



RESULTS FOR THE YEAR 2019

Approved by the AGM on 28 April 2020

Telia Lietuva, AB Group





**TELIA LIETUVA PROVIDES TELECOMMUNICATION,
IT & TV SERVICES IN LITHUANIA FROM A SINGLE POINT**

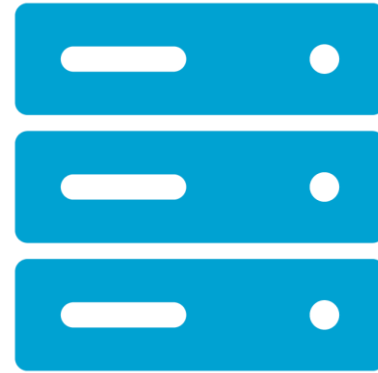
TELIA LIETUVA MEANS:



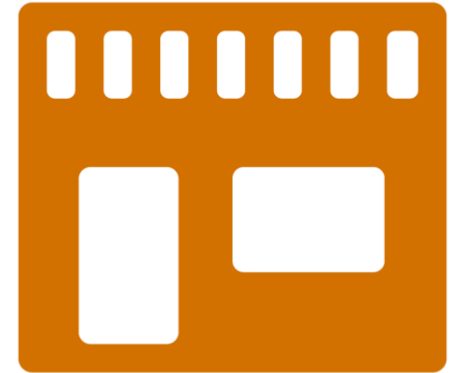
Wide range of
services



The most developed
networks



Modern data
centres



Everything from a
single point



TELIA LIETUVA MEANS:



Customer care
24/7/365



Quality of operations'
management
confirmed by ISO
certificates



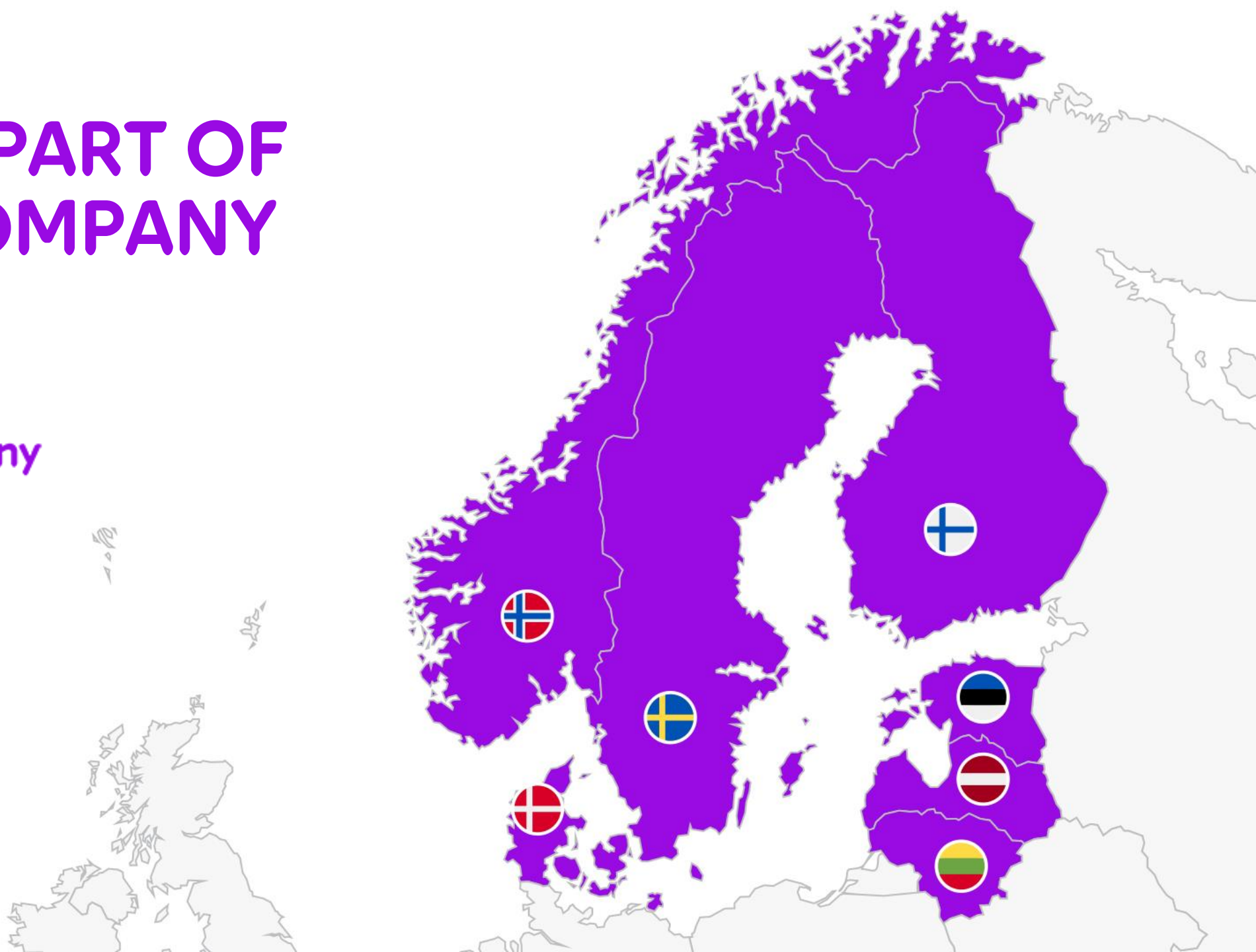
Team of 2,300
professionals



Sustainable and
responsible
business



WE ARE PART OF TELIA COMPANY GROUP



A man with long hair and glasses, wearing a light blue shirt and a dark vest, is smiling and pushing a green wheelbarrow. Inside the wheelbarrow, a young child wearing a blue helmet and a red and white striped shirt is sitting with arms outstretched, looking happy. A large, fluffy brown dog is sitting in the wheelbarrow with the child. They are in a lush green garden with a wooden fence and trees in the background. The scene is bright and sunny.

**OUR PURPOSE:
BRINGING THE
WORLD CLOSER**

OUR VALUES



We dare to:

- innovate
- lead
- speak-up

We care for:

- our customers
- each other
- our world

We simplify:

- execution
- teamwork
- our operations



TELIA LIETUVA GROUP

TELIA LIETUVA, AB

Telia Customer Service LT, AB

100 %

VšĮ Numerio Perkėlimas

50 %

UAB Mobilieji Mokėjimai

33.3 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT** remotely takes care of Telia Lietuva customers and provides Directory Inquiry services 118
- Shareholders approved the merger of Telia Customer Service LT into Telia Lietuva on 28 April 2020
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai**, that operates an instant payment platform MoQ, by decision of shareholders (Tele2 and Bitė Lietuva owns 33.3% each) will cease its operations from 18 May 2020



MAIN EVENTS IN 2019

#1

27 THOU OF NEW
CONVERGED
OFFER 'TELIA ONE'
CUSTOMERS

#2

HALF WAY OF
BUSINESS
TRANSFORMA-
TION PROGRAM

#3

THE COMPANY
MOVED TO A NEW
HEADQUARTERS
IN VILNIUS

#4

IMAGE CAMPAIGN
,ONLY LIFE IS
MORE
INTERESTING'

#5

,TVPLAY PREMIUM'
CONTENT
OFFERED TO
TV SUBSCRIBER

#6

,AITA' – THE FIRST
CHATBOT ROBOT
EMPLOYED IN
CUSTOMER CARE

#7

THE SPEED IN
4G NETWORK
REACHED
76.2 MBPS

#8

KICK-OFF OF
TV ON THE GO
SERVICE
,TELIA PLAY'

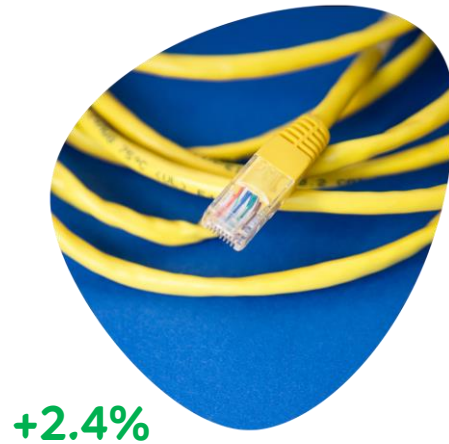


NUMBER OF CUSTOMERS



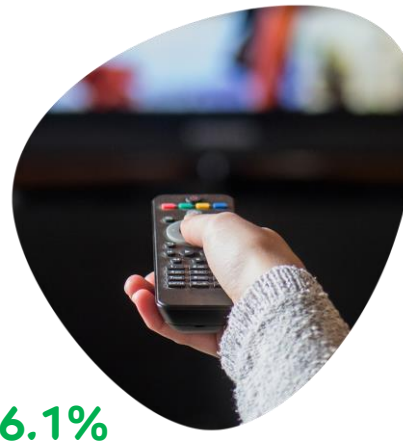
1,347

thousand of
mobile service users*



419

thousand of
broadband Internet (excl.
Wi-Fi) connections



244

thousand of
IPTV service users



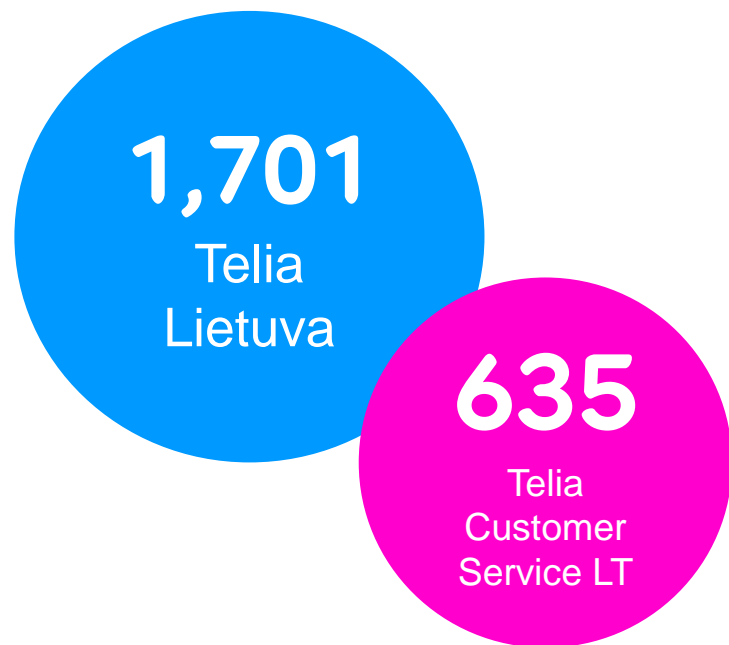
296

thousand of
fixed telephone lines
in service

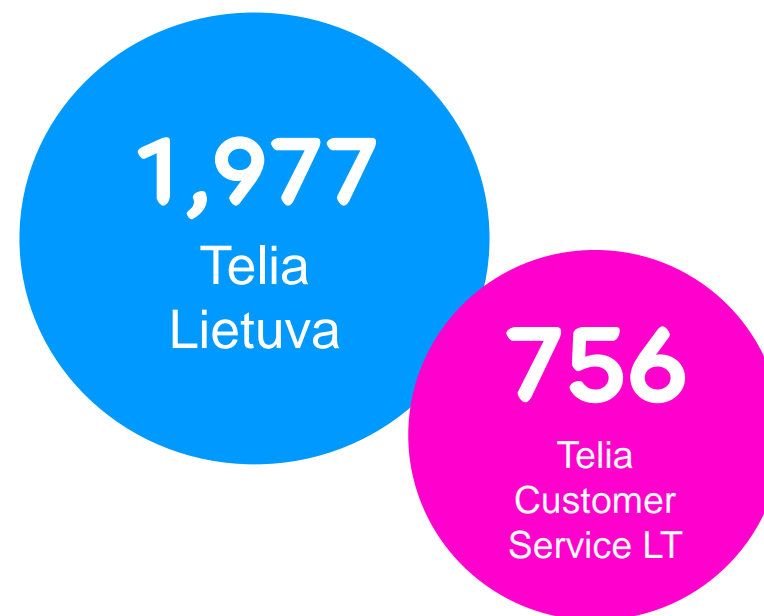
*Note. * In Q1 2019, the Company changed treatment of active users and took off 114 thousand subscriptions*
Data as of 31-12-2019 & change (y-o-y)



NUMBER OF EMPLOYEES



In total **2,336** (31-12-2019)



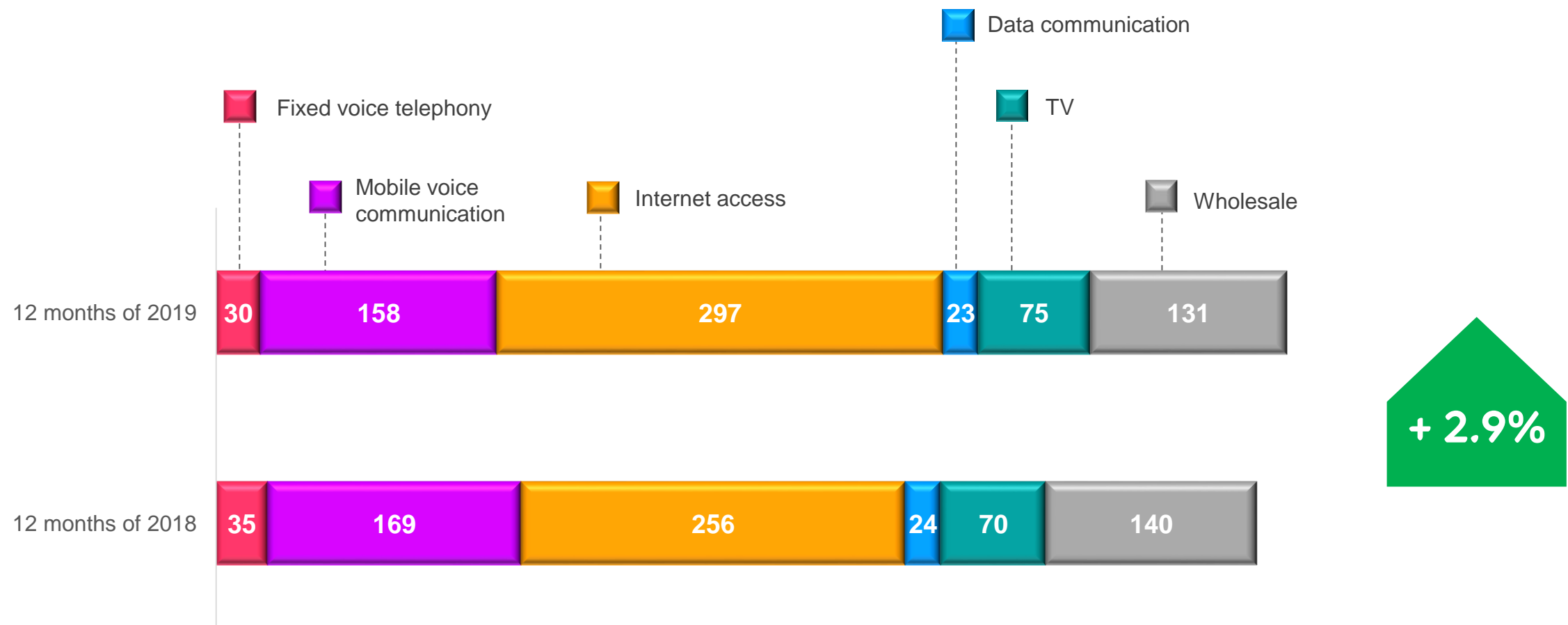
In total **2,733** (31-12-2018)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

INTERNET & PAY TV DRIVE TELCO MARKET GROWTH

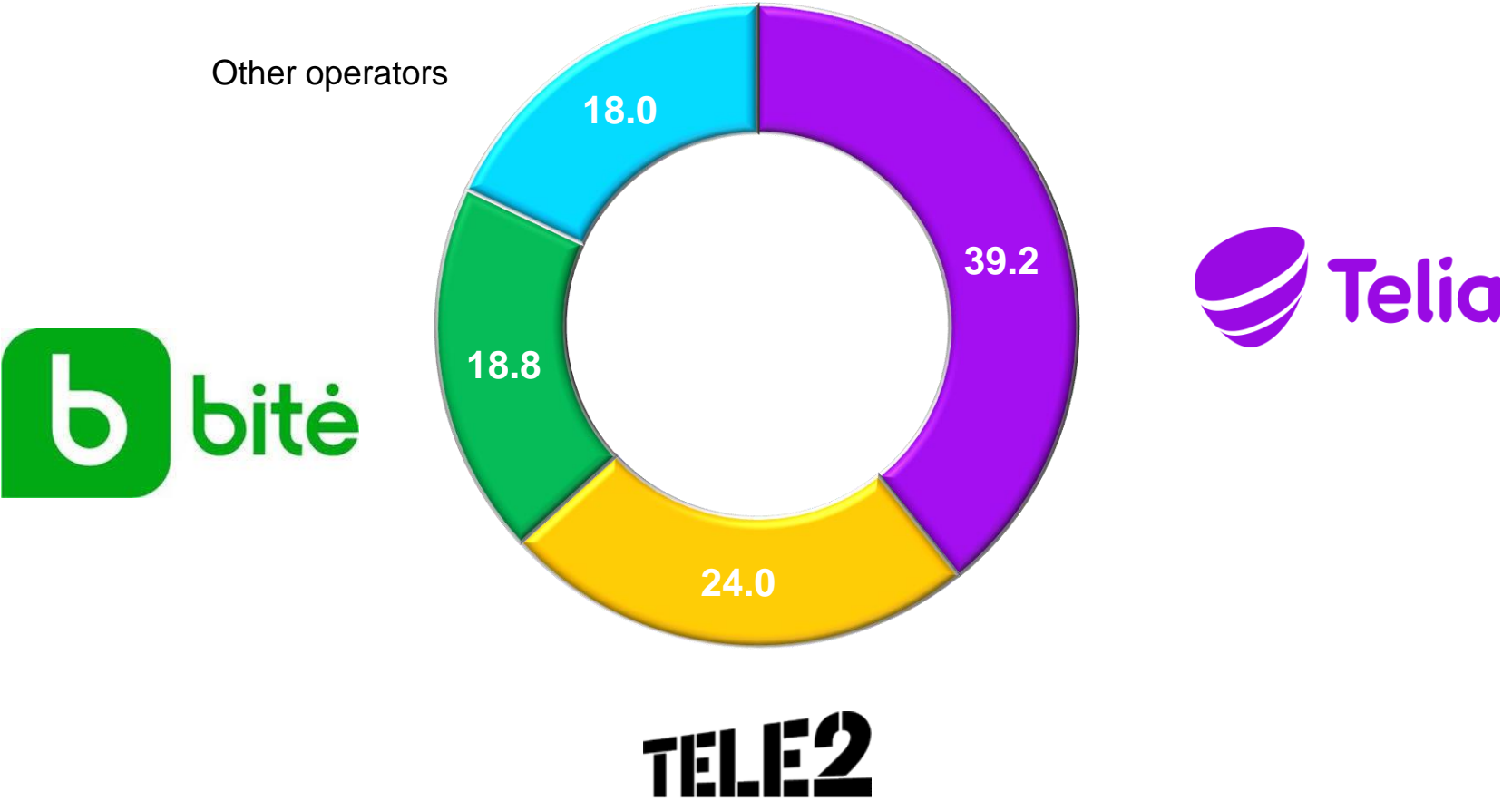
(EUR million)



Source: Report of the Communications Regulatory Authority



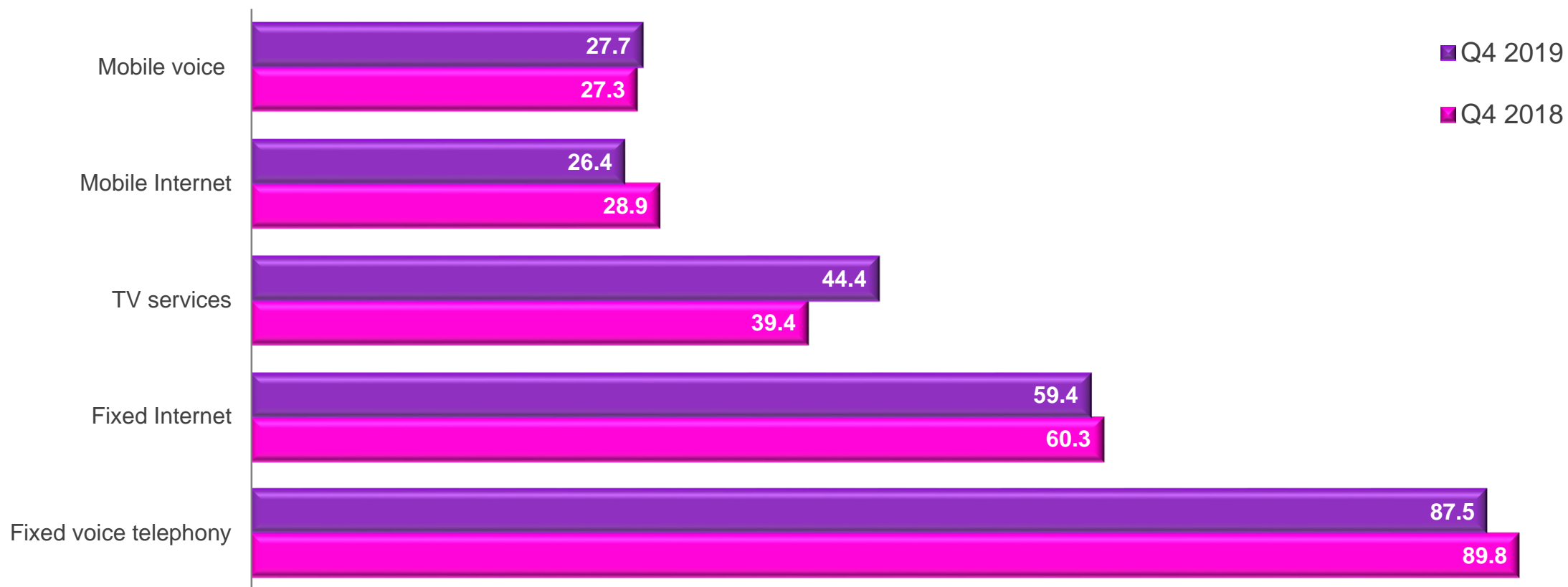
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2019 (%)



Source: Report of the Communications Regulatory Authority



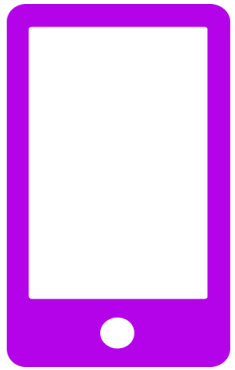
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



52%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
138,219 million MB
of data per quarter)



2.7%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **75.3%** of all
fixed Internet connections)



9.5%
(y-o-y)

Growing number of
IPTV users

(accounts for **41.8%** of all
pay-TV service users)



MARKET PENETRATION



132.6

mobile communications
subscribers
(per 100 inhabitants)



26.8

fixed telephony lines
(per 100 households)



50.9

broadband **Internet**
access
(per 100 inhabitants)



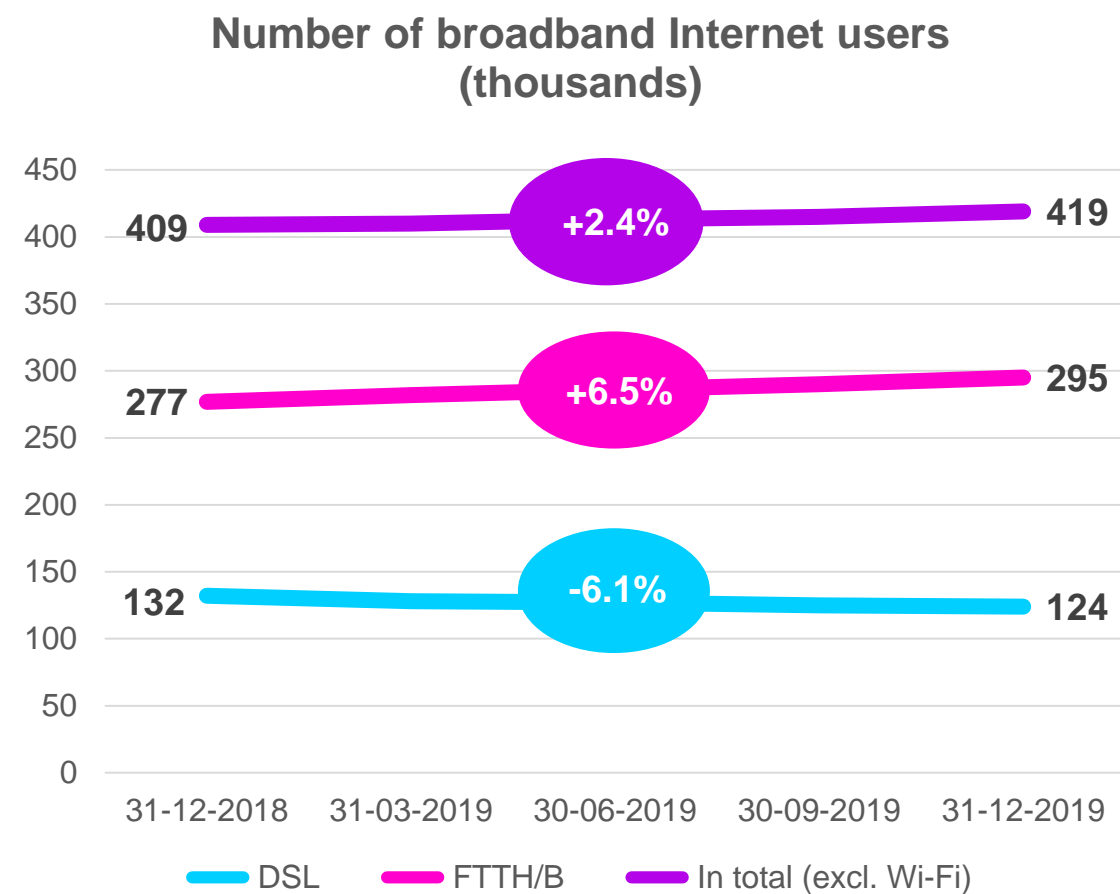
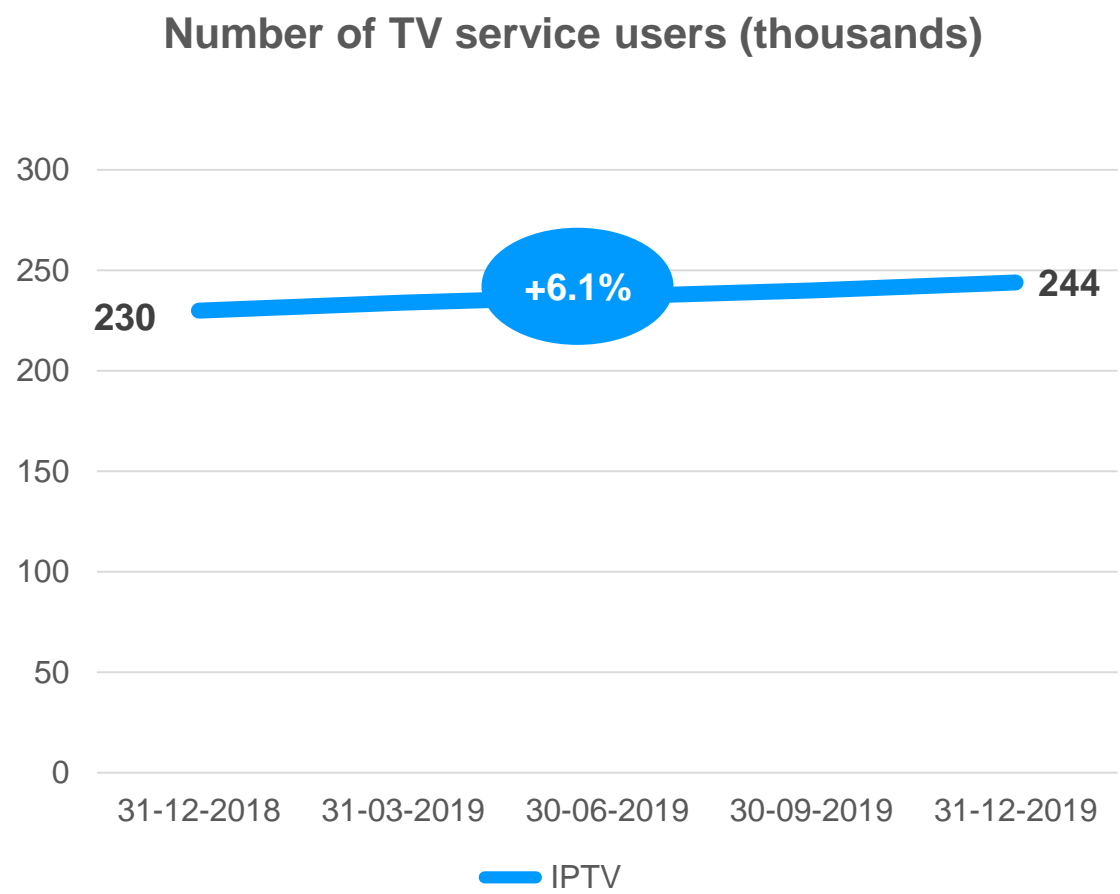
51.7

pay-TV subscribers
(per 100 households)



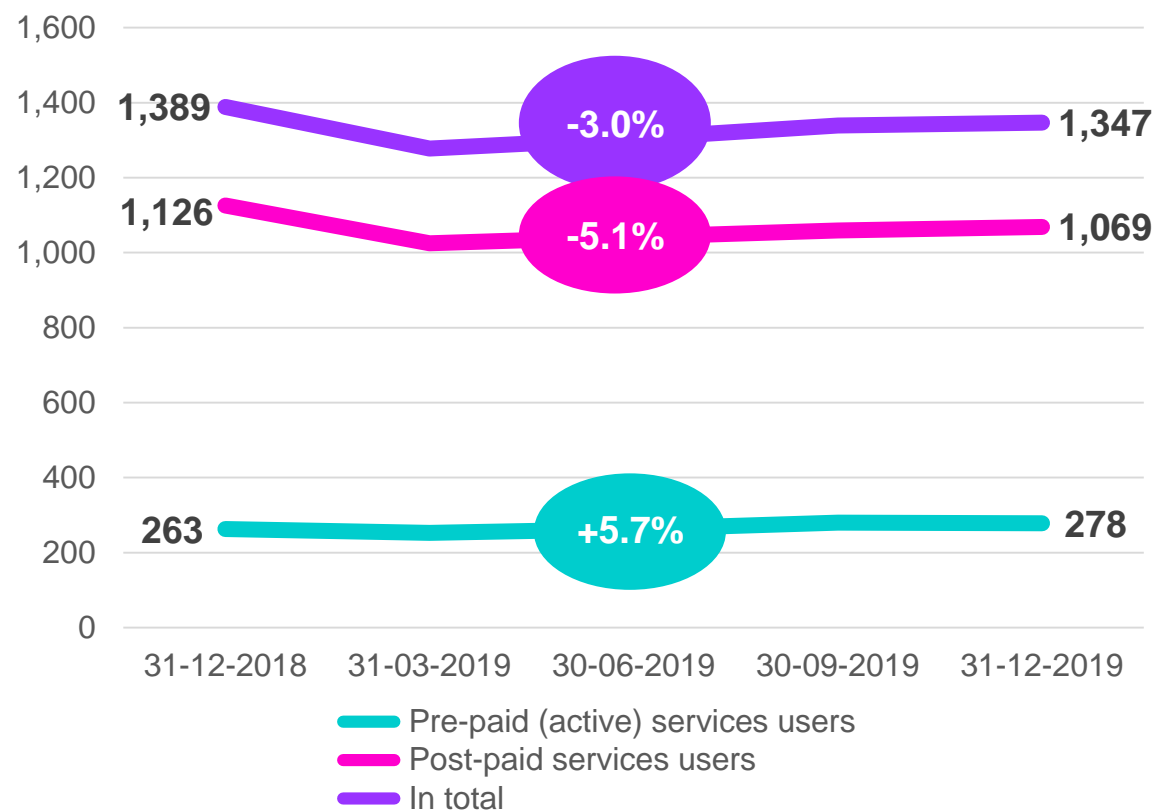
OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

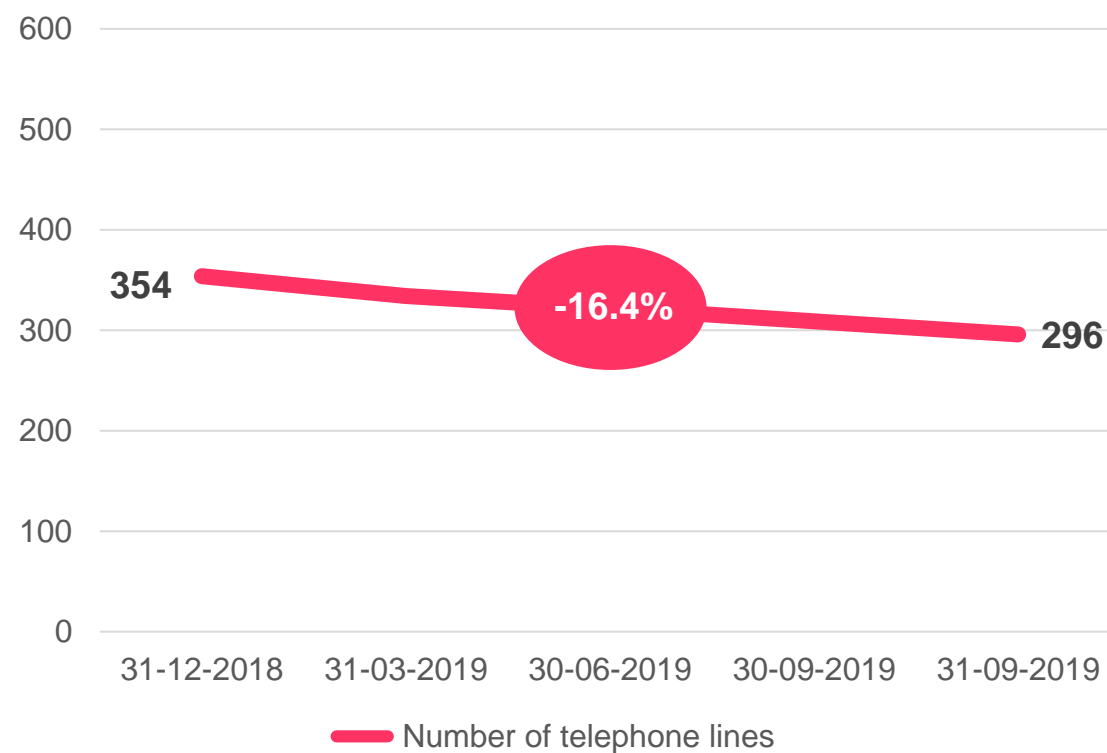


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users* (thousands)



Number of fixed telephone lines (thousands)

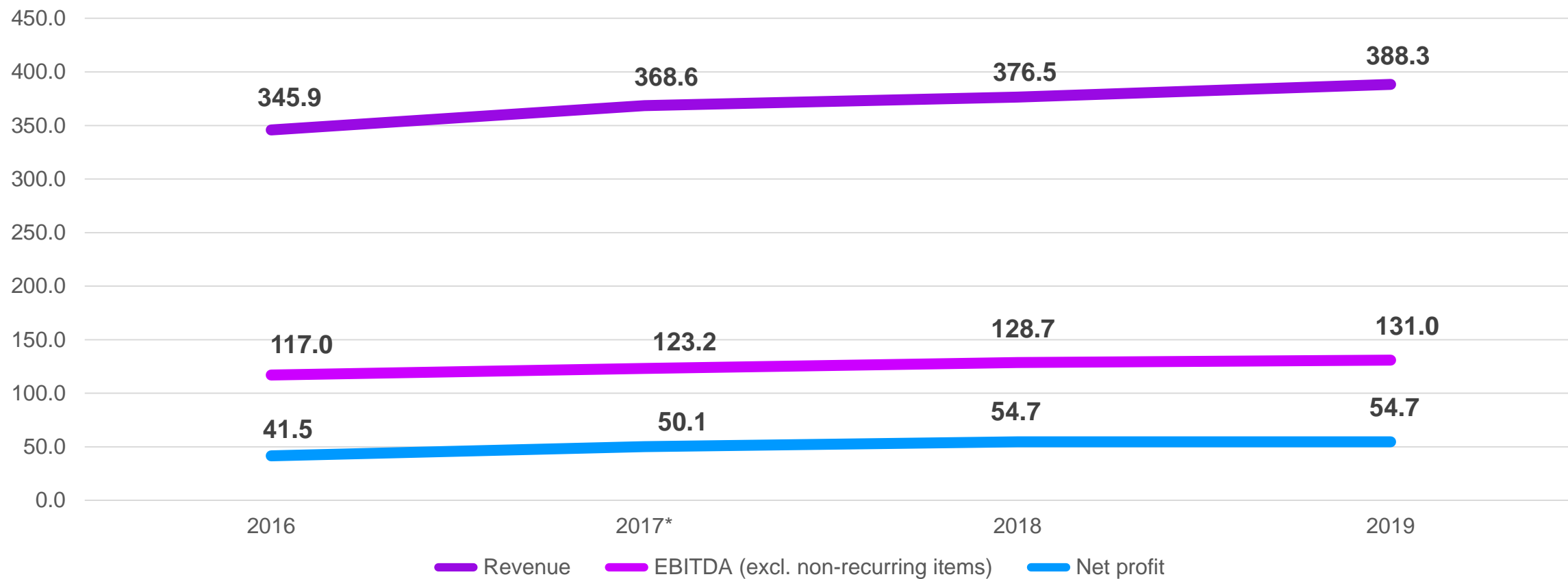


Note. * In Q1 2019 the Company changed treatment of active users and took off 114 thousand subscriptions



REVENUE, EBITDA & NET PROFIT

(EUR million)



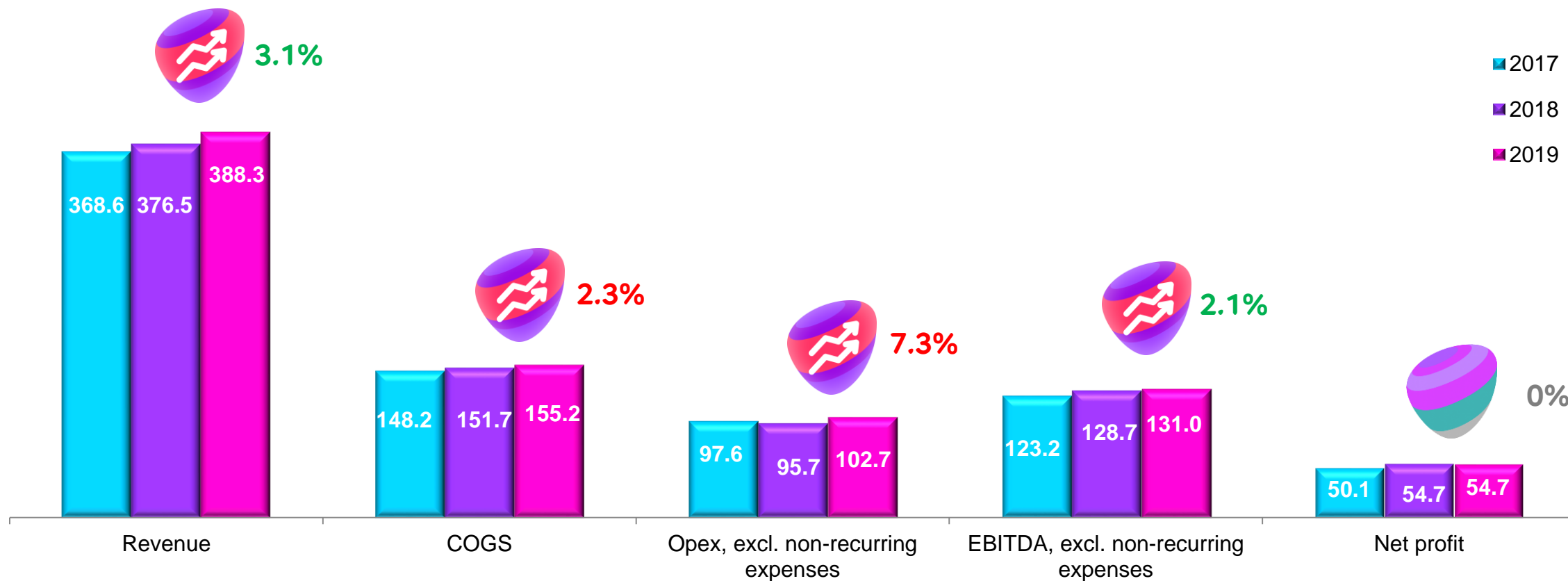
NOTES:

* Recalculated due to introduction of IFRS 15 from 1 January 2018



DYNAMICS OF MAIN FINANCIAL INDICATORS

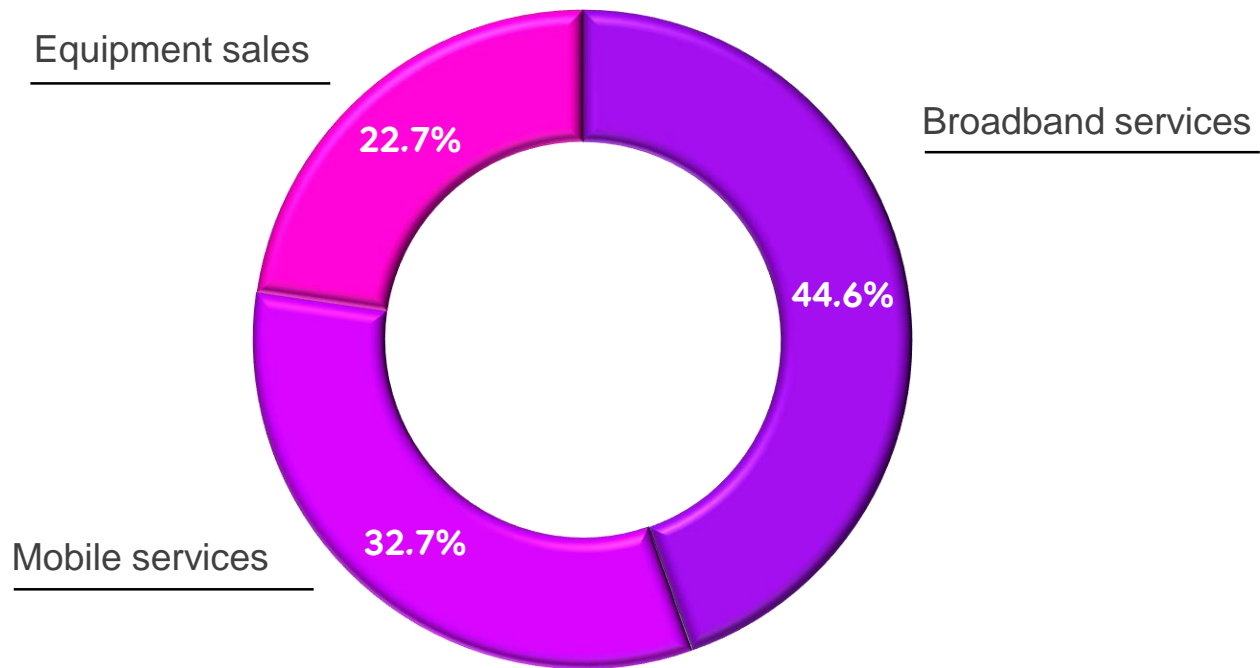
(EUR million)



NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



2019 REVENUE BREAKDOWN



B2B

39.4%



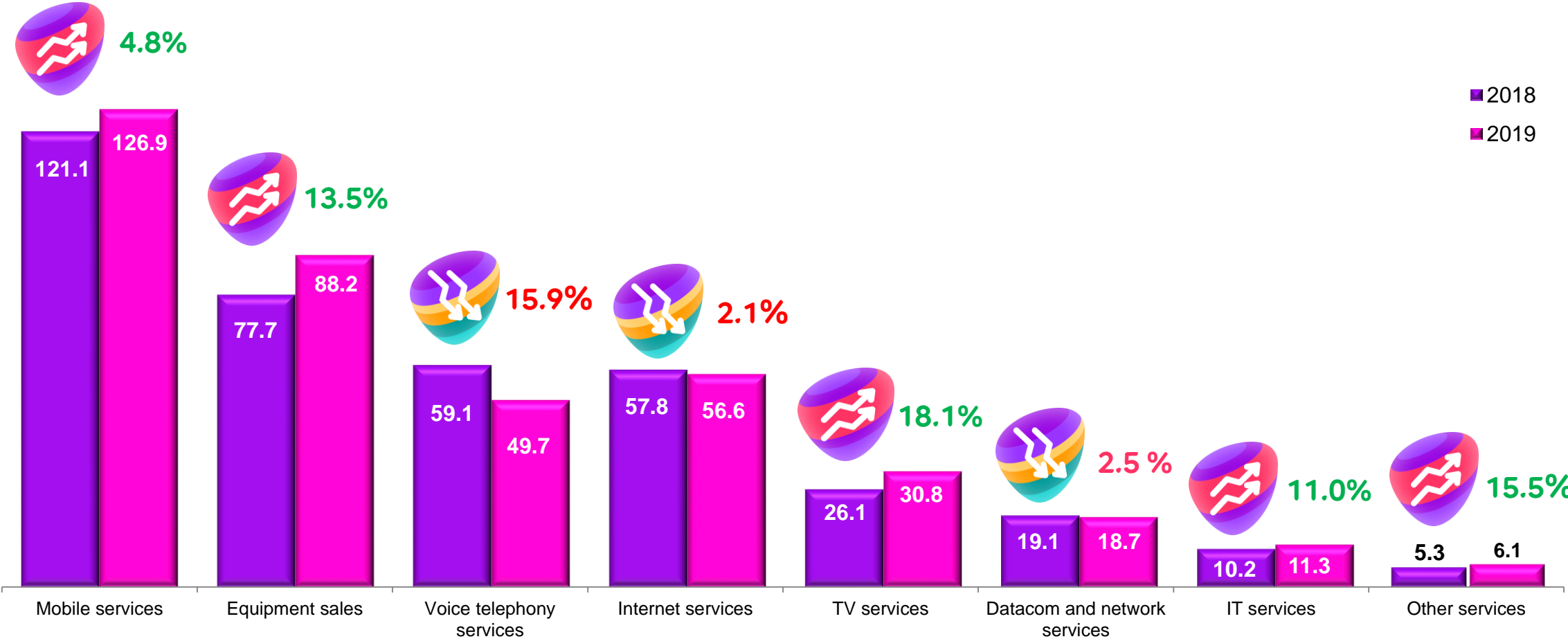
B2C

59.2%



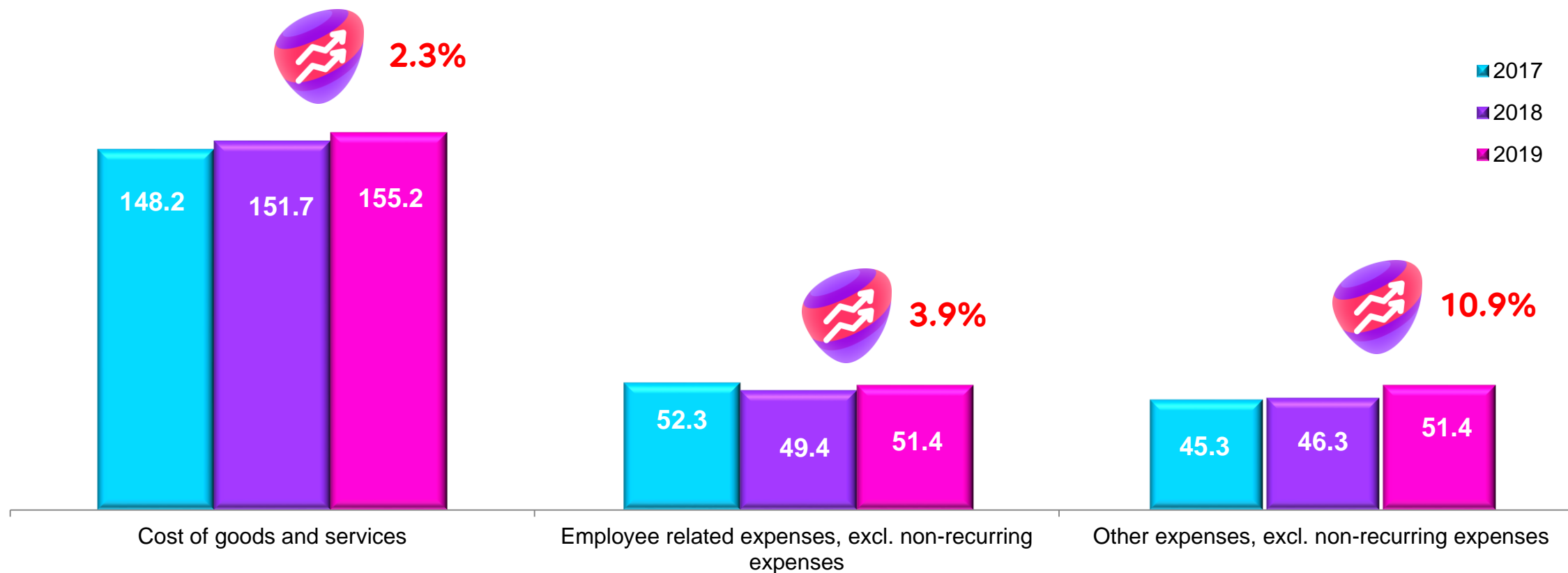
REVENUE BY SERVICES

(EUR million)



OPERATING EXPENSES

(EUR million)

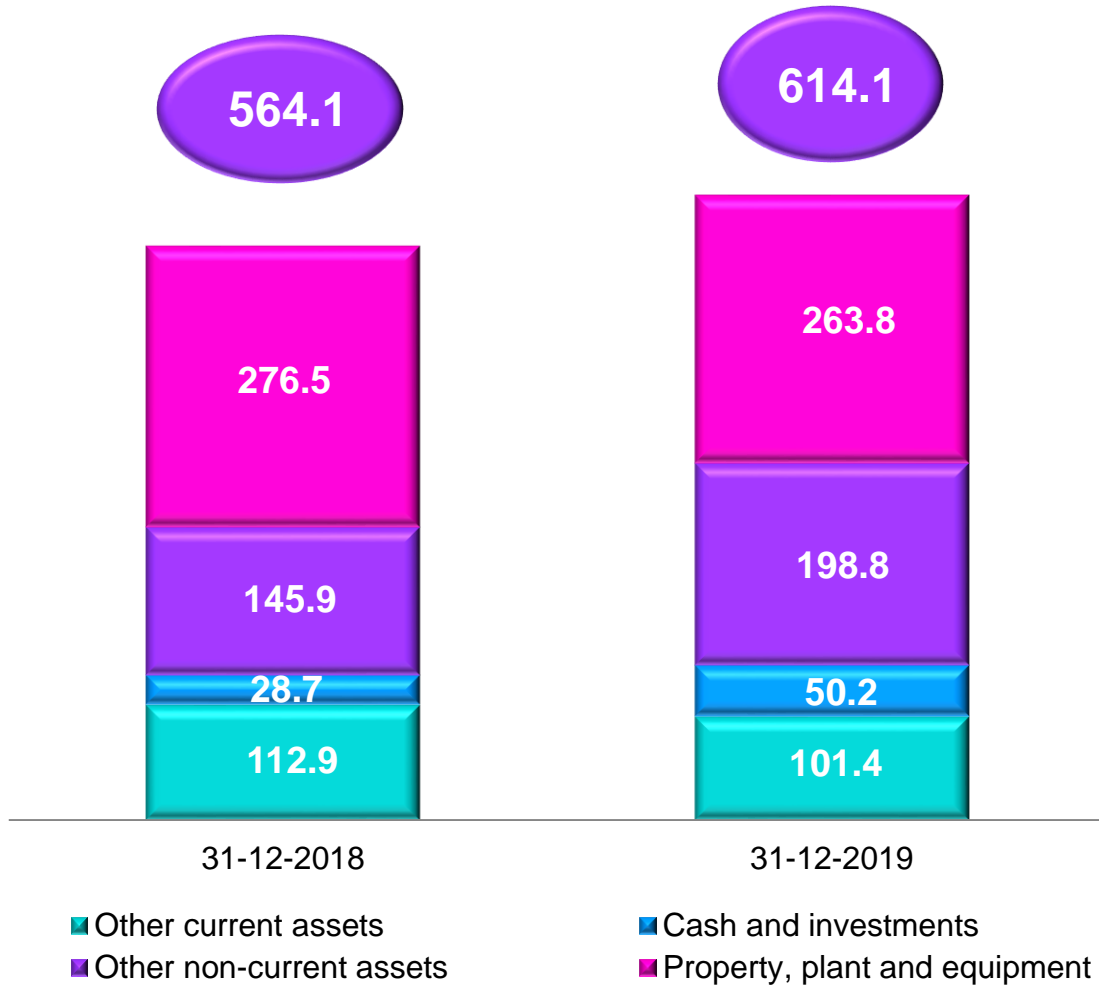


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



ASSETS

(EUR million)

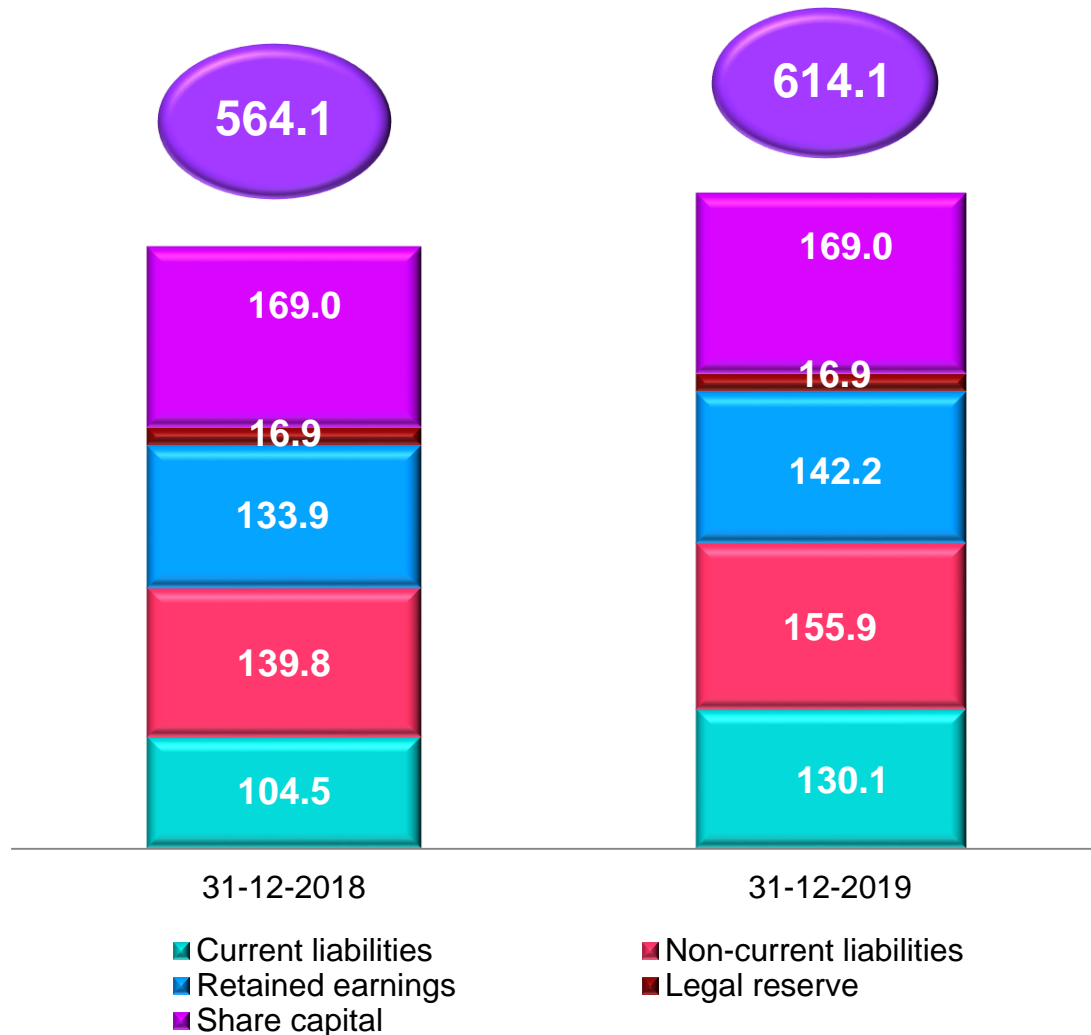


- During 2019, **total assets** increased by 8,9%
- **Non-current assets** amounted to 75.3% of total assets (31-12-2019)
- **Cash** alone amounted to 8.2%
- **Return on capital employed:** 13.3%
- **Return on average assets:** 10.0%



EQUITY AND LIABILITIES

(EUR million)

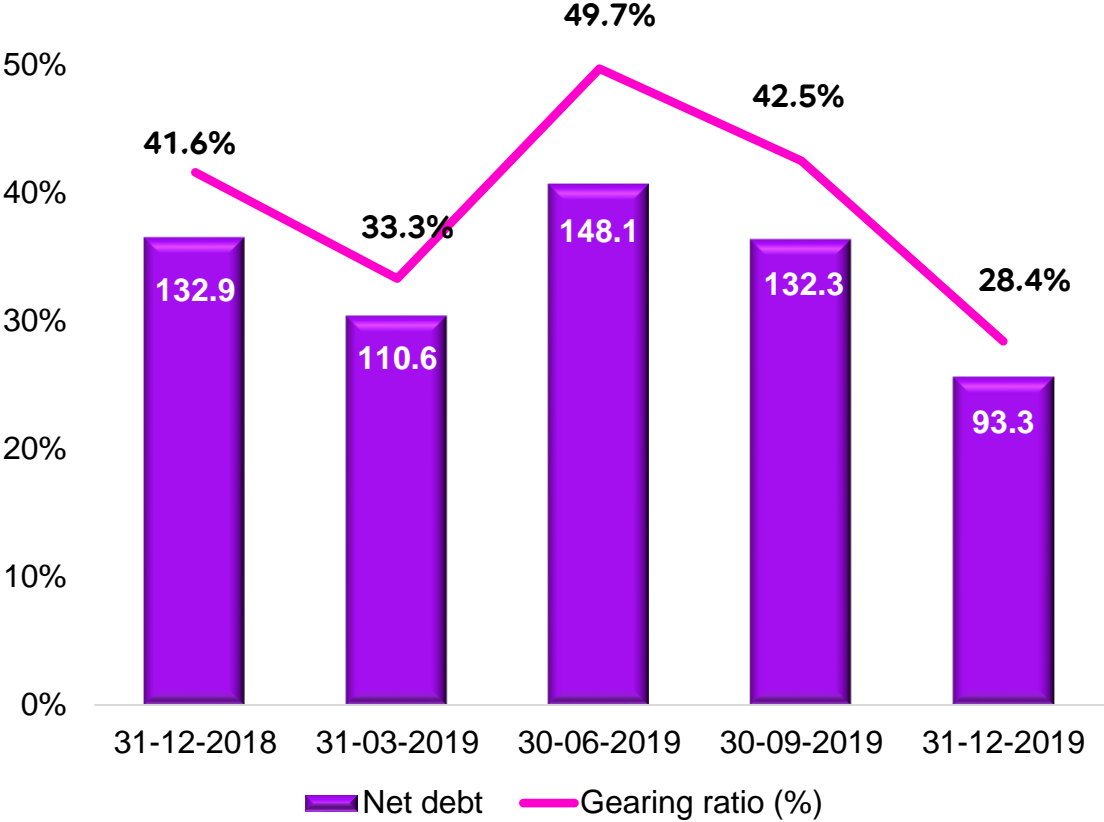
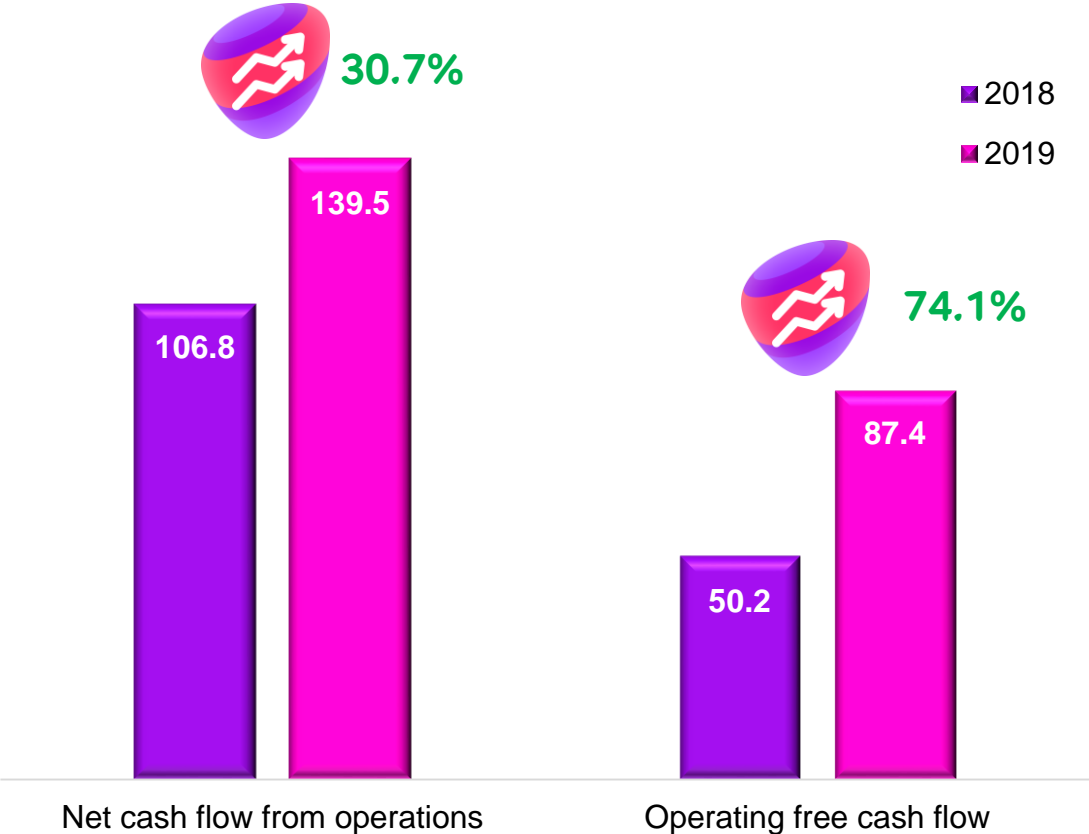


- During 2019 shareholders' **equity** increased by 2.6% and amounted to 53.4% of the total assets (31-12-2019)
- Total **borrowings** (31-12-2019) amounted to EUR 143.5 million: EUR 97.5 million – bank loans, EUR 5 million – short-term loan from Telia Company, EUR 38.7 million – vendor financing and EUR 2.2 – financial lease.
- **Gearing ration**: 28.4%
- **Debt to equity**: 43.7%
- **Return on equity**: 17.3%



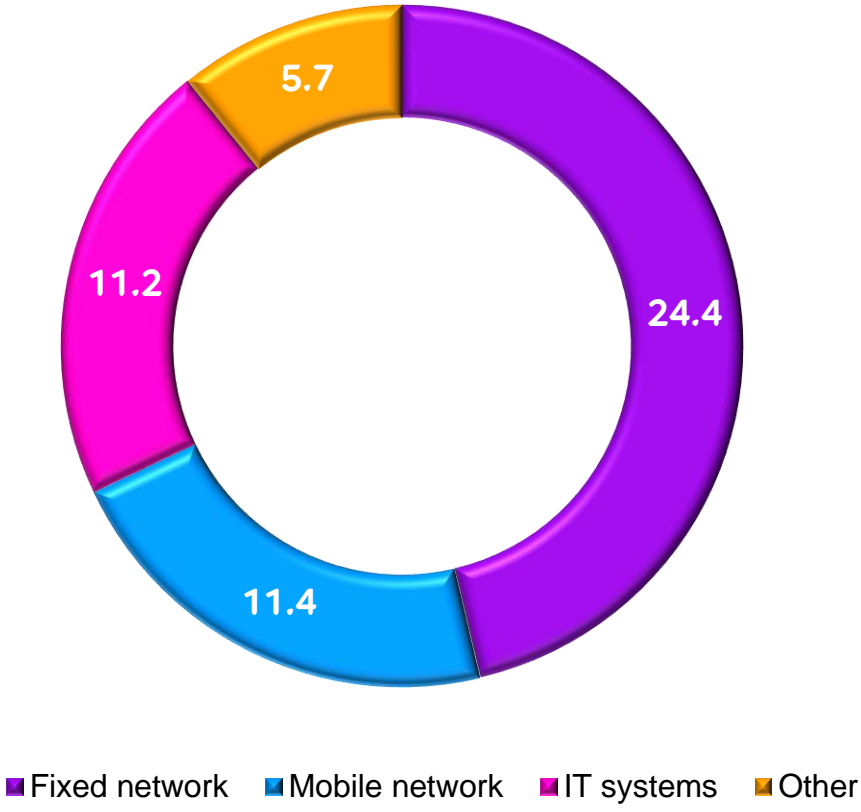
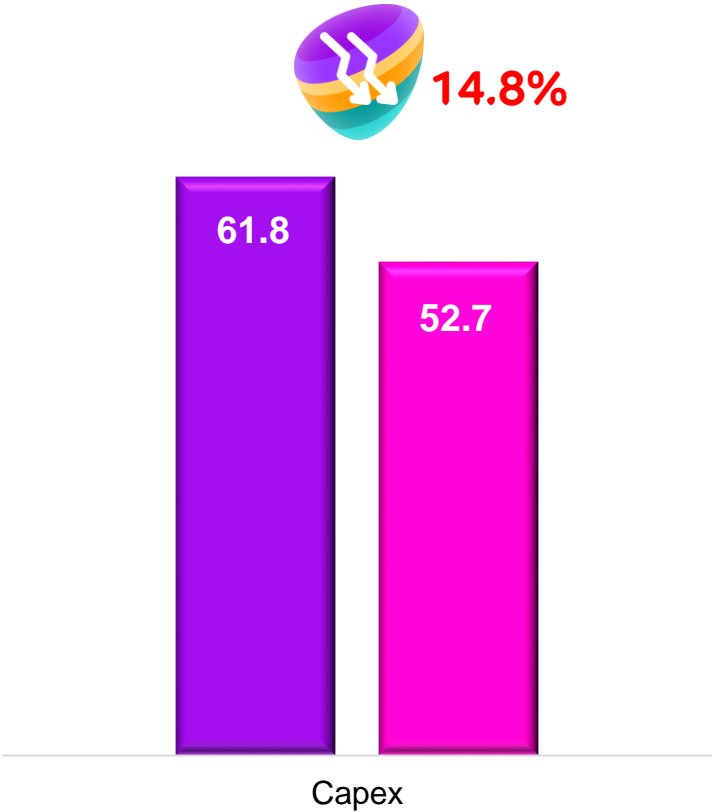
CASH FLOW & NET DEBT

(EUR million)

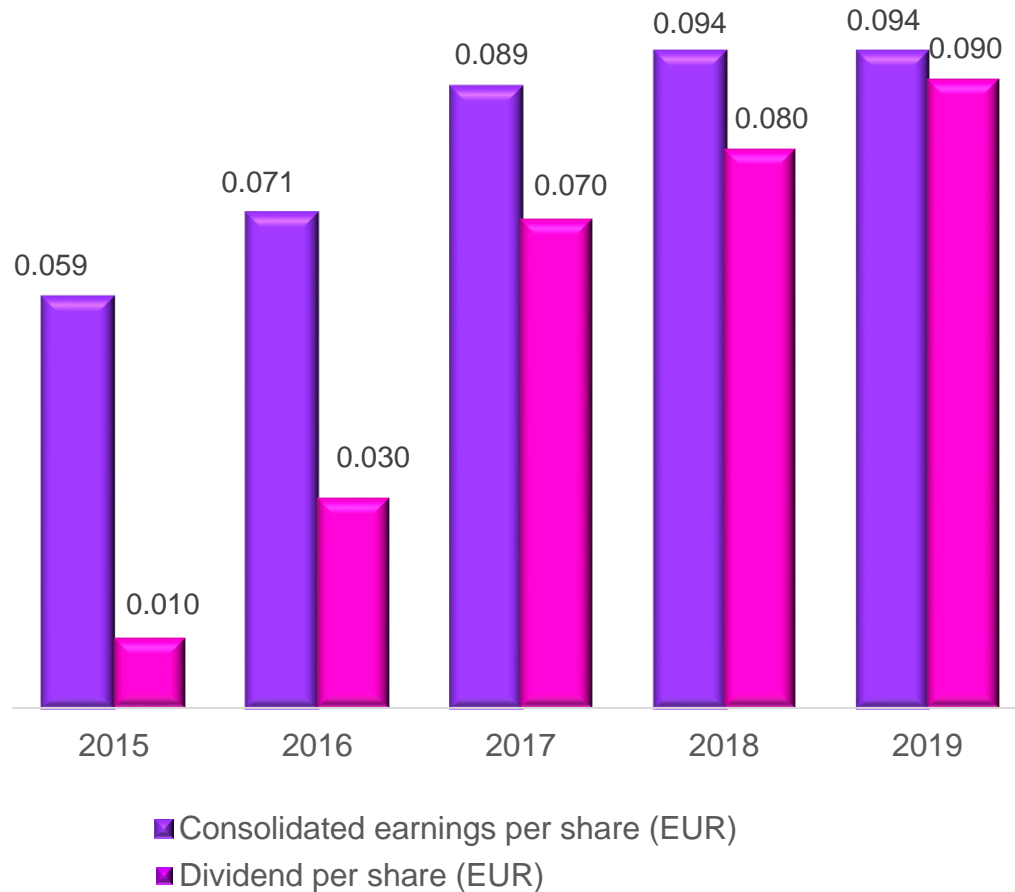


CAPEX & CAPEX BREAKDOWN FOR 2019

(EUR million)



DIVIDENDS



- Earnings and dividends are allocated to **582,613,138** shares
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay 80 per cent of free cash flow as dividend
- According to the Law, dividends should be paid from **retained earnings of the Parent company**
- As of 31 December 2019, retained earnings of the Parent company amounted to **EUR 140.1 million**
- On 28 April 2020 shareholders decided to pay **EUR 0.09 dividend per share** for the year 2019



SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes of different colors. The top-left stripe is red, followed by a wide purple stripe, then a thinner light purple stripe, and finally a yellow stripe in the bottom-right corner.

SHAREHOLDERS

- **Telia Company AB** (Sweden) is the largest shareholder of Telia Lietuva, AB
- The Company's share capital consist of **582,613,138** ordinary registered shares of **EUR 0.29** nominal value each
- On **24 October 2014**, **authorized capital was reduced** by EUR 56.2 million and accordingly number of **voting shares was reduced** from 776,817,518 **to 582,613,138**
- The **total number of Telia Lietuva shareholders** is **11.5 thousand**

Shareholders as of 31-12-2019

	Part of shares and votes
Telia Company AB	88.15%
Other	11.85%

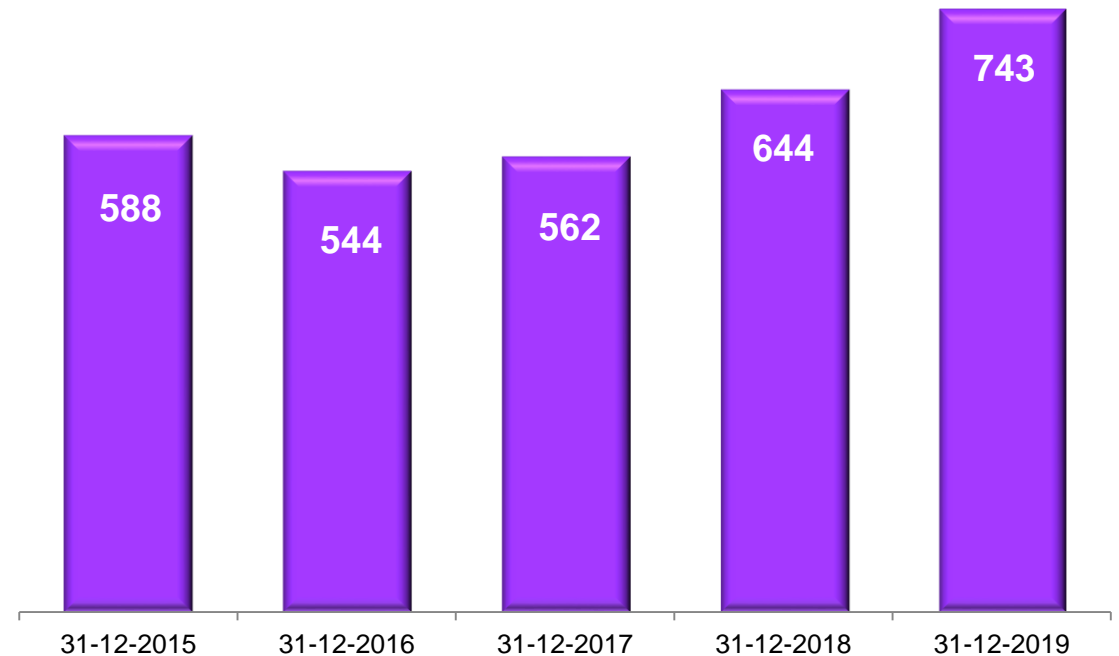


SHARES

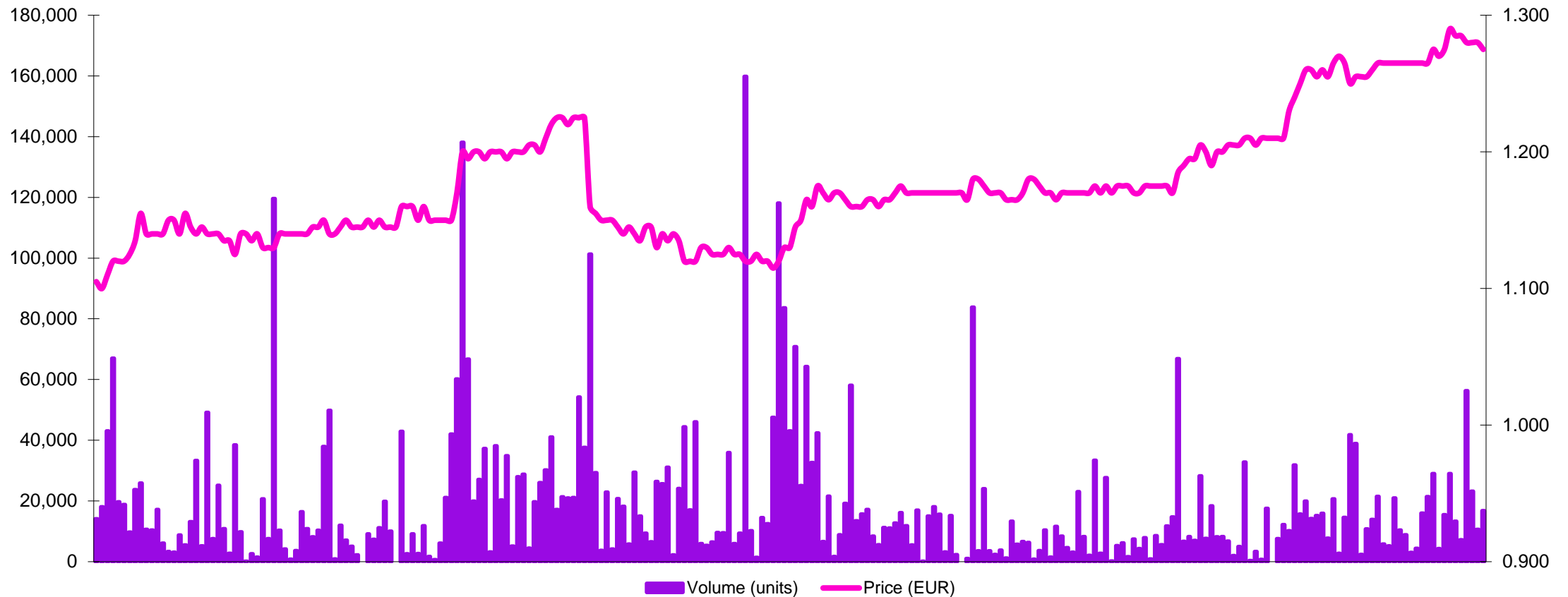
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during 2019: 4.7 million of shares or EUR 5.5 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2019	1.110
High	1.290
Low	1.095
31-12-2019	1.275

Market capitalization (EUR million)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2019



THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius



CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors are: a dark purple band, a medium blue band, a light yellow band, an orange band, and a small teal band in the bottom right corner. The text 'CORPORATE GOVERNANCE' is positioned in the upper left, within the purple band.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders by voting in writing in advance was held on 28 April 2020
- The **Board** consist of 6 members elected for the 2 year term
- The Board for a new 2 year term was re-elected in 2019
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is elected as the Company's independent auditor for the year 2020
- The Board elects and recalls **CEO**
- New **Digitization & Analytics unit** was established from 1 January 2020



BOARD



Emil Nilsson (born in 1971),
Chair of the Board, represents Telia Company AB, Chair of the Remuneration Committee



Hannu-Matti Mäkinen (born in 1970),
Member of the Board, represents Telia Company AB



Agneta Wallmark (born in 1960),
Member of the Board, represents Telia Company AB, Chair of the Audit Committee



Tomas Balžekas (born in 1977),
Independent member of the Board, Member of the Audit Committee



Claes Nycander (born in 1963),
Member of the Board, represents Telia Company AB, Member of the Remuneration Committee



Mindaugas Glodas (born in 1972),
Independent member of the Board, Member of the Audit and Remuneration Committees

- Members of the Board have no direct interest in the share capital of Telia Lietuva
- On 28 April 2020 shareholders decided to pay tantiems (annual pay) for the year 2019 only to two independent members of the Board – Tomas Balžekas and Mindaugas Glodas – EUR 15,640 each



GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2020



MANAGEMENT TEAM



Dan Strömberg,
CEO



Nortautas Luopas,
Head of Consumer, acting
Head of Digitalization & Analytics



Daniel Karpovič,
Head of Enterprise



Giedrė Kaminskaitė-Salters,
Head of Sales & Customer Care



Andrius Šemeškevičius,
Head of Technology
Infrastructure



Arūnas Lingė,
Head of Finance



Ramūnas Bagdonas,
Head of People &
Engagement



Daiva Kasperavičienė,
Head of Legal &
Corporate Affairs



Birutė Eimontaitė,
Head of Communication



Vytautas Bučinskas,
Head of Business
Assurance &
Transformation



RESPONSIBLE BUSINESS PRINCIPLES THAT WE FOLLOW



Anti-bribery and
corruption



Freedom of
expression



Customer privacy



Occupational health
and safety



Responsible
procurement



Environmental
responsibility



Children safety
online



DARING GOALS 2030



