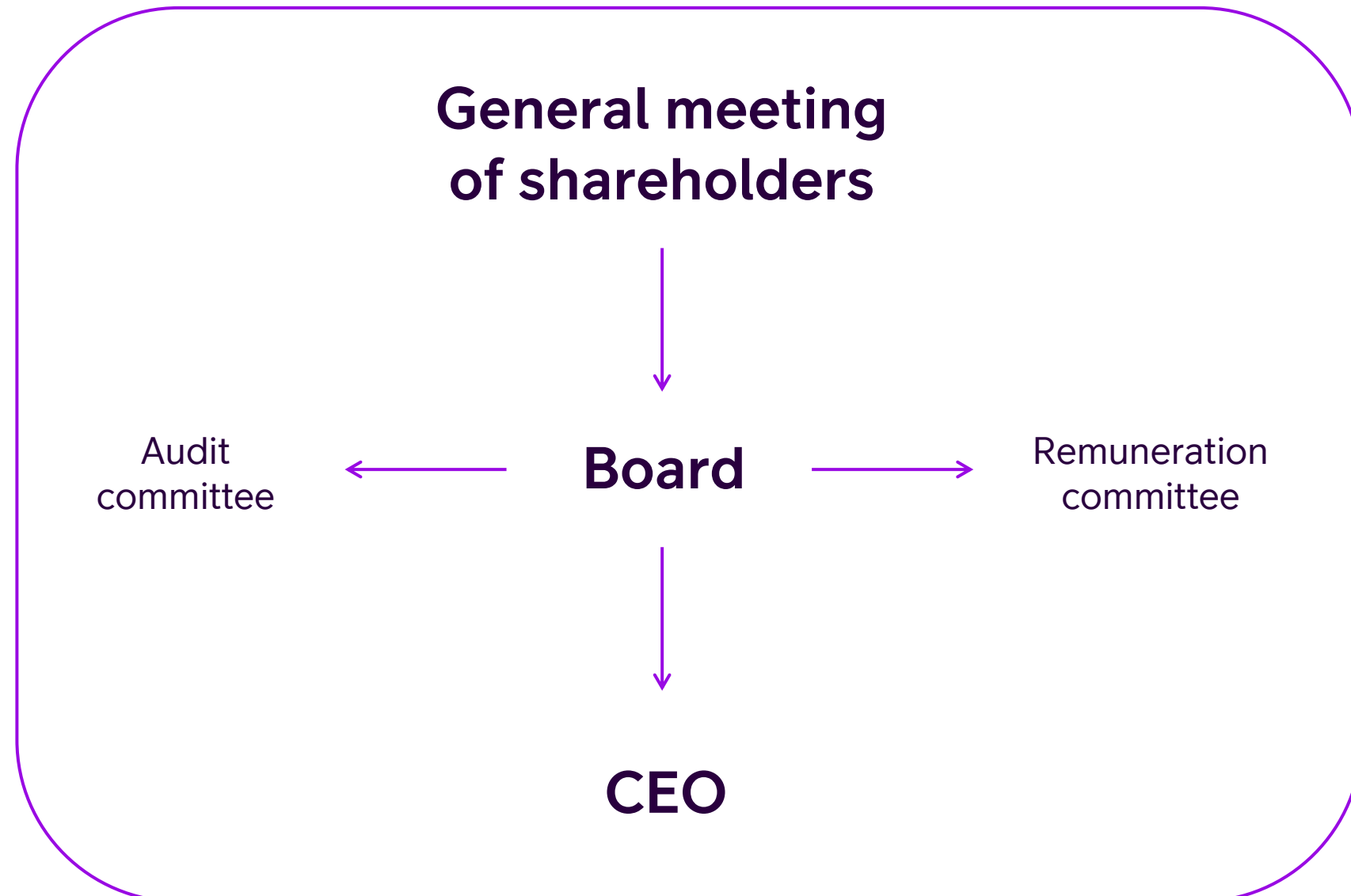
Information about the Company’s dividend pay-out during the last five years (in EUR thousand unless otherwise stated):

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

(in thousands of EUR, except per share data)

	Notes	October – December		January – December	
		2024	2023	2024	2023
Revenue		131,037	123,324	491,114	476,578
Cost of goods and services		(54,494)	(49,769)	(187,016)	(186,404)
Employee related expenses		(19,471)	(19,055)	(70,023)	(64,369)
Other operating expenses		(16,996)	(16,073)	(61,841)	(61,338)
Other gain / (loss) – net		613	(176)	1,497	715
Depreciation, amortisation and impairment of fixed assets and assets classified as held for sale	6	(19,320)	(21,426)	(85,279)	(85,546)
Operating profit		21,369	16,825	88,452	79,636
Finance income		629	641	2,302	1,216
Finance costs		(1,940)	(2,734)	(8,140)	(8,989)
Finance and investment activities – net		(1,311)	(2,093)	(5,838)	(7,773)
Profit before income tax		20,058	14,732	82,614	71,863
Income tax	3	(2,360)	(1,444)	(10,995)	(8,269)
Profit for the year		17,698	13,288	71,619	63,594
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		17,698	13,288	71,619	63,594
Profit and comprehensive income attributable to:					
Owners of the Parent		17,698	13,288	71,619	63,594
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (EUR)	4	0.030	0.023	0.123	0.109

Statement of financial position

(in thousands of EUR)

	Notes	As at 31 December	
		2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	243,694	253,738
Goodwill	7	26,769	26,769
Intangible assets	7	140,136	141,742
Right-of-use assets	8	47,177	45,134
Costs to obtain contract		5,587	5,477
Contract asset		423	718
Trade and other receivables		20,497	18,855
Finance lease receivables		5,545	5,982
		489,828	498,415
Current assets			
Inventories		13,037	12,617
Contract asset		1,375	1,012
Trade and other receivables		65,859	75,900
Current income tax assets		-	249
Finance lease receivables		5,668	5,852
Cash pool receivables		27,771	-
Cash and cash equivalents		7,025	20,604
		120,735	116,234
Assets classified as held for sale		51	1,472
Total assets		610,614	616,121

(in thousands of EUR)

	Notes	As at 31 December	
		2024	2023
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued share capital	9	168,958	168,958
Legal reserve	10	16,896	16,896
Retained earnings		190,158	170,974
Equity attributable to owners of the Company		376,012	356,828
Non-controlling interests		-	-
Total equity		376,012	356,828
LIABILITIES			
Non-current liabilities			
Borrowings		-	-
Lease liabilities		44,474	42,495
Deferred tax liabilities		17,592	16,965
Deferred revenue and accrued liabilities		18,394	19,036
Contract liabilities		-	-
Provisions	11	13,462	13,039
		93,922	91,535
Current liabilities			
Trade, other payables and accrued liabilities		69,738	58,576
Current income tax liabilities		2,835	-
Borrowings		50,150	91,782
Contract liabilities		3,067	2,895
Lease liabilities		14,890	14,505
Provisions	11	-	-
		140,680	167,758
Total liabilities		234,602	259,293
Total equity and liabilities		610,614	616,121

Statement of changes in equity

(in thousands of EUR)	Issued 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	-	-	63,594	63,594
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	63,594	63,594
Dividends paid for 2022	-	-	(34,957)	(34,957)
Balance at 31 December 2023	168,958	16,896	170,974	356,828
Balance at 1 January 2024	168,958	16,896	170,974	356,828
Profit for the year	-	-	71,619	71,619
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	-	-	71,619	71,619
Dividends paid for 2023	-	-	(52,435)	(52,435)
Balance at 31 December 2024	168,958	16,896	190,158	376,012

Statement of cash flows

(in thousands of EUR)

	Notes	January – December	
		2024	2023
Operating activities			
Profit for the year		71,619	63,594
Adjustments for:			
Income tax expenses recognized in profit or loss	3	10,995	8,269
Depreciation, amortisation and impairment charge	6	87,172	87,538
Other gain / (loss) – net		(1,632)	(1,212)
Interest income		(2,293)	(1,216)
Interest expenses		8,083	8,933
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Decrease/(increase) inventories / Assets held for sale		(643)	1,093
Decrease/(increase) trade and other receivables		6,729	(7,716)
Decrease/(increase) in contract assets		(68)	73
Decrease/(increase) in contract costs		(110)	21
Increase/(decrease) trade, other payables and accrued liabilities, deferred tax liabilities		7,064	20,419
Increase/(decrease) in contract liabilities		172	506
Increase/(decrease) in deferred revenue and accrued liabilities		(642)	(1,225)
Increase/(decrease) in provisions	11	(88)	(72)
Cash generated from operations		186,358	179,005
Interest paid		(7,464)	(8,422)
Interest received		1,109	281
Income taxes paid		(7,284)	(9,690)
Net cash generated by operating activities		172,719	161,174

(in thousands of EUR)

	Notes	January – December	
		2024	2023
Investing activities			
Purchase of property, plant and equipment and intangible assets		(59,081)	(83,099)
Proceeds from disposal of property, plant and equipment and intangible assets		4,068	2,319
Proceeds from / repayments for finance sublease receivables		1,805	(743)
Increase / decrease in interest bearing receivables (cash pool)		(27,771)	-
Net cash used in investing activities		(80,979)	(81,523)
Financing activities			
Repayment of borrowings		(178,615)	(189,967)
Proceeds from borrowings		136,983	168,201
Increase/(decrease) in lease liabilities		(11,252)	(9,423)
Dividends paid to shareholders		(52,435)	(34,957)
Net cash received in financing activities		(105,319)	(66,146)
Increase (decrease) in cash and cash equivalents		(13,579)	13,505
Movement in cash and cash equivalents			
At the beginning of the financial year		20,604	7,099
Increase (decrease) in cash and cash equivalents		(13,579)	13,505
At the end of the financial year		7,025	20,604

Notes to the financial statements

1 Basic of preparation

These financial statements for the twelve months' period ended 31 December 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 financial statements have been prepared under the historical cost convention.

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

The financial statements have been prepared under the going concern basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements for the period ended 31 December 2024 are not audited. Financial statements for the year ended 31 December 2023 are audited by the external auditor Deloitte Lietuva UAB.

2 Investments in subsidiaries and associates

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

Associate	Country of incorporation	Ownership interest in %		Profile
		31 December 2024	31 December 2023	
VšĮ Numerio Perkėlimas	Lithuania	50%	50%	A non-profit organization established by Lithuanian telecommunications operators administers central database to ensure telephone number portability

As at 31 December 2024 and 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).

(in thousands of EUR)	October – December		January – December	
	2024	2023	2024	2023
Current tax expenses	2,204	1,506	10,368	9,178
Deferred tax change	156	(62)	627	(909)
Total	2,360	1,444	10,995	8,269

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 2.9 million (2023: EUR 3.4 million). Investments in new technologies are capitalised as property, plant and equipment, and their depreciation is deductible for tax purposes, therefore, the tax relief does not create any deferred tax liability.

The tax authorities may at any time inspect the books and records within 3 years from the end of the year when tax declaration was submitted and may impose additional tax assessments with penalty interest and penalties. The Company's management is not aware of any circumstances, which may give rise to a potential material liability in this respect.

4 Earnings per share

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

(in thousands of EUR, except per share data)	October – December		January – December	
	2024	2023	2024	2023
Net profit	17,698	13,288	71,619	63,594
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613	582,613	582,613
Basic earnings per share (EUR)	0.030	0.023	0.123	0.109

5 Dividends per share

A dividend that relates to the period to 31 December 2023 was approved by the Annual General Meeting of Shareholders on 26 April 2024. The total amount of allocated dividend, that was paid off in May 2024, is EUR 52,435 thousand or EUR 0.09 per ordinary share.

6 Property, plant and equipment

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

(in thousands of EUR)	January – December	
	2024	2023
Depreciation of property, plant and equipment (Note 6)	45,062	48,005
Impairment of property, plant and equipment (Note 6)	509	310
Amortisation of intangible assets (Note 7)	28,135	26,691
Impairment of intangible assets (Note 7)	-	-
Amortisation of right-of-use-asset (Note 8)	11,573	10,540
Total	85,279	85,546
Impairment of assets classified as held for sale	-	-
Total	85,279	85,546

Notes to the financial statements

6 Property, plant and equipment (continued)

(in thousands of EUR)	Land and buildings	Ducts and telecommunication equipment	Other tangible fixed assets	Construction in progress	Total
Twelve months ended 31 December 2023					
Opening net book amount	9,776	225,343	10,943	23,591	269,653
Additions	-	681	-	34,711	35,392
Reclassifications	(1,578)	47	-	92	(1,439)
Disposals and write-offs	(1)	(1,571)	19	-	(1,553)
Transfers from construction in progress	1,296	36,537	4,865	(42,698)	-
Depreciation charge	(1,244)	(41,878)	(4,883)	-	(48,005)
Impairment charge	-	(310)	-	-	(310)
Closing net book amount	8,249	218,849	10,944	15,696	253,738
At 31 December 2023					
Cost	27,530	769,166	50,697	15,696	863,089
Accumulated depreciation	(19,240)	(549,341)	(39,752)	-	(608,333)
Impairment charge	(41)	(976)	(1)	-	(1,018)
Net book amount	8,249	218,849	10,944	15,696	253,738
Twelve months ended 31 December 2024					
Opening net book amount	8,249	218,849	10,944	15,696	253,738
Additions	-	316	-	36,309	36,625
Reclassifications	(266)	199	65	(474)	(476)
Disposals and write-offs	(180)	(436)	(6)	-	(622)
Transfers from construction in progress	460	29,134	1,914	(31,508)	-
Depreciation charge	(1,284)	(39,275)	(4,503)	-	(45,062)
Impairment charge	-	(509)	-	-	(509)
Closing net book amount	6,979	208,278	8,414	20,023	243,694
At 31 December 2024					
Cost	27,040	755,930	46,362	20,023	849,355
Accumulated depreciation	(20,021)	(546,878)	(37,948)	-	(604,847)
Impairment charge	(40)	(774)	-	-	(814)
Net book amount	6,979	208,278	8,414	20,023	243,694

7 Intangible assets

(in thousands of EUR)	Licenses and software	Goodwill	Other intangible assets	Construction in progress	Total
Twelve months ended 31 December 2023					
Opening net book amount	88,540	26,769	27,805	26,305	169,419
Additions	-	-	-	25,870	25,870
Reclassifications	-	-	-	(83)	(83)
Disposals and write-offs	(4)	-	-	-	(4)
Transfers to other accounts	15,479	-	-	(15,479)	-
Amortization charge	(23,252)	-	(3,439)	-	(26,691)
Closing net book amount	80,763	26,769	24,366	36,613	168,511
At 31 December 2023					
Cost	177,525	29,408	53,125	36,613	296,671
Accumulated amortization	(96,762)	-	(28,759)	-	(125,521)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	80,763	26,769	24,366	36,613	168,511
Twelve months ended 31 December 2024					
Opening net book amount	80,763	26,769	24,366	36,613	168,511
Additions	-	-	-	26,537	26,537
Reclassifications	-	-	-	476	476
Disposals and write-offs	(483)	-	(1)	-	(484)
Transfers to other accounts	17,571	-	-	(17,571)	-
Amortization charge	(24,697)	-	(3,438)	-	(28,135)
Closing net book amount	73,154	26,769	20,927	46,055	166,905
At 31 December 2024					
Cost	192,266	29,408	53,124	46,055	320,853
Accumulated depreciation	(119,112)	-	(32,197)	-	(151,309)
Impairment charge	-	(2,639)	-	-	(2,639)
Net book amount	73,154	26,769	20,927	46,055	166,905

Notes to the financial statements

8 Right-of-use-assets

(in thousands of EUR)	Land and premises	Dark fibre	Equipment rent	Other	Total
Twelve months ended 31 December 2023					
Opening net book amount	36,018	8,134	-	843	44,995
Additions	2,794	2	6,758	512	10,066
Lease modifications	4,074	1,370	-	1,927	7,371
Disposals and write-offs	-	-	(6,758)	-	(6,758)
Amortization charge	(8,893)	(1,093)	-	(554)	(10,540)
Closing net book amount	33,993	8,413	-	2,728	45,134
At 31 December 2023					
Cost	72,460	14,305	-	4,400	91,165
Accumulated amortization	(38,467)	(5,892)	-	(1,672)	(46,031)
Net book amount	33,993	8,413	-	2,728	45,134
Twelve months ended 31 December 2024					
Opening net book amount	33,993	8,413	-	2,728	45,134
Additions	3,108	-	5,800	1,079	9,987
Lease modifications	7,084	2,144	-	201	9,429
Disposals and write-offs	-	-	(5,800)	-	(5,800)
Amortization charge	(9,378)	(1,124)	-	(1,071)	(11,573)
Closing net book amount	34,807	9,433	-	2,937	47,177
At 31 December 2024					
Cost	82,647	16,449	-	5,682	104,778
Accumulated depreciation	(47,840)	(7,016)	-	(2,745)	(57,601)
Net book amount	34,807	9,433	-	2,937	47,177

9 Share capital

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

10 Legal reserve

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

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

11 Provisions

(in thousands of EUR)	Assets retirement obligation
Closing net book amount at 31 December 2022	
	13,179
Additions	681
Unwinding of discounting	379
Used provisions	(72)
Adjustment for change in discount rate, timing	(1,128)
Closing net book amount at 31 December 2023	13,039
Closing net book amount at 31 December 2023	
	13,039
Additions	316
Unwinding of discounting	286
Used provisions	(88)
Adjustment for change in discount rate, timing	(91)
Closing net book amount at 31 December 2024	13,462

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

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

Notes to the financial statements

12 Related party transactions

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

The following transactions were carried out with Telia Company AB and its subsidiaries:

(in thousands of EUR)	January – December	
	2024	2023
Sales and purchases from:		
Sales of telecommunication and other services	10,406	10,589
Cash pool interest revenues	795	-
Sales of assets	381	-
Other	20	-
Total sales of assets and services	11,602	10,589
Purchases of assets and services:		
Purchases of services	15,656	17,068
Interest expenses on borrowings	1,177	1,938
Purchases of assets	174	984
Other	346	173
Total purchases of assets and services	17,353	20,163

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

(in thousands of EUR)	January – December	
	2024	2023
Receivables from related parties	1,673	2,414
Interest bearing receivables (cash pool)	27,771	-
Accrued revenue from related parties	107	214
Total receivables and accrued revenue from related parties	29,551	2,628

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

(in thousands of EUR)

	January – December	
	2024	2023
Borrowings	-	25,000
Short term borrowings	-	25,000
Payables to related parties	2,940	3,668
Accrued expenses to related parties	517	170
Total borrowings, payables and accrued expenses to related parties	3,457	3,838

In January 2023, the Company had signed a two-year agreement regarding revolving credit facility with Telia Company AB that provides the Company with the possibility to borrow any amount up to total limit of EUR 50 million for 3 or 6 months within 2 business days.

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

In May 2024, the Company paid-out to Telia 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 12 months' period ended 31 December 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, 29 January 2025



Name of the Company	Telia Lietuva, AB
Legal form	public company (joint-stock company)
Date of registration	6 February 1992
Name of Register of Legal Entities	State Enterprise Centre of Registers
Code of enterprise	1212 15434
LEI code	5299007A0LO7C2YYI075
Registered office	Saltoniškių str. 7A, LT-03501 Vilnius, Lithuania
Telephone number	+370 5 262 1511
Fax number	+370 5 212 6665
E-mail address	info@telia.lt
Internet address	www.telia.lt