

# Telia Lietuva, AB

**Interim financial statements  
for the 9 months' period ended 30 September 2022  
(unaudited)**

Beginning of the financial year	1 January 2022
End of reporting period	30 September 2022
Name of the company	<b>Telia Lietuva, AB</b> (hereinafter – “Telia Lietuva” or “the Company”)
Legal form	public company (joint-stock company)
Date of registration	6 February 1992
Code of enterprise	121215434
LEI code	5299007A0LO7C2YYI075
Name of Register of Legal Entities	State Enterprise Centre of Registers
Registered office	Saltoniškių str. 7A, LT-03501 Vilnius, Lithuania
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Internet address	www.telia.lt
Main activities	Integrated telecommunication, IT and TV services to residential and business customers in Lithuania

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(All tabular amounts are in EUR '000 unless otherwise stated)

## Management report

### Third quarter of 2022 (compared with the same period a year ago):

- Revenue increased by 6.7 per cent and amounted to EUR 113.3 million (EUR 106.2 million).
- EBITDA (excl. non-recurring items) was up by 1.5 per cent to EUR 38.6 million (EUR 38 million).
- EBITDA increased by 1.1 per cent and amounted to EUR 38.1 million (EUR 37.7 million).
- Profit for the period went down by 4.1 per cent to EUR 15.4 million (EUR 16.1 million).

### 9 months of 2022 (compared with the same period a year ago):

- Revenue grew 6.7 per cent and amounted to EUR 328.2 million (EUR 307.5 million).
- EBITDA (excl. non-recurring items) went up by 5.3 per cent to EUR 111.6 million (EUR 106 million).
- EBITDA increased by 4.6 per cent and amounted to EUR 111.3 million (EUR 106.5 million).
- Profit for the period was up by 0.5 per cent to EUR 41.7 million (EUR 41.5 million).
- Free cash flow decreased by 36.2 per cent and amounted to EUR 40.1 million (EUR 62.8 million).

### Management comment:

In September 2022, Lithuania officially entered in a new era of 5G communication. Telia Lietuva was the first in the country to launch its 5G network immediately upon obtaining necessary permissions from Lithuanian Communication Regulatory Authorities. The Company has secured the best available frequencies by winning both 5G licenses' auctions by offering in total EUR 30 million payable over the 20 years' period. The initial payment for the licenses (EUR 9 million) is already paid to the State budget by Telia Lietuva.

We were the first in Lithuania to launch all digital technologies – 2G, 3G, 4G, and now 5G. We have been preparing for this for 4 years and have invested over EUR 100 million into upgrade of our entire network. Upon receipt of permission from CRA to provide commercial mobile networks services, 5G was immediately operational with 1,100 base stations in the 700 MHz band and 110 base stations in the 3.5 GHz band. Telia Lietuva 5G network reached more than half of the Lithuania's territory and 80 per cent of its population.

Telia Lietuva customers can use the 5G networks without any additional fees – all they need is a '5G payment' plan and a device that supports 5G in Lithuania. Among the 5G-enabled smartphones, the most popular are those from Apple, Samsung, Xiaomi, OnePlus and other smart devices. Telia Lietuva first will enable the fastest 5G network running on 3.5 GHz frequencies in densely populated areas where huge amounts of data are moving, where there is no fiber optic cable yet, where high speed is required.

After roaming service in EU countries was offered to prepaid mobile communication service subscribers, 15 thousand of new prepaid customers were attracted during the third quarter of 2022. Over the last 12 months:

- number of mobile service subscriptions grew by 10.6 per cent up to 1,602 thousand,
- number of FTTH Internet customers went up by 3 per cent up to 311 thousand,
- number of IPTV increased by 0.4 per cent and amounted to 255 thousand.

Growing customer base, higher mobile data usage, new IT contracts and demand for flagship mobile devices led to continuous revenue growth. Over the year, comparing 9 months of 2022 with the same period in 2021:

- revenue from billed mobile services surged by 16.6 per cent,
- revenue from IT services grew by 13.3 per cent,
- revenue from broadband Internet services went up by 9.1 per cent.

The main challenge that the Company along with the other businesses is facing right now is a surge in electricity prices as our activities are based on provision of electronic means of communication. Energy expenses for the third quarter and 9 months of 2022 were 2.9 and 2.4 times higher than for the same periods a year ago, respectively. This had a negative impact on profitability, especially in July-September of 2022.

Douglas Lubbe, Chair of the Board and member of Remuneration Committee, due to his departure from Telia Company Group has submitted his letter of resignation from the Board as of 14 October 2022. The Board has elected Claes Nycander as new Chair of the Board and elected Hannu-Matti Mäkinen as new Chair of the Remuneration Committee. The two-years' term of the current Board terminates on 27 April 2023.

(All tabular amounts are in EUR '000 unless otherwise stated)

<b>Financial figures</b>	<b>January-September</b>		<b>Change (%)</b>
	<b>2022</b>	<b>2021</b>	
Revenue	328,185	307,504	6.7
EBITDA excluding non-recurring items	111,648	106,040	5.3
EBITDA margin excluding non-recurring items (%)	34.0	34.5	
EBITDA	111,307	106,460	4.6
EBITDA margin (%)	33.9	34.6	
Operating profit (EBIT) excluding non-recurring items	48,924	48,242	1.4
EBIT margin excluding non-recurring items (%)	14.9	15.7	
Operating profit (EBIT)	48,583	48,662	(0.2)
EBIT margin (%)	14.8	15.8	
Profit before income tax	46,888	47,031	(0.3)
Profit before income tax margin (%)	14.3	15.3	
Profit for the period	41,678	41,453	0.5
Profit for the period margin (%)	12.7	13.5	
Earnings per share (EUR)	0.072	0.071	0.5
Number of shares (thousand)	582,613	582,613	-
Share price at the end of period (EUR)	1,925	2,040	(5.6)
Market capitalisation at the end of period	1,121,530	1,188,531	(5.6)
Cash flow from operations	108,193	97,601	10.9
Operating free cash flow	40,062	62,769	(36.2)

  

<b>Operating figures</b>	<b>30-09-2022</b>	<b>30-09-2021</b>	<b>Change (%)</b>
Mobile service subscriptions, in total (thousand)	1,602	1,449	10.6
- Post-paid (thousand)	1,270	1,164	9.1
- Pre-paid (thousand)	332	285	16.5
Broadband Internet connections, in total (thousand)	426	419	1.7
- Fiber-optic (FTTH/B) (thousand)	311	302	3.0
- Copper (DSL) (thousand)	115	117	(1.7)
IPTV service customers (thousand)	255	254	0.4
Fixed telephone lines in service (thousand)	207	238	(13.0)
Number of personnel (head-counts)	2,024	2,116	(4.3)
Number of full-time employees	1,888	1,964	(3.9)

  

<b>Financial ratios*</b>	<b>30-09-2022</b>	<b>30-09-2021</b>
Return on capital employed (%)	13.1	14.6
Return on average assets (%)	9.6	10.7
Return on shareholders' equity (%)	17.8	18.1
Operating cash flow to sales (%)	31.0	31.3
Capex (excl. mobile licenses) to sales (%)	22.1	16.5
Net debt to EBITDA ratio	0.81	0.64
Gearing ratio (%)	36.9	28.6
Debt to equity ratio (%)	46.4	50.1
Current ratio (%)	64.5	108.8
Rate of turnover of assets (%)	69.8	68.3
Equity to assets ratio (%)	49.7	50.8
Price to earnings (P/E) ratio	19.7	20.4

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

(All tabular amounts are in EUR '000 unless otherwise stated)

## Revenue

	July-September		Change (%)	January-September		Change (%)
	2022	2021		2022	2021	
<b>Fixed services</b>	<b>47,768</b>	<b>47,051</b>	<b>1.5</b>	<b>143,608</b>	<b>139,413</b>	<b>3.0</b>
Voice telephony services	9,203	10,140	(9.2)	29,927	31,096	(3.8)
Internet services	17,758	16,272	9.1	52,044	47,698	9.1
Datacom and network capacity services	4,454	4,348	2.4	13,376	13,107	2.1
TV services	9,272	9,744	(4.8)	28,283	29,193	(3.1)
IT services	5,402	4,860	11.2	14,690	12,964	13.3
Other services	1,679	1,687	(0.5)	5,288	5,355	(1.3)
<b>Mobile services</b>	<b>40,693</b>	<b>35,522</b>	<b>14.6</b>	<b>113,904</b>	<b>101,116</b>	<b>12.6</b>
Billed services	35,793	30,246	18.3	101,176	86,761	16.6
Other mobile service	4,900	5,276	(7.1)	12,728	14,355	(11.3)
<b>Equipment</b>	<b>24,823</b>	<b>23,638</b>	<b>5.0</b>	<b>70,673</b>	<b>66,975</b>	<b>5.5</b>
<b>Total</b>	<b>113,284</b>	<b>106,211</b>	<b>6.7</b>	<b>328,185</b>	<b>307,504</b>	<b>6.7</b>

Share of revenue from fixed and mobile communication services amounted to 43.8 and 34.7 per cent, respectively, from the **total revenue** for the 9 months of 2022. Share of revenue from equipment sales was 21.5 per cent. Revenue from services provided to residential customers (B2C) amounted to 64 per cent, to business customers (B2B) and others – 36 per cent of the total revenue.

During January-September of 2022 the number of post-paid **mobile** communication service users increased by 34 thousand, while the number of pre-paid service users – by 50 thousand. Over the last 12 months, the total number of active mobile subscriptions went up by 153 thousand whereof 106 thousand were post-paid and 47 thousand – pre-paid service users. Combination of larger base of customers and increased average revenue per user (ARPU) led to continuous double digit growth in revenue from billed mobile services.

The novelty – voice and mobile Internet roaming service in EU countries – was offered to prepaid mobile communication service subscribers in 2022 and contributed to intake of new prepaid subscription users.

Revocation of cross border travelling restrictions led to revival of revenue stream from incoming mobile roaming services. Revenue from incoming mobile roaming services for 9 months of 2022 was 27.2 per cent higher than for the same period a year ago. However, from 1 January 2022 following EU regulations reduced mobile interconnect prices resulted in 24.6 per cent decrease in revenue from mobile calls termination services and led to overall decline in revenue from **other mobile services**.

During the first 9 months of 2022, the number of fixed telephony lines in service eased by 23 thousand while over the last 12 months – by 31 thousand. Revenue from voice transit service for January-September of 2022 was 3.3 per cent higher than a year ago and partially offset a decline of 11.1 per cent in revenue from retail **voice telephony** services.

During January-September of 2022, the number of fixed **broadband Internet access** users over fiber-optic network using FTTH/B technologies increased by 6 thousand, while number of broadband Internet service users over the copper DSL connections eased by 1 thousand. Over the last 12 months, the total number of broadband Internet access users increased by 7 thousand: number of fiber-optic connections went up by 9 thousand, while number of DSL connections went down by 2 thousand.

The churn of DSL connections was mitigated by completed upgrade of the Company's copper network used for provision of fixed broadband Internet and employment of "Super VDSL" (S-VDSL) technology, which depending on the length of the copper line connecting the Company's exchange and end equipment could provide up to 250 Mbps Internet speed.

(All tabular amounts are in EUR '000 unless otherwise stated)

Telia Lietuva was the first to offer to business customers fiber-optic Internet of up to 2 Gbps speed. Higher speed Internet initially is available to business customers in Vilnius, Kaunas, Panevėžys, Alytus and Palanga.

In spring 2022, the Company had switched off some Russian TV channels and that in combination with increasing competition from other local operators resulted in temporary decline in number of smart **television** (IPTV) customers. Nevertheless, during July-September of 2022, the number of Telia TV users went up by 1 thousand, while for the 9 months of 2022 it was flat. No growth in number of subscriptions and switch off of Russian TV channels caused a decline in revenue from TV services.

Continuously growing importance and demand for cloud computing and IT solutions for business customers led to ongoing double-digit growth in revenue from **IT services**.

Customers' appetite for recently released flagship mobile devices, successful sale of personal computers and other gadgets ensured continuous growth of revenue from **equipment sale**.

Revenue from **other services** consists of the non-telecommunication services such as Directory Inquiry service 118 provided to external customers till 1 March 2021, lease of premises, discount refunds and other. In March 2021, the Company terminated provision of commercial information such as companies' contacts, transport timetables, business, leisure and other information by the Directory Inquiry service 118. Only obligatory information about publicly announced subscribers' phone numbers will be provided by the phone number 118.

Gain or loss from sale of property, plant and equipment, as well as gain or loss on currency exchange is recorded at net value as **other gain (loss)**. In the beginning of 2021, the Company sold an office building in Kaunas and recorded EUR 1,167 thousand gain from sale of property. During the 9 months of 2022, the gain from sale of property amounted to EUR 305 thousand (EUR 1,337 thousand a year ago).

## Market information

According to the Reports of the Communications Regulatory Authority (CRA), the Lithuanian electronic communications market in terms of revenue in the second quarter of 2022 increased by 6.6 per cent compared with the second quarter of 2021, while compared with the first quarter of 2022 it increased by 4.1 per cent and amounted to EUR 202.3 million.

The total market revenue for the first half of 2022 amounted to EUR 396.6 million, an increase by 6 per cent over the total market revenue of EUR 374.1 million for the first half of 2021.

Telia Lietuva remains the largest telecommunications' service provider in Lithuania with the market share (in term of revenue) of 38.6 per cent for the second quarter of 2022 (38.6 per cent a year ago).

	The market shares in terms of customers (%)		The market shares in terms of revenue (%)	
	Q2 2022	Change (p.p.) (y-o-y)	Q2 2022	Change (p.p.) (y-o-y)
Fixed voice telephony services	80.7	(0.5)	83.9	(1.4)
Mobile voice telephony services	29.1	0.6	26.1	(1.4)
Fixed Internet access	52.6	0.6	61.0	0.5
Mobile Internet access	28.7	0.6	28.4	1.9
Pay-TV services	39.7	1.8	47.7	0.3
Data communication services	n/a	n/a	53.4	(1.1)

According to the Report of the CRA, on 30 June 2022, broadband Internet penetration per 100 households of Lithuania was 53.4 per cent (53.2 per cent a year ago) and pay-TV penetration per 100 households was 45.2 per cent (47.1 per cent). The penetration of active mobile voice communication users per 100 residents was 134.7 per cent (130.5 per cent a year ago) and penetration of fixed voice telephony lines per 100 households – 17.4 per cent (20.3 per cent).

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## Expenses

	July-September		Change (%)	January-September		Change (%)
	2022	2021		2022	2021	
<b>Cost of goods and services</b>	<b>(43,092)</b>	<b>(41,238)</b>	<b>4.5</b>	<b>(127,806)</b>	<b>(119,941)</b>	<b>6.6</b>
<b>Operating expenses</b>	<b>(31,966)</b>	<b>(27,404)</b>	<b>16.6</b>	<b>(89,599)</b>	<b>(82,494)</b>	<b>8.6</b>
Employee related	(13,397)	(13,744)	(2.5)	(42,463)	(41,856)	1.5
Other	(18,569)	(13,660)	35.9	(47,136)	(40,638)	16.0
<i>Non-recurring expenses</i>	244	333		647	917	
<b>Operating expenses (excl. non-recurring expenses)</b>	<b>(31,722)</b>	<b>(27,071)</b>	<b>17.2</b>	<b>(88,952)</b>	<b>(81,577)</b>	<b>9.0</b>
Employee related	(13,240)	(13,444)	(1.5)	(42,035)	(41,093)	2.3
Other	(18,482)	(13,627)	35.6	(46,917)	(40,484)	15.9

In 2022, **cost of goods and services** are higher than in 2021 mainly due to better equipment sale and increase in network costs.

During the third quarter of 2022, employee related expenses were lower than a year ago, because in 2022 employees of the Company had more vacations than in pandemic year of 2021. Increased employees' salaries pushed **employee related expenses** up in 2022 in spite of lower number of employees.

Surge in electricity price resulted in 2.9 and 2.4 times higher expenses for energy for the third quarter and the 9 months of 2022, respectively, compared with the same periods a year ago. Higher electricity bills and increased premises rent and maintenance expenses were the main drivers behind an increase in **other expenses**.

**Non-recurring** redundancy pay-outs for the 9 months of 2022 amounted to EUR 428 thousand (EUR 763 thousand a year ago) and other non-recurring expenses amounted to EUR 219 thousand (EUR 154 thousand a year ago).

<b>Number of employees</b>	<u>30-09-2022</u>	<u>31-12-2021</u>	<u>Change</u>	<u>30-09-2022</u>	<u>30-09-2021</u>	<u>Change</u>
Headcounts	2,024	2,095	(71)	2,024	2,116	(92)
Full-time employees	1,888	1,939	(51)	1,888	1,964	(76)

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

In September 2021, the Company handed over fiber-optic access network maintenance function and 19 employees to the third party.

## Earnings

High electricity prices in combination with higher depreciation and amortisation charges due to upgrade of the Company's mobile network had a negative impact on profitability development.

	July-September		Change (%)	January-September		Change (%)
	2022	2021		2022	2021	
<b>EBITDA</b>	<b>38,102</b>	<b>37,673</b>	<b>1.1</b>	<b>111,307</b>	<b>106,460</b>	<b>4.6</b>
Margin (%)	33.6	35.5		33.9	34.6	
Depreciation and amortisation	(21,048)	(19,258)	9.3	(62,724)	(57,798)	8.5
<b>Operating profit (EBIT)</b>	<b>17,054</b>	<b>18,415</b>	<b>(7.4)</b>	<b>48,583</b>	<b>48,662</b>	<b>(0.2)</b>
Margin (%)	15.1	17.3		14.8	15.8	



(All tabular amounts are in EUR '000 unless otherwise stated)

	July-September		Change (%)	January-September		Change (%)
	2022	2021		2022	2021	
Non-recurring expenses	244	333		647	917	
Gain (loss) on sale of property	(237)	-		305	1,337	
<b>EBITDA excl. non-rec. item:</b>	<b>38,583</b>	<b>38,006</b>	<b>1.5</b>	<b>111,648</b>	<b>106,040</b>	<b>5.3</b>
Margin (%)	34.1	35.8		34.0	34.5	
<b>EBIT excl. non-rec. items</b>	<b>17,535</b>	<b>18,748</b>	<b>(6.5)</b>	<b>48,924</b>	<b>48,242</b>	<b>1.4</b>
Margin (%)	15.5	17.7		14.9	15.7	

**Non-recurring items** for the 9 months of 2022 were comprised from one-off redundancy pay-outs of EUR 428 thousand (EUR 763 thousand for the 9 months of 2021), non-recurring other expenses of EUR 219 thousand (EUR 154 thousand) and gain of EUR 305 thousand (EUR 1.3 million) from sale of property.

	July-September		Change (%)	January-September		Change (%)
	2022	2021		2022	2021	
<b>Profit before income tax</b>	<b>16,480</b>	<b>17,741</b>	<b>(7.1)</b>	<b>46,888</b>	<b>47,031</b>	<b>(0.3)</b>
Margin (%)	14.5	16.7		14.3	15.3	
Income tax	(1,074)	(1,669)	(35.7)	(5,210)	(5,578)	(6.6)
<b>Profit for the period</b>	<b>15,406</b>	<b>16,072</b>	<b>(4.1)</b>	<b>41,678</b>	<b>41,453</b>	<b>0.5</b>
Margin (%)	13.6	15.1		12.7	13.5	

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 9 months of 2022 amounted to EUR 3.2 million (in 2021 – EUR 2.4 million).

## Financial position and cash flow

As of 30 September 2022, the total **non-current assets** amounted to 80.3 per cent (73.9 per cent as of 30 September 2021), the total **current assets** – to 19.5 per cent (25.6 per cent), whereof cash alone represented 4.7 per cent (10.9 per cent) of total assets. **Shareholders' equity** at the end of September 2022 amounted to 49.7 per cent of the total assets (50.8 per cent at the end of September 2021).

	30-09-2022	30-09-2021	Change (%)
<b>Total assets</b>	<b>630,385</b>	<b>619,262</b>	<b>1.8</b>
Non-current assets	505,936	457,924	10.5
Current assets	122,937	158,326	(22.4)
<i>whereof cash and cash equivalents</i>	29,692	67,689	(56.1)
Assets for sale	1,512	3,012	(49.8)
<b>Shareholders' equity</b>	<b>313,471</b>	<b>314,699</b>	<b>(0.4)</b>

On 28 April 2022, the Annual General Meeting of Shareholders allocated from the Company's distributable profit of EUR 144.2 million an amount of EUR 58.3 million for the payment of **dividends** for the year 2021, i.e. EUR 0.10 dividend per share, and carry forward to the financial year 2022 an amount of EUR 85.9 million as retained earnings (undistributed profit). In May 2022, dividends for the year 2021 were paid to the shareholders of the Company.

In order to avoid negative interest rate charged for the Company's residuals at the banks and following the Board's approval the Company was granting loans to the largest shareholder of the Company, Telia Company AB, for up to three months at a zero interest rate. The lent funds were available to the Company

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on demand within 2 business days. As of 30 September 2022, the total amount of lending to the Parent company amounted to EUR 10 million.

	30-09-2022	31-12-2021	30-09-2021
Loans from banks	30,000	30,000	60,000
Liabilities under reverse factoring agreements	115,282	123,681	96,945
Liabilities under financial lease agreements	27	573	779
<b>Borrowings</b>	<b>145,309</b>	<b>154,254</b>	<b>157,724</b>
Cash and cash equivalents	29,692	61,769	67,689
<b>Net debt</b>	<b>115,617</b>	<b>92,485</b>	<b>90,035</b>
Net debt to equity (Gearing) ratio (%)	36.9	28.0	28.6

In November 2021, the Company repaid a half (EUR 30 million) of a syndicated **banks' loan** of EUR 60 million granted in May 2017. The outstanding amount of EUR 30 million will be repaid in May 2024.

The Company participates in reverse factoring or Supplier Invoice Financing (SIF) program where suppliers' invoices are paid by the banks within 7 days for an agreed fee which is covered by supplier. The Company does not pay any credit fees and does not provide any additional collateral or guarantee to the banks. The Company pays to the banks full invoice amount in up to one-year period (actual term depends on few variables agreed between all three parties). As of 30 September 2022, there were 32 suppliers which participated in SIF program.

During the third quarter of 2022, the total **capital investments** excluding acquisition of mobile communication licenses amounted to EUR 23.6 million (EUR 21 million a year ago).

	January-September		Change (%)
	2022	2021	
Fixed network	16,803	14,408	16.6
Mobile network excluding mobile licenses	19,325	18,799	2.8
IT systems and infrastructure	11,794	8,669	36.0
Transformation program	7,207	9,036	(20.2)
Other	362	1,092	(66.8)
<b>Total capital investments</b>	<b>55,491</b>	<b>52,004</b>	<b>6.7</b>
Capital investments to revenue ratio (%)	22.1	16.9	

In the beginning of August 2022, Telia Lietuva won the auction for **3.5 GHz radio frequency license** by offering the highest bid of EUR 7 million. The Company acquired the cleanest and least constrained 100 MHz radio frequency block from 3,400-3,700 MHz band. It is specifically the 3.5 GHz frequency, with 100 MHz bandwidths, that will enable the huge speeds of mobile Internet. This frequency with the permission of the Communications Regulatory Authorities (CRA) was already used by Telia Lietuva for non-commercial testing of 5G communications.

At the end of August, the auction for **700 MHz radio frequency license** was over. Telia Lietuva for EUR 23 million acquired 2x10 MHz radio frequency block that covers the largest territory of the country in the 700 MHz band. It allows consumers to use a combined spectrum thus improving 4G speed and coverage, especially in low density areas.

In total, the Company will pay EUR 30 million over 20 years to the Lithuanian state budget for both 5G frequency bands. The initial 30 per cent payments for both licenses (in total EUR 9 million) are already made.

In Lithuania, 5G networks operates at 3.5 GHz and 700 MHz frequencies. Devices in the 3.5 GHz frequency coverage area will be able to reach a speed of up to 2 Gbps. Where 3.5 GHz will not be able to perform, devices will automatically use the wide-coverage 5G in the 700 MHz frequency band. Its speed will be similar to a fast 4G, but it will have much more capacity and significantly lower latency.

(All tabular amounts are in EUR '000 unless otherwise stated)

Winning these auctions obliges mobile operators to take active steps to ensure the development and availability of 5G connectivity. These include the provision of electronic communications services covering at least 98 per cent of the territory of the Republic of Lithuania and the launch of commercial 5G services in at least one of the country's major cities no later than within six months from the date of authorisation, and the launch of 5G services in all of the country's top five cities from 31 December 2023.

Telia Lietuva first will enable 5G network running on 3.5 GHz frequencies in densely populated areas where huge amounts of data are moving, where there is no fiber optic cable yet, where high speed is required.

Preparing for 5G communication era, the Company in 2021 has started a major upgrade of its **radio access network** (RAN) with Ericsson equipment thus phasing out Huawei equipment earlier used in Telia Lietuva mobile network. The plan is to upgrade around 2,000 sites in Lithuania till 2024. By the end of September 2022, there were more than 1,000 base stations that support 2G, 3G, 4G and 5G connection already upgraded with Ericsson equipment. Upgrade further improves the quality of 4G networks and ensured a fast upgrade to 5G, which was eventually available throughout the country.

On 26 September 2022, when Telia Lietuva received permission from CRA to provide commercial fifth-generation mobile networks services, 5G was immediately operational with 1,100 base stations in the 700 MHz band and 110 base stations in the 3.5 GHz band. Telia Lietuva 5G network reached more than half of the country's territory and 80 percent of its population.

Intensive development of 5G base stations is planned throughout 2023. The focus will be on the northeastern Lithuania, where all base stations are planned to be updated with Ericsson network equipment. By mid-summer 2023, Telia Lietuva 5G connection will cover 99 percent of Lithuania's territory.

According to the latest Communication Regulatory Authorities measurement data, the average mobile Internet speed in Telia Lietuva 4G network remains the highest in the country amounting to 146 Mbps (90.9 Mbps a year ago). The Company's 4G network is available in all open areas across the entire country.

In 2022, Telia Lietuva has completed the upgrade of its **cooper network** used for the provision of DSL Internet. Over the four years, the Company has updated almost 1,600 network nodes throughout Lithuania. This allowed to increase the broadband DSL Internet speeds more than 10-fold: from a maximum download speed of up to 20 Mbps to 250 Mbps, given specific conditions. The real speed depends on the length and quality of the copper line connecting the Telia Lietuva exchange and the back-end equipment. The total investment into this project amounted to EUR 10.5 million.

Residential customers of Telia Lietuva fibre-optic Internet currently enjoy Internet speeds of up to 1 Gbps, while business customers in Vilnius, Kaunas, Panevėžys, Alytus and Palanga are offered fiber-optic Internet of up to 2 Gbps speed. The Company also plans to upgrade its fibre-optic network in the near future.

By the end of September 2022, the Company had 958 thousand households passed (945 thousand a year ago), or 68 per cent of the country's households, by the fiber-optic network.

The Company also continued its business **transformation program** by migrating customers, finance and business management from legacy systems into new SAP based ones.

	<u>July-September</u>		<u>Change</u>	<u>January-September</u>		<u>Change</u>
	<u>2022</u>	<u>2021</u>	<u>(%)</u>	<u>2022</u>	<u>2021</u>	<u>(%)</u>
Net cash from operating activities	36,643	40,995	(10.6)	108,193	97,601	10.9
Operating free cash flow	<u>1,415</u>	<u>28,009</u>	<u>(94.9)</u>	<u>40,062</u>	<u>62,769</u>	<u>(36.2)</u>

Operating free cash flow represents cash from operating activities after deduction of cash capital spending. During the third quarter of 2022, the Company has made an initial payment of EUR 9 million for 5G licences.

(All tabular amounts are in EUR '000 unless otherwise stated)

## 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 in January-September of 2022:

Currency	Opening price	Highest price	Lowest price	Last price	Average price	Turnover (units)	Turnover
EUR	2.05	2.10	1.79	1.925	1.98	4,998,183	9,896,671

The Company's **market capitalisation** as on 30 September 2022 was EUR 1,122 million, a decline by 5.6 per cent over the market capitalisation of EUR 1,189 million a year ago.

The number of **shareholders** on the shareholders' registration day (21 April 2022) for the Annual General Meeting of Shareholders, which was held on 28 April 2022, was 14,261.

Shareholders, holding more than 5 per cent of the share capital and votes, as on 30 September 2022:

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	-
<b>Total:</b>	<b>582,613,138</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>

## Other material information

On 28 April 2022, the Annual General Meeting approved the audited annual financial statements of the Company for the year 2021. The Annual report of the Company for the year 2021, prepared by the Company, assessed by the auditors and approved by the Board, was presented to the shareholders. The shareholders decided to allocate from the Company's distributable profit of EUR 144,200 thousand to allocate an amount of EUR 58,261 thousand for the payment of dividends for the year 2021, i.e. EUR 0.10 dividend per share, and carry forward to the next financial year an amount of EUR 85,938 thousand as retained earnings (undistributed profit).

## Members of the managing bodies

According to the By-laws of Telia Lietuva, the managing bodies of the Company are General Meeting, Board and General Manager. The Company does not have a Supervisory Council.

(All tabular amounts are in EUR '000 unless otherwise stated)

On 30 September 2022, the Company received a resignation from the Board as of 14 October 2022 letter from Douglas Lubbe, the Chair of the Board and member of the Remuneration Committee of Telia Lietuva.

On 18 October 2022, the Board elected Claes Nycander as new Chair of the Board and elected Hannu-Matti Mäkinen as new member and the Chair of the Remuneration Committee.

#### Members of the Board:

Name, surname	Position in the Board	Employment	Ownership of the Company's shares
Douglas Lubbe	Chair of the Board, member of the Remuneration Committee till 14 October 2022	Telia Sverige AB (Sweden), Chief Financial Officer	-
Claes Nycander	Chair of the Board from 18 October 2022, member of the Remuneration Committee	Telia Company AB (Sweden), Vice President & Head of Chief Operating Officer Office & LED (Lithuania, Estonia, Denmark) Management at Common Product and Services (CPS)	-
Agneta Wallmark	Member of the Board, Chair of the Audit Committee	Telia Company AB (Sweden), Vice President & Head of Group Treasury	-
Hannu-Matti Mäkinen	Member of the Board, Chair of the Remuneration Committee	Telia Company AB (Sweden), Chief Legal Counsel, Telia Asset Management	-
Dovilė Grigienė	Member of the Board, member of the Audit Committee	-	-
Mindaugas Glodas	Member of the Board, member of the Audit and Remuneration Committees	NRD Companies AS (Norway), General Manager; Norway Registers Development AS (Norway), General Manager; Norway Registers Development AS Lithuanian branch, General Manager; NRD Systems, UAB (Lithuania), General Manager	-

All members of the Board are regarded as non-executive members of the Board, and Dovilė Grigienė and Mindaugas Glodas are regarded as independent members of the Board. The current two-years' term of the Board terminates on 27 April 2023. Information about participation of the members of the Company's Board in activities of other entities is provided at the Company's webpage [www.telia.lt](http://www.telia.lt).

On 28 April 2022, the Annual General Meeting approved the Company's Remuneration Report for the year 2021 following the Remuneration Policy for CEO and members of the Board of Telia Lietuva, AB that was approved by the shareholders in 2020. The Policy and the Report are provided at the Company's webpage [www.telia.lt](http://www.telia.lt).

Following the Policy, the shareholders decided to allocate for two independent members to the Board – Dovilė and Mindaugas Glodas – the total amount of EUR 33,000, or EUR 16,500 each, as a tantiemes (annual payment) for the year 2021.

Arūnas Lingė, Head of Finance, has left the Company on 29 April 2022, and a new Head of Finance, Daina Večkytė, stepped in from 4 July 2022. From 30 April 2022 till 3 July 2022, Polina Rys, Head of Business Control, was an interim Head of Finance of Telia Lietuva.

(All tabular amounts are in EUR '000 unless otherwise stated)

Nortautas Luopas, Head of Consumer and Digital & Analytics at Telia Lietuva, has left the Company on 30 June 2022, and the Board has approved a new structure of the Company and appointed the heads of the Consumer, Marketing, and Digitisation & Analytics units from within the Company.

From 1 July 2022, Elina Dapkevičienė has become Head of Consumer of Telia Lietuva. Before that she was leading the Company's Home Services Segment team. From 1 July 2022, Marketing team was moved from Consumer unit into separate unit and is continuously headed by Vaida Jurkonienė.

Diana Gold is Head of Digitisation and Analytics unit from 1 September 2022, having previously been Head of IT at Common Products and Services.

#### Management Team:

Name, surname	Position in the Company	Involvement into activities of other entities	Ownership of the Company's shares
Dan Strömberg	CEO	Telia Company AB (Sweden), Senior Vice President & Head of cluster Lithuania, Estonia and Denmark (LED); Telia Eesti AS (Estonia), Chair of the Supervisory Council; Association Investors' Forum (Lithuania), member of the Board	-
Daniel Karpovič	Head of Enterprise	-	-
Elina Dapkevičienė	Head of Consumer	-	-
Giedrė Kaminskaitė-Salters	Head of Sales and Customer Care	Vilnius University Institute of International Relations and Political Science (Lithuania), member of the Board of Trustees; Telia Danmark A/S (Denmark), acting Head of Enterprise	-
Andrius Šemeškevičius	Head of Technology	-	8,761 shares or 0.0015% of the total number of shares and votes
Diana Gold	Head of Digital & Analytics	-	-
Daina Večkytė	Head of Finance	-	-
Ramūnas Bagdonas	Head of People & Engagement	Association of Personnel Management Professionals (Lithuania), Chair of the Board	-
Daiva Kasperavičienė	Head of Legal and Corporate Affairs	-	-
Vaida Jurkonienė	Head of Marketing	-	-
Birutė Eimontaitė	Head of Communication	-	-
Vytautas Bučinskas	Head of Business Assurance & Transformation	Member of the Cyber Security Council (Lithuania); Association Infobalt (Lithuania), Deputy Chair of Cybersecurity Group	-

(All tabular amounts are in EUR '000 unless otherwise stated)

## Statement of comprehensive income

	Note	July-September		January-September	
		2022	2021	2022	2021
<b>Revenue</b>		<b>113,284</b>	<b>106,211</b>	<b>328,185</b>	<b>307,504</b>
Cost of goods and services		(43,092)	(41,238)	127,806	(119,941)
Employee-related expenses		(13,397)	(13,744)	(42,463)	(41,856)
Other expenses		(18,569)	(13,660)	(47,136)	(40,638)
Other gain/ (loss) - net		(124)	104	527	1,391
Depreciation, amortisation and impairment of fixed assets	2	(21,048)	(19,258)	(62,724)	(57,798)
<b>Operating profit</b>		<b>17,054</b>	<b>18,415</b>	<b>48,583</b>	<b>48,662</b>
Finance income		177	300	820	1,071
Finance costs		(751)	(974)	(2,515)	(2,702)
Finance – net		(574)	(674)	(1,695)	(1,631)
<b>Profit before income tax</b>		<b>16,480</b>	<b>17,741</b>	<b>46,888</b>	<b>47,031</b>
Income tax	6	(1,074)	(1,669)	(5,210)	(5,578)
<b>Profit for the period</b>		<b>15,406</b>	<b>16,072</b>	<b>41,678</b>	<b>41,453</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>15,406</b>	<b>16,072</b>	<b>41,678</b>	<b>41,453</b>
Profit and comprehensive income attributable to:					
Owners of the Parent		15,406	16,072	41,678	41,453
Minority interests		-	-	-	-
Earnings per share for profit attributable to the equity holders of the Company (expressed in euro per share)	7	0.026	0.028	0.072	0.071

(All tabular amounts are in EUR '000 unless otherwise stated)

## Statement of financial position

	Note	30 September 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	265,458	267,034
Intangible assets	2	166,707	140,794
Right-of-use-asset	2	47,004	46,124
Cost to obtain a contract		5,269	4,837
Other contract assets		569	696
Trade and other receivables		15,800	16,789
Terminal financing receivables		5,129	6,685
		<b>505,936</b>	<b>482,959</b>
<b>Current assets</b>			
Inventories		16,350	12,711
Contract assets		1,228	1,102
Trade and other receivables		69,898	66,497
Current income tax receivable		-	5,201
Terminal financing receivables		5,769	5,920
Cash and cash equivalents		29,692	61,769
		<b>122,937</b>	<b>153,200</b>
Assets classified as held for sale		1,512	5,310
<b>Total assets</b>		<b>630,385</b>	<b>641,469</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Issued capital	4	168,958	168,958
Legal reserve		16,896	16,896
Retained earnings		127,617	144,200
Equity attributable to owners of the Company		<b>313,471</b>	<b>330,054</b>
<b>Non-controlling interest</b>		-	-
<b>Total equity</b>		<b>313,471</b>	<b>330,054</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		30,000	30,000
Lease liabilities		44,645	45,720
Deferred tax liabilities		18,386	19,604
Deferred revenue and accrued liabilities		20,845	6,645
Provisions	5	12,385	12,398
		<b>126,261</b>	<b>114,367</b>
<b>Current liabilities</b>			
Trade, other payables and accrued liabilities		58,033	57,416
Current income tax liabilities		942	-
Borrowings		115,309	124,254
Contract liabilities		2,222	2,054
Lease liabilities		14,147	13,324
Provisions	5	-	-
		<b>190,653</b>	<b>197,048</b>
<b>Total liabilities</b>		<b>316,914</b>	<b>311,415</b>
<b>Total equity and liabilities</b>		<b>630,385</b>	<b>641,469</b>



(All tabular amounts are in EUR '000 unless otherwise stated)

## Statement of changes in equity

	Share capital	Legal reserve	Retained earnings	Total equity
<b>Balance at 1 January 2021</b>	<b>168,958</b>	<b>16,896</b>	<b>145,653</b>	<b>331,507</b>
Profit for the period	-	-	41,453	41,453
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>41,453</b>	<b>41,453</b>
Dividends paid for 2020	-	-	(58,261)	(58,261)
<b>Balance at 30 September 2021</b>	<b>168,958</b>	<b>16,896</b>	<b>128,845</b>	<b>314,699</b>
<b>Balance at 1 January 2022</b>	<b>168,958</b>	<b>16,896</b>	<b>144,200</b>	<b>330,054</b>
Profit for the period	-	-	41,678	41,678
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>41,678</b>	<b>41,678</b>
Dividends paid for 2021	-	-	(58,261)	(58,261)
<b>Balance at 30 September 2022</b>	<b>168,958</b>	<b>16,896</b>	<b>127,617</b>	<b>313,471</b>

(All tabular amounts are in EUR '000 unless otherwise stated)

## Statement of cash flow

	<b>January-September</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Profit for the period	41,678	41,453
Adjustments for:		
Income tax expenses recognized in profit or loss	5,210	5,578
Depreciation, amortisation and impairment charge	64,441	59,443
Gain on disposal of property, plant and equipment	(718)	(1,393)
Interest income	(820)	(1,071)
Interest expenses	2,467	2,462
Changes in working capital:		
Inventories / Assets held for sale	(3,958)	(1,273)
Trade and other receivables, decrease/(increase) in contract assets, contract costs	477	3,621
Trade, other payables and accrued liabilities, deferred tax liability, increase/(decrease) in contract liabilities, deferred revenue and accrued liabilities	5,397	(4,002)
<b>Cash generated from operations</b>	<b>114,174</b>	<b>104,818</b>
Interest paid	(2,363)	(2,337)
Interest received	168	259
Income taxes paid	(3,786)	(5,139)
<b>Net cash from operating activities</b>	<b>108,193</b>	<b>97,601</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(73,086)	(38,787)
Proceeds from disposal of property, plant and equipment and intangible assets	4,955	3,955
Proceeds from / repayments for finance sublease receivables	2,359	(2,841)
<b>Net cash used in investing activities</b>	<b>(65,772)</b>	<b>(37,673)</b>
<b>Financing activities</b>		
Repayment of borrowings	(84,649)	(44,487)
Proceeds from borrowings	77,848	64,154
Increase (decrease) in lease liabilities	(9,436)	(9,586)
Dividends paid to shareholders	(58,261)	(58,261)
<b>Net cash used in financing activities</b>	<b>(74,498)</b>	<b>(48,180)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(32,077)</b>	<b>11,748</b>
<b>Movement in cash and cash equivalents</b>		
At the beginning of the year	61,769	55,941
Increase (decrease) in cash and cash equivalents	(32,077)	11,748
<b>At the end of the period</b>	<b>29,692</b>	<b>67,689</b>

(All tabular amounts are in EUR '000 unless otherwise stated)

## Notes to the interim financial statements

### 1 Accounting policies

The interim financial statements for the 9 months' period ending 30 September 2022 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 2021.

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.

Financial statements for the period ended 30 September 2022 are not audited. Financial statements for the year ended 31 December 2021 are audited by the external auditor Deloitte Lietuva UAB.

### 2 Property, plant and equipment, intangible assets and right of use assets

	<u>Property, plant and equipment</u>	<u>Intangible assets</u>
<b>Nine months ended 30 September 2021</b>		
<b>Opening net book amount as at 31 December 2020</b>	<b>256,923</b>	<b>132,223</b>
Additions	33,518	18,486
Disposals and retirements	(2,509)	(53)
Reclassification	(2,344)	(45)
Depreciation and amortisation charge	(38,299)	(12,401)
<b>Closing net book amount as at 30 September 2021</b>	<b>247,289</b>	<b>138,210</b>
<b>Nine months ended 30 September 2022</b>		
<b>Opening net book amount as at 31 December 2021</b>	<b>267,034</b>	<b>140,794</b>
Additions	38,535	41,200
Disposals and retirements	(222)	(25)
Reclassification	17	(204)
Depreciation and amortisation charge	(39,906)	(15,058)
<b>Closing net book amount as at 30 September 2022</b>	<b>265,458</b>	<b>166,707</b>
	<u><b>Right-of-use-asset</b></u>	
<b>Nine months ended 30 September 2021</b>		
<b>Opening net book amount as at 1 January 2021</b>	<b>47,217</b>	
Additions	8,201	
Disposals and retirements	(2,745)	
Reclassification	-	
Depreciation and amortisation charge	(7,098)	
<b>Closing net book amount as at 30 September 2021</b>	<b>45,575</b>	

(All tabular amounts are in EUR '000 unless otherwise stated)

## 2 Property, plant and equipment, intangible assets and right-of-use-asset (continued)

	<u>Right-of-use-asset</u>
<b>Nine months ended 30 September 2022</b>	
Opening net book amount as at 1 January 2022	<u>46,124</u>
Additions	11,495
Disposals and retirements	(2,855)
Reclassification	-
Depreciation and amortisation charge	<u>(7,760)</u>
<b>Closing net book amount as at 30 September 2022</b>	<b><u>47,004</u></b>

## 3 Investments in subsidiaries and associates

The subsidiaries and associates included in the Company's financial statements are indicated below:

Name	Country of incorporation	Ownership interest in %		Profile
		30-09-2022	31-12-2021	
VšĮ Numerio Perkėlimas	Lithuania	50	50	A non-profit organization established by Lithuanian telecommunications operators administers central database to ensure telephone number portability.

## 4 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.

## 5 Provisions

Provisions movement during January-September 2022:

	<u>Provision for restructuring</u>	<u>Assets retirement obligation</u>	<u>Total</u>
Opening net book amount at 31 December 2021	-	12,398	12,398
Additions	-	-	-
Used provisions	-	(13)	(13)
<b>Closing net book amount at 30 September 2022</b>	<b>-</b>	<b>12,385</b>	<b>12,385</b>

The restructuring provision comprises of compensation to employees due to the restructuring plan (if any) approved by the Company. No restructuring provisions made in 2022.

(All tabular amounts are in EUR '000 unless otherwise stated)

## 5 Provisions (continued)

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 recognised. The Company expects that assets retirement obligation will be realised 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.

## 6 Income tax

The tax expenses for the period comprise current and deferred tax.

Profit for 2022 is taxable at a rate of 15 per cent in accordance with Lithuanian regulatory legislation on taxation (2021: 15 per cent).

According to the Law on Corporate Profit Tax which provides tax relief for investments in new technologies, the Company's calculated profit tax relief in 2022 amounted to EUR 3.2 million (in 2021 – EUR 2.4 million).

## 7 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.

	<b>January-September</b>	
	<b>2022</b>	<b>2021</b>
<b>Net profit</b>	<b>41,678</b>	<b>41,453</b>
Weighted average number of ordinary shares in issue (thousands)	582,613	582,613
<b>Earnings per share (euro)</b>	<b>0.072</b>	<b>0.071</b>

## 8 Dividends per share

A dividend that relates to the period to 31 December 2021 was approved by the Annual General Meeting of Shareholders on 28 April 2022. The total amount of allocated dividend, that was paid off in May 2022 was EUR 58,261 thousand or EUR 0.10 per ordinary share.

(All tabular amounts are in EUR '000 unless otherwise stated)

## 9 Related party transactions

The Company is controlled by Telia Company AB, which owns 88.15 per cent (88.15 per cent a year ago) of the Company's shares. The following transactions were carried out with related parties:

Sales and purchases from Telia Company AB and its subsidiaries:

	<b>January-September</b>	
	<b>2022</b>	<b>2021</b>
Sales of telecommunication and other services	6,392	5,389
<b>Total sales of telecommunication and other services</b>	<b>6,392</b>	<b>5,389</b>
Purchases of services	14,350	16,630
Purchases of assets	90	496
<b>Total purchases of services and assets:</b>	<b>14,440</b>	<b>17,126</b>

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

	<b>As at 30 September</b>	
	<b>2022</b>	<b>2021</b>
Long-term receivables from related parties	-	140
Receivables from related parties	293	245
Accrued revenue from related parties	610	841
<b>Total receivables and accrued revenue from related parties</b>	<b>903</b>	<b>1,226</b>
Short term investments	10,000	50,000
<b>Short term investments</b>	<b>10,000</b>	<b>50,000</b>
Payables to related parties	2,054	2,168
Accrued expenses to related parties	10	6
<b>Total payables and accrued expenses to related parties</b>	<b>2,064</b>	<b>2,174</b>

On 26 May 2022, following the decision of the Annual General Meeting of Shareholders, held on 28 April 2022, the Company paid-out to Telia Company an amount of EUR 51,359 thousand as dividends for the year 2021.

## Management confirmation of the interim financial statements

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, Dan Strömberg, 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 Telia Lietuva, AB Interim Financial Statements for the 9 months' period ended 30 September 2022, 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.

Dan Strömberg  
CEO

Daina Večkytė  
Head of Finance

Vilnius, 20 October 2022