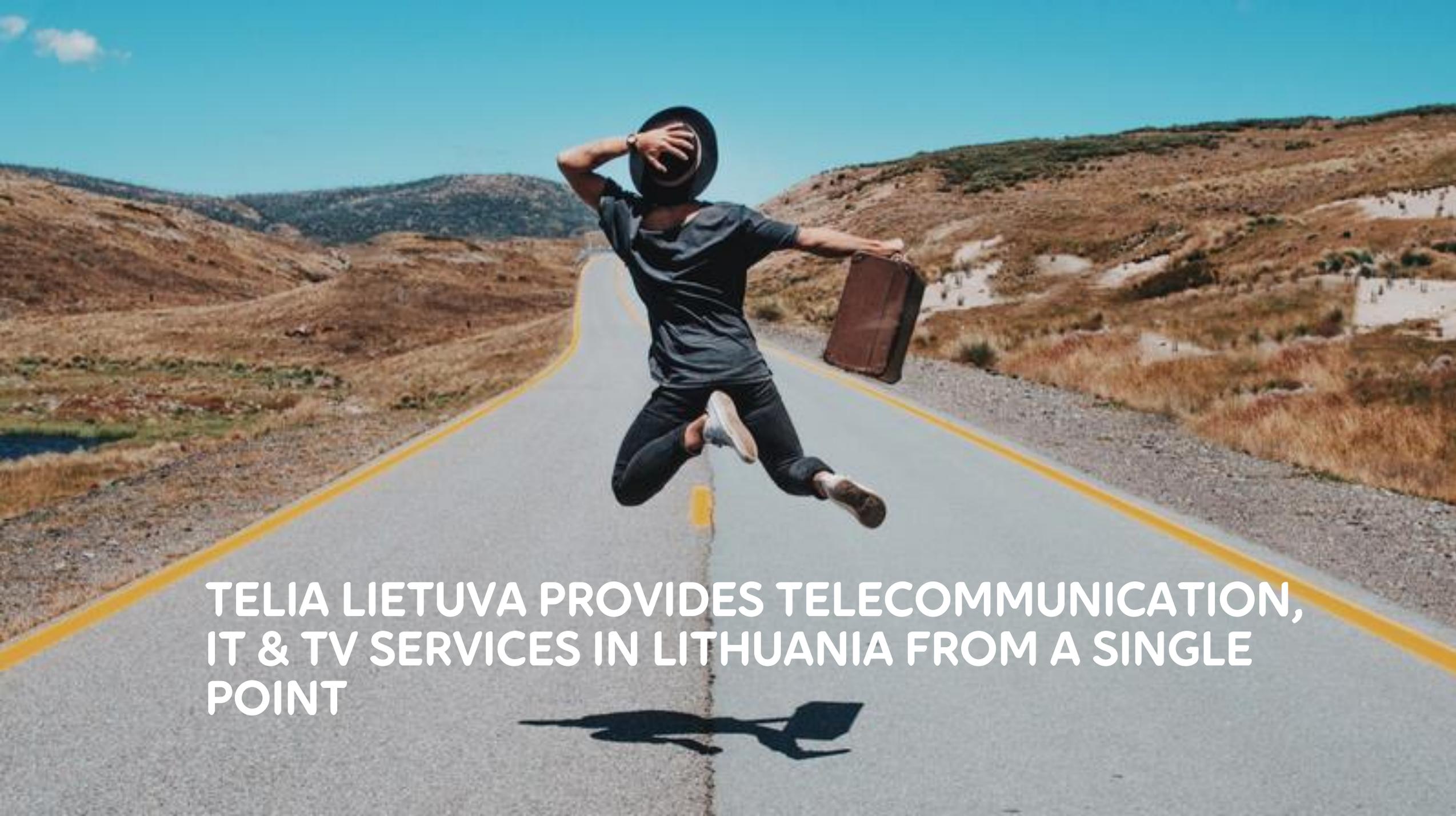




RESULTS FOR THE 3 MONTHS OF 2019

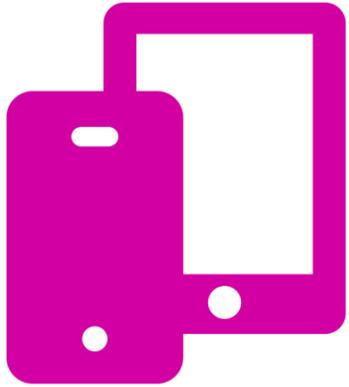
Telia Lietuva, AB Group





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

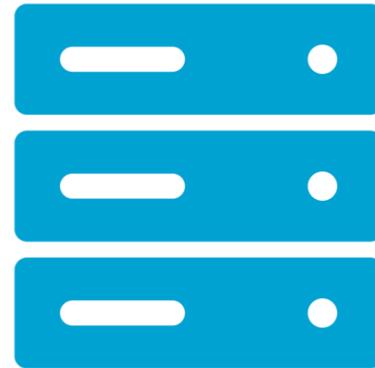
TELIA LIETUVA MEANS:



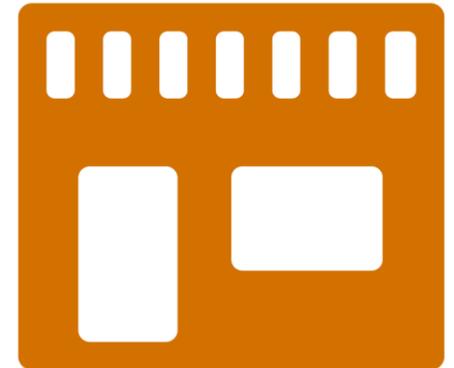
Wide range of
services



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



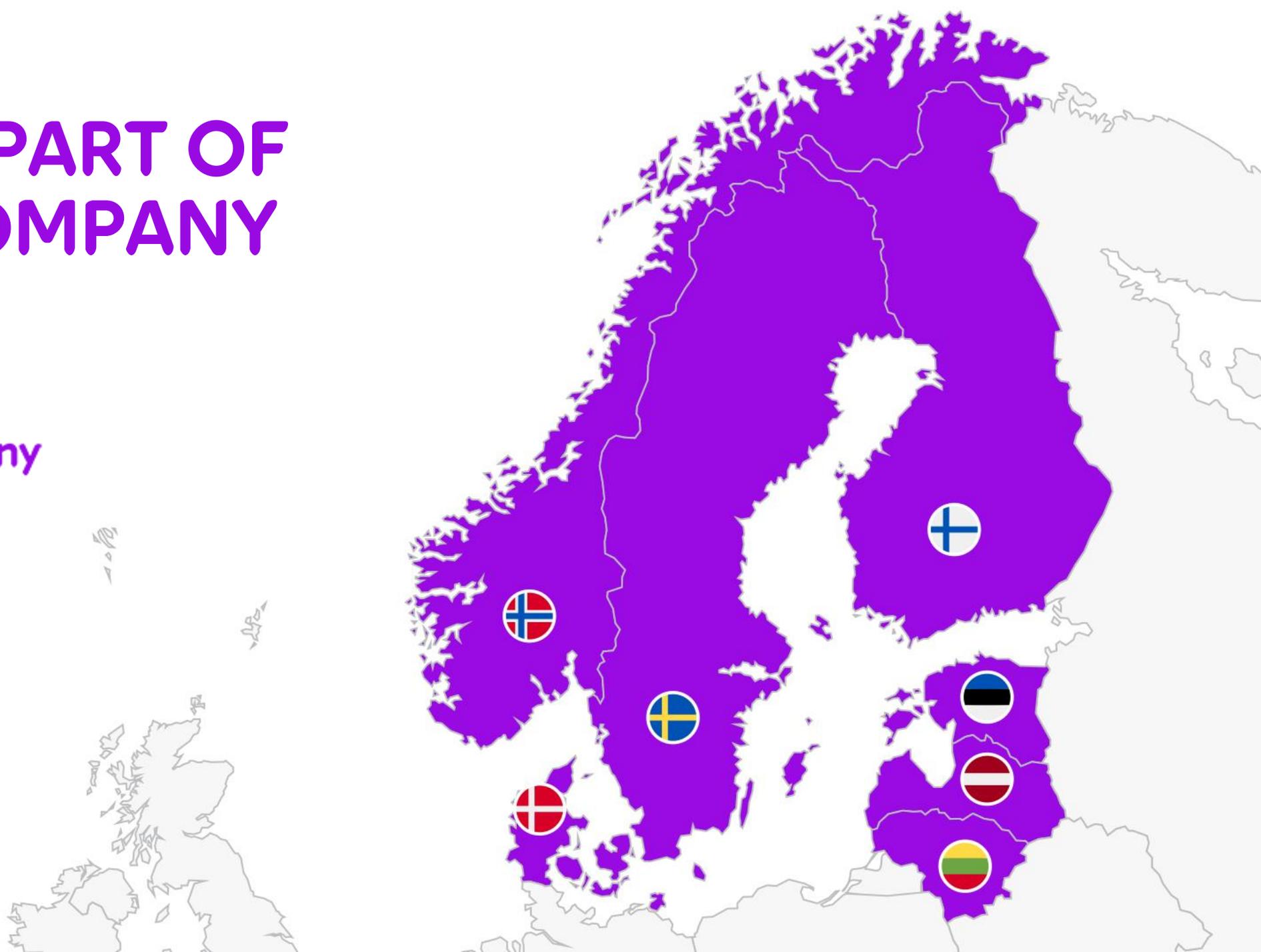
Team of almost
3,000 professionals



Sustainable and
responsible
business



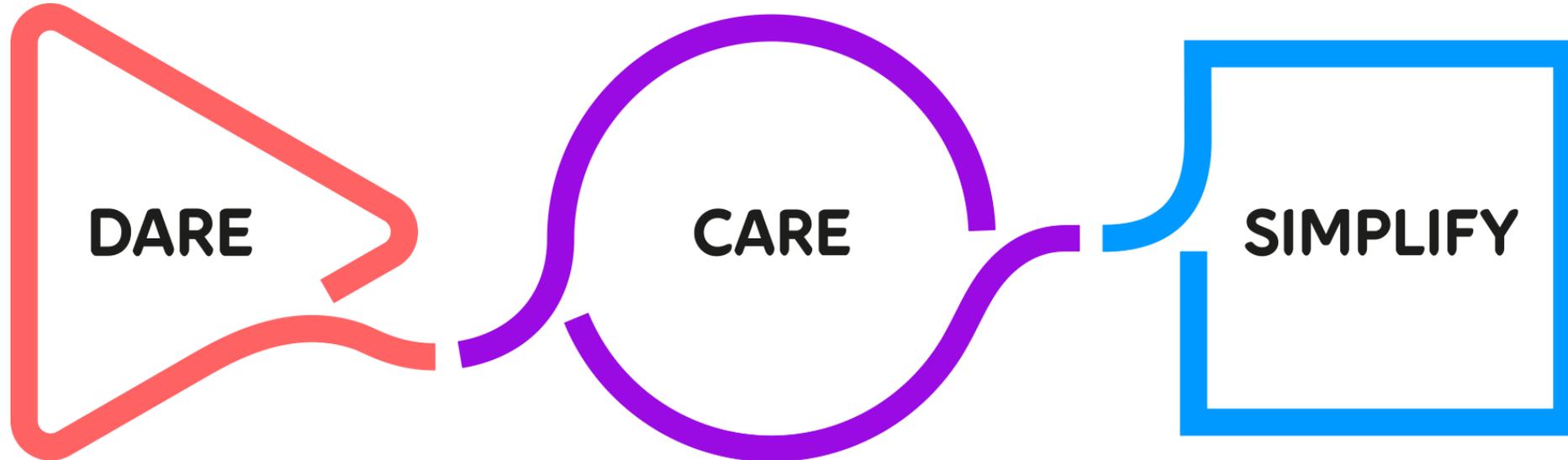
WE ARE PART OF TELIA COMPANY GROUP



**OUR PURPOSE:
BRINGING THE
WORLD CLOSER –
ON THE CUSTOMER'S
TERMS**



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
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai** operates a platform for instant payments (Tele2 and Bitė Lietuva owns 33.3% each)



HIGHLIGHTS OF Q1 2019

- **New organizational structure** of the Company with a new Direct & Digital Channels unit implemented as of 1 January 2019
- **26 employees** from People HUB were **outsourced** to Telia Global Services Lithuania as of 1 January 2019
- The Company announced that during 2019 **the number of employees (FTE) will go down by 285** due to outsourcing and digitalization
- The Board proposed to pay a record high **EUR 0.08 dividend per share** for the year 2018
- The Board proposed to AGM to approve the preparation of terms of **merger of Telia Customer Service LT into Telia Lietuva**
- The Company moved to the **new headquarters** in Vilnius, at Saltoniškių str. 7A



OPERATING FIGURES



6.2%

1,278

thousand of
mobile service users*



0%

410

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



9.9%

234

thousand of
IPTV service users



16.7%

334

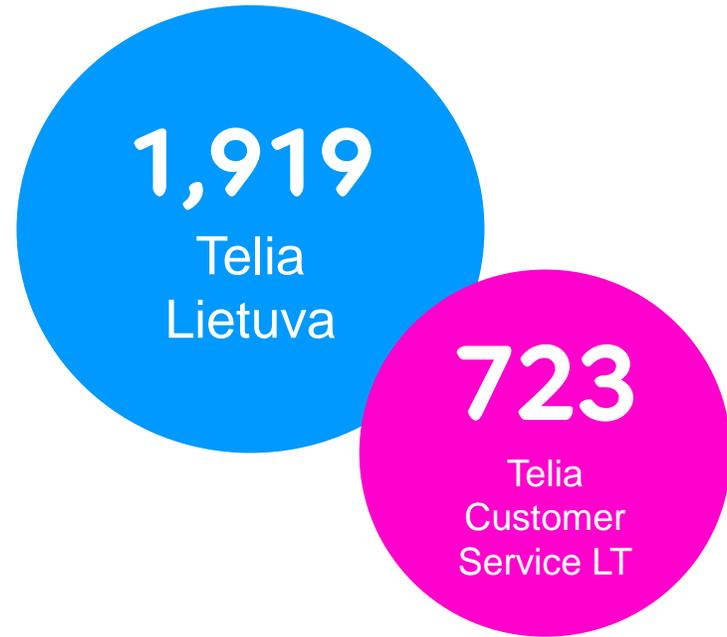
thousand of
fixed telephone lines
in service

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

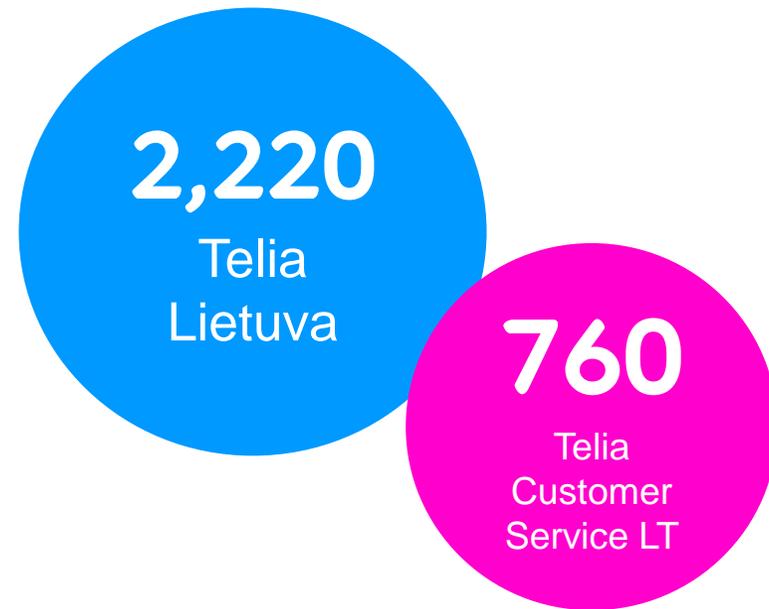
Data as of 31-03-2019 & change (y-o-y)



NUMBER OF EMPLOYEES



In total **2,642** (31-03-2019)

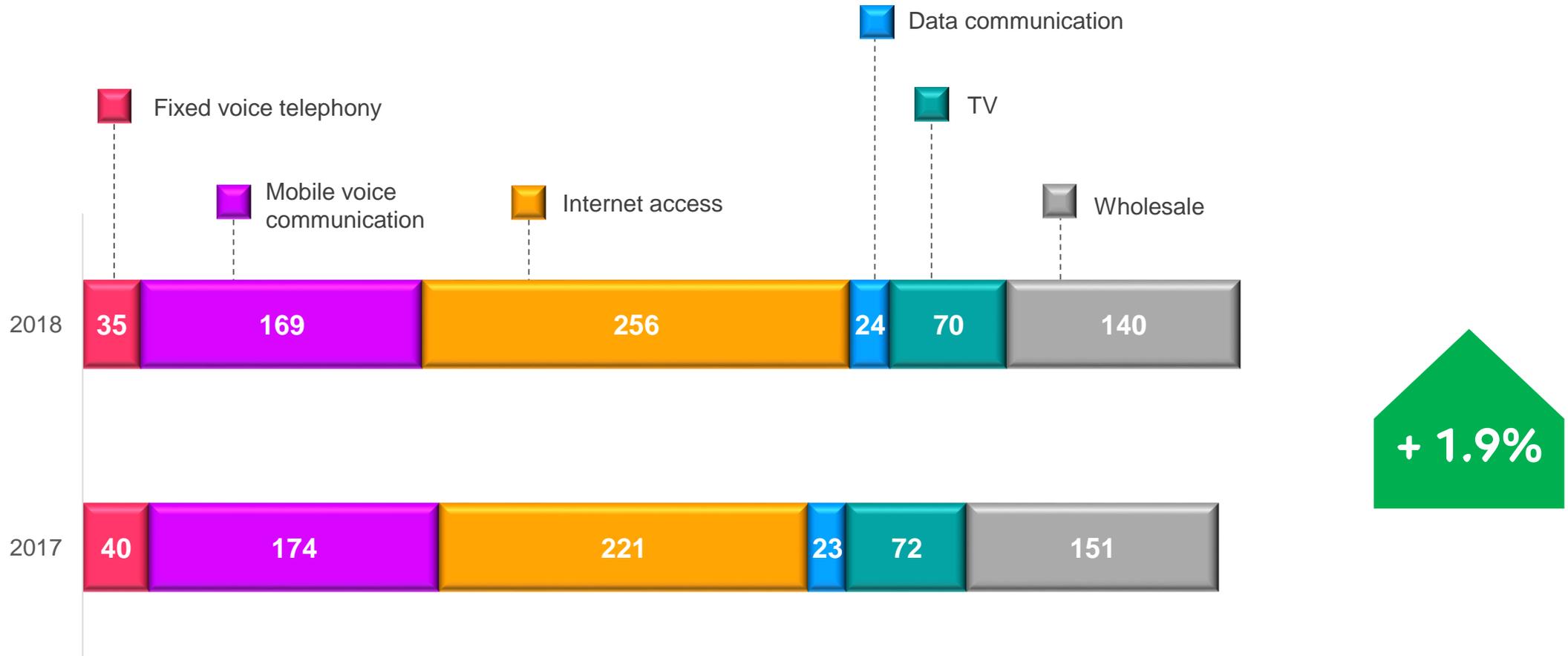


In total **2,980** (31-03-2018)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

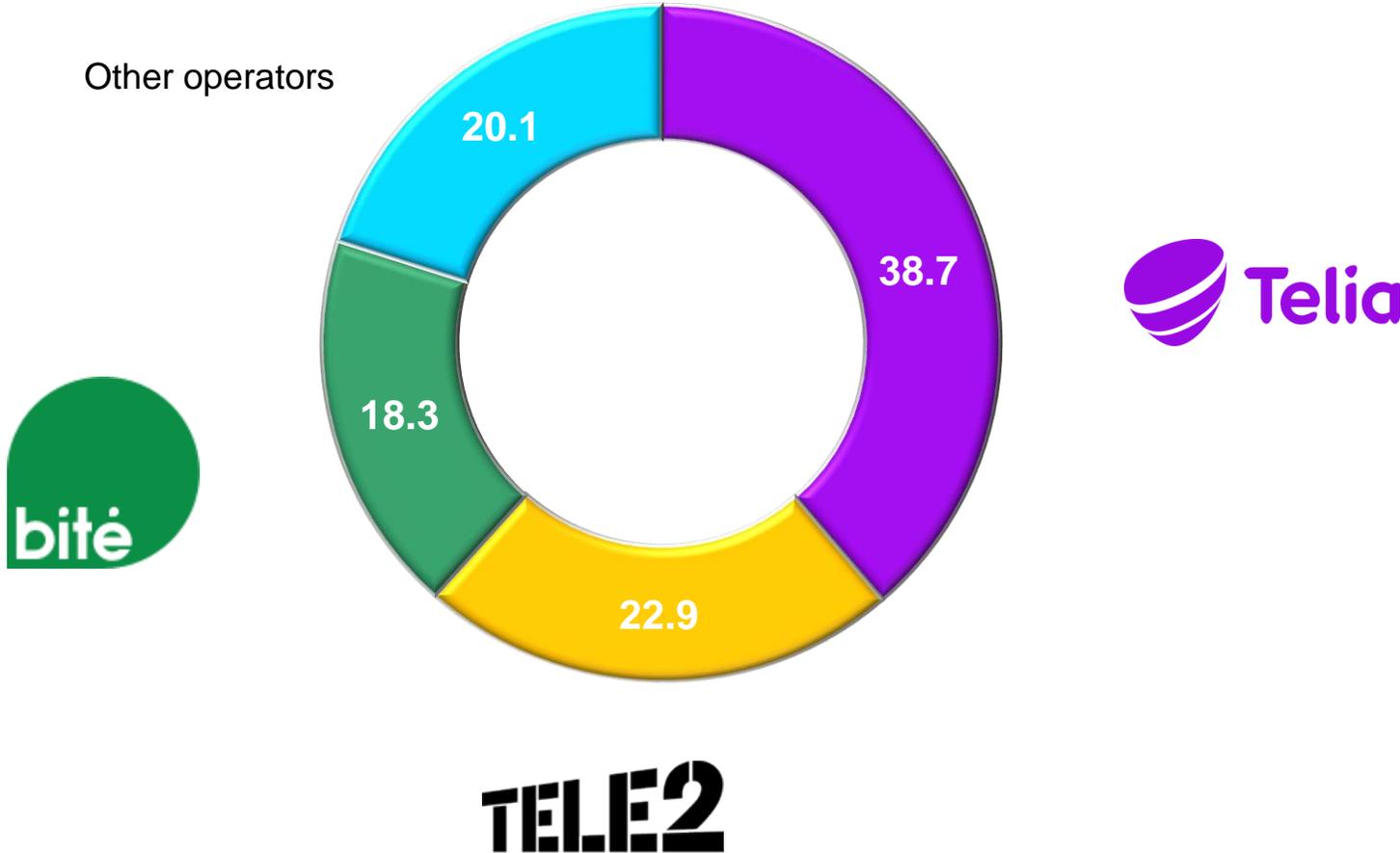
WE ARE OPERATING IN GROWING TELCO MARKET (EUR million)



Source: Report of the Communications Regulatory Authority



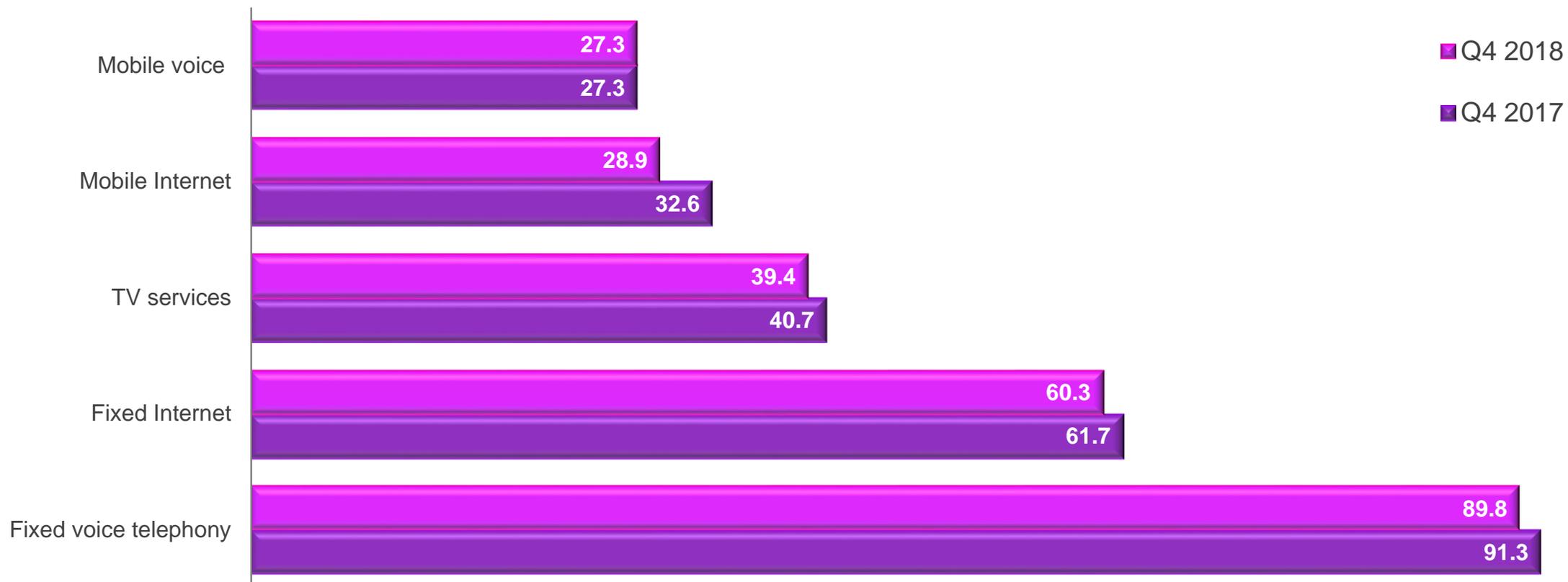
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2018 (%)



Source: Report of the Communications Regulatory Authority



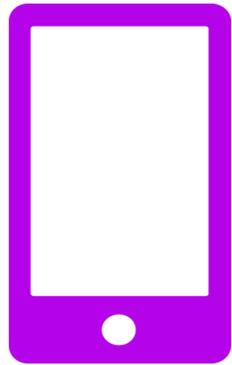
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



53.7%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
92,115 million MB
of data per quarter)



2.6%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **73.6%** of all
fixed Internet connections)



12.8%
(y-o-y)

Growing number of
IPTV users

(accounts for **38.3%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



135.2

mobile communications
subscribers



30.7

fixed telephony lines
(households)



47.3

broadband Internet
access



50.3

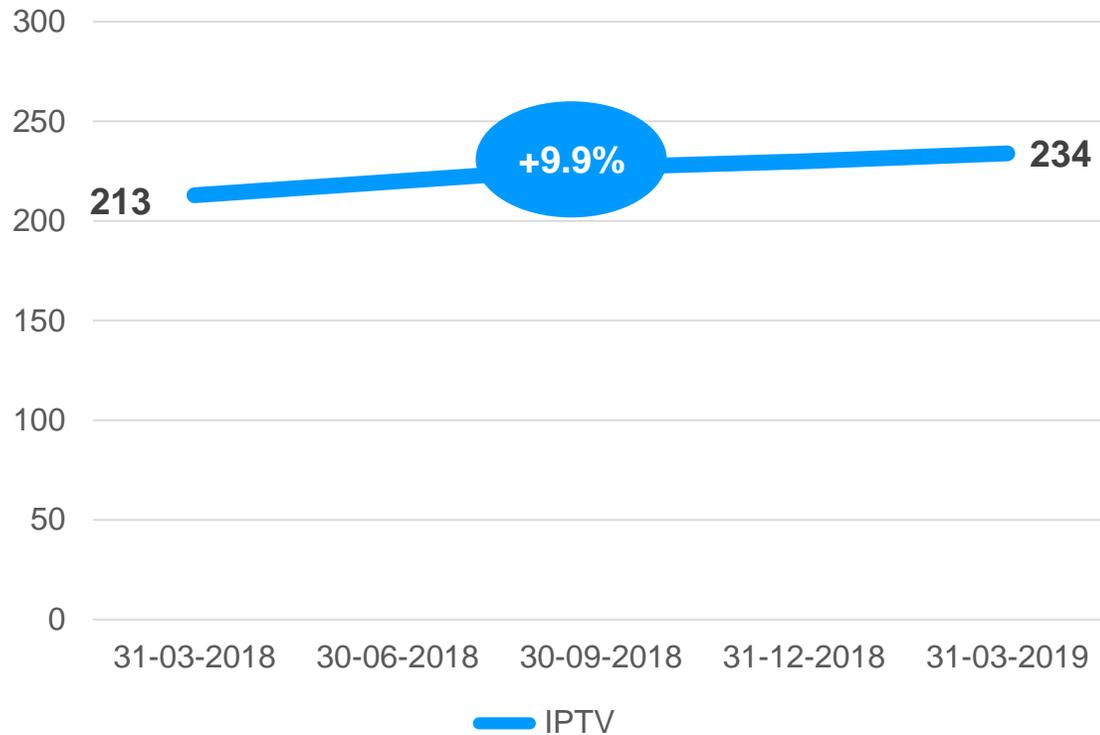
pay-TV subscribers
(households)



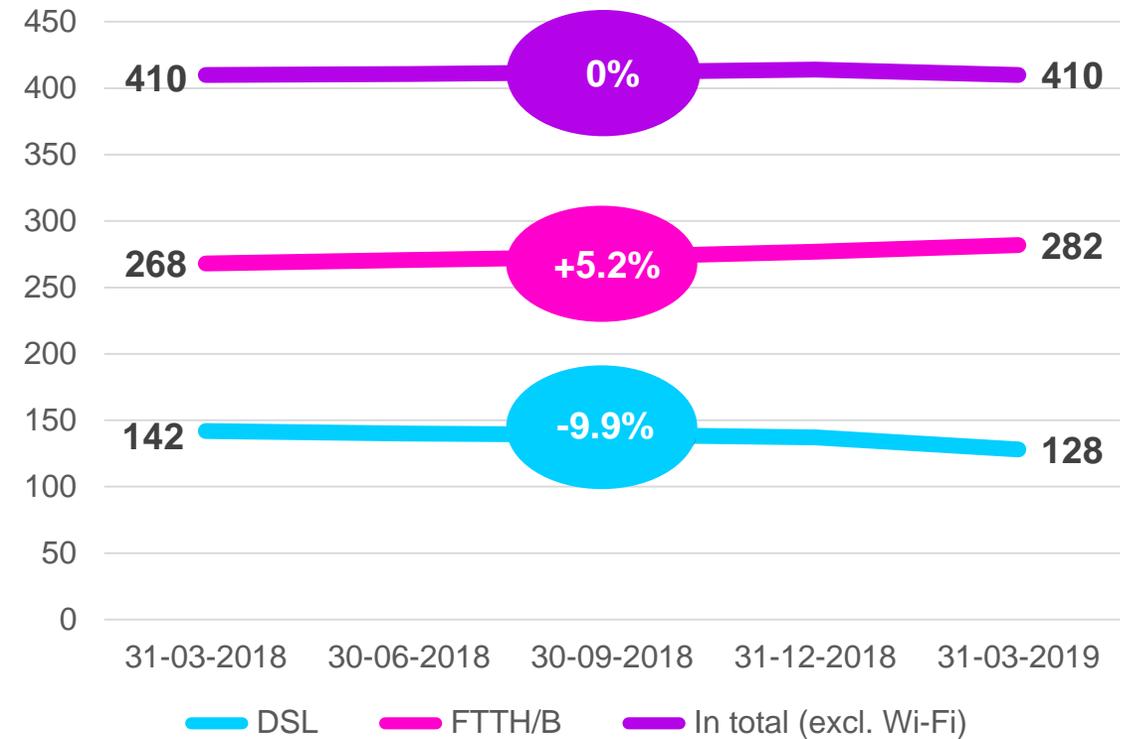
OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

Number of TV service users (thousands)

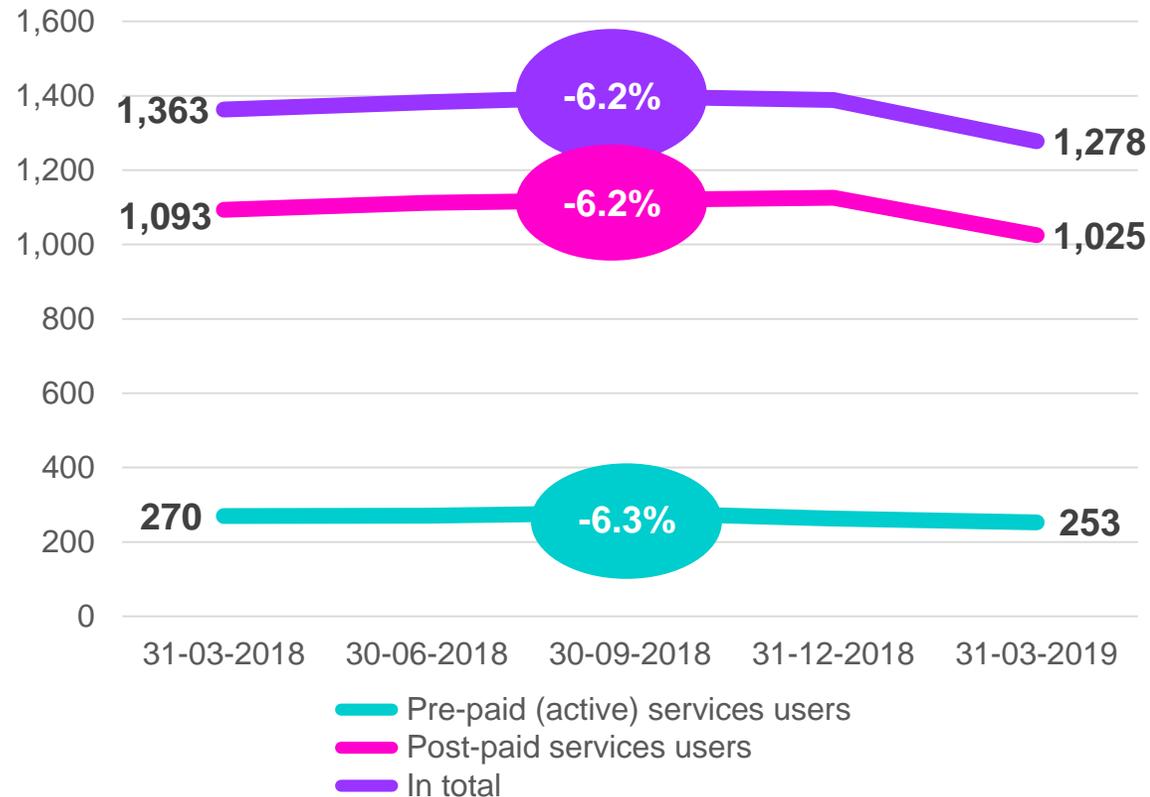


Number of broadband Internet users (thousands)

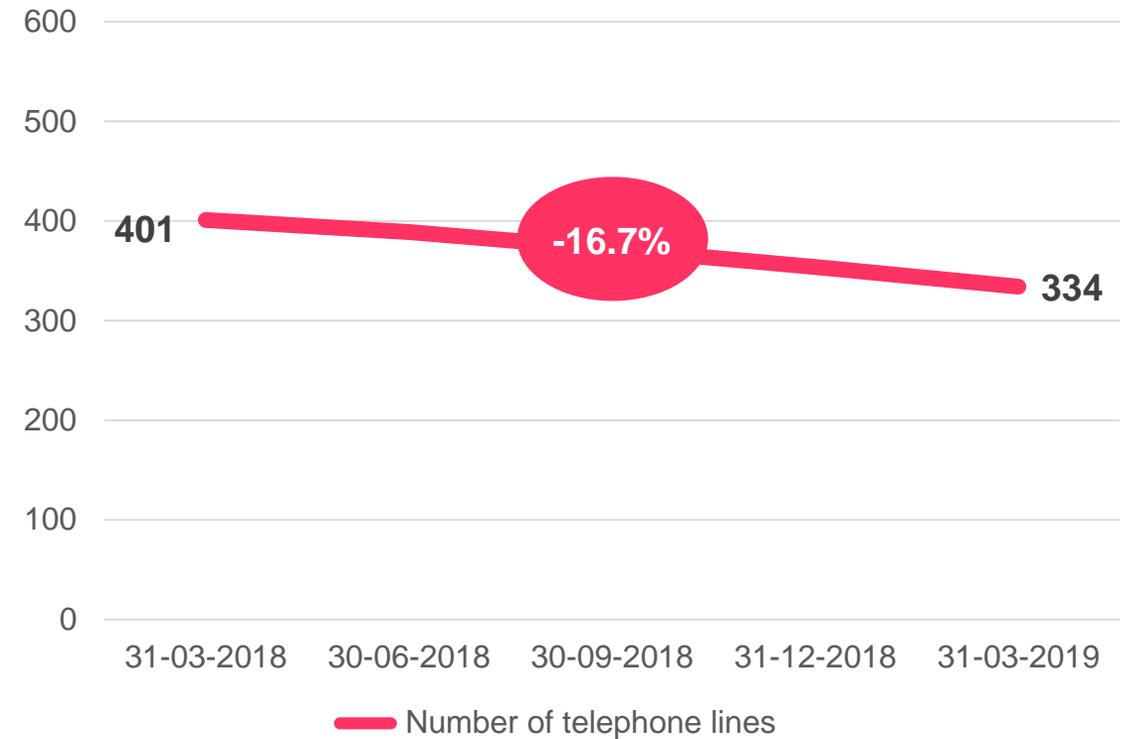


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users* (thousands)



Number of fixed telephone lines (thousands)

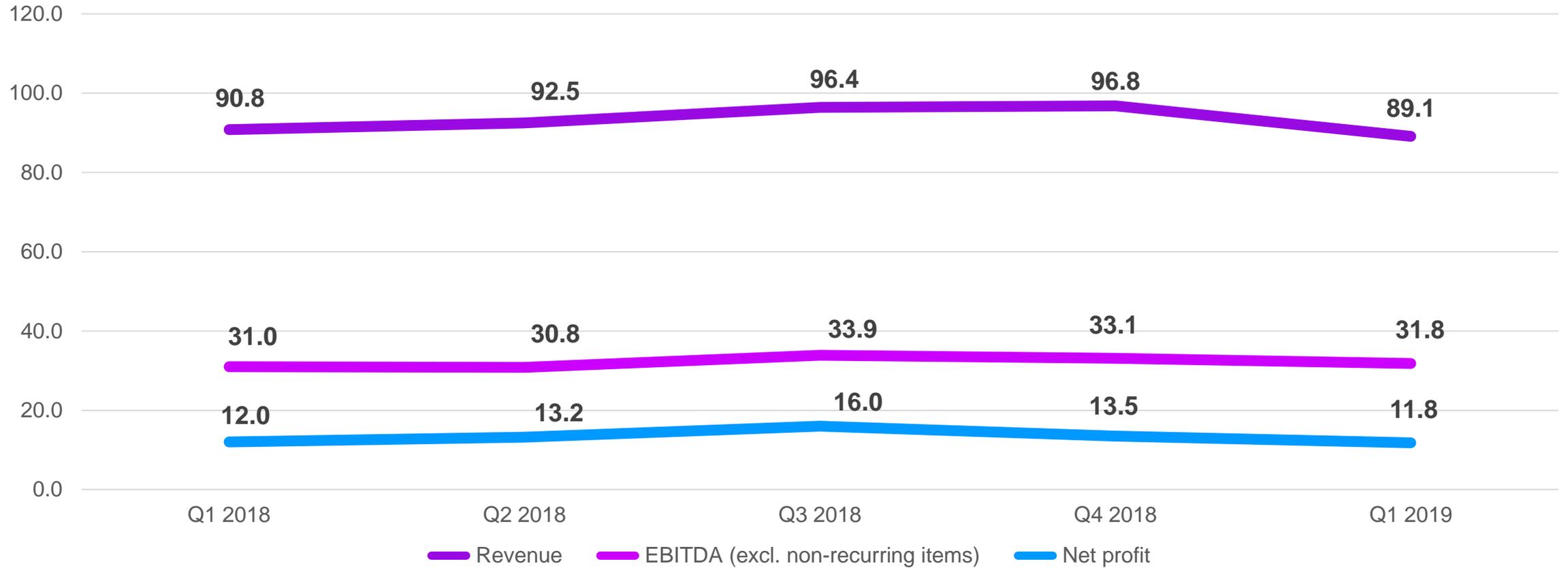


Note.* In Q1 2019 the Company changed treatment of active users and took off 114 thousand subscriptions



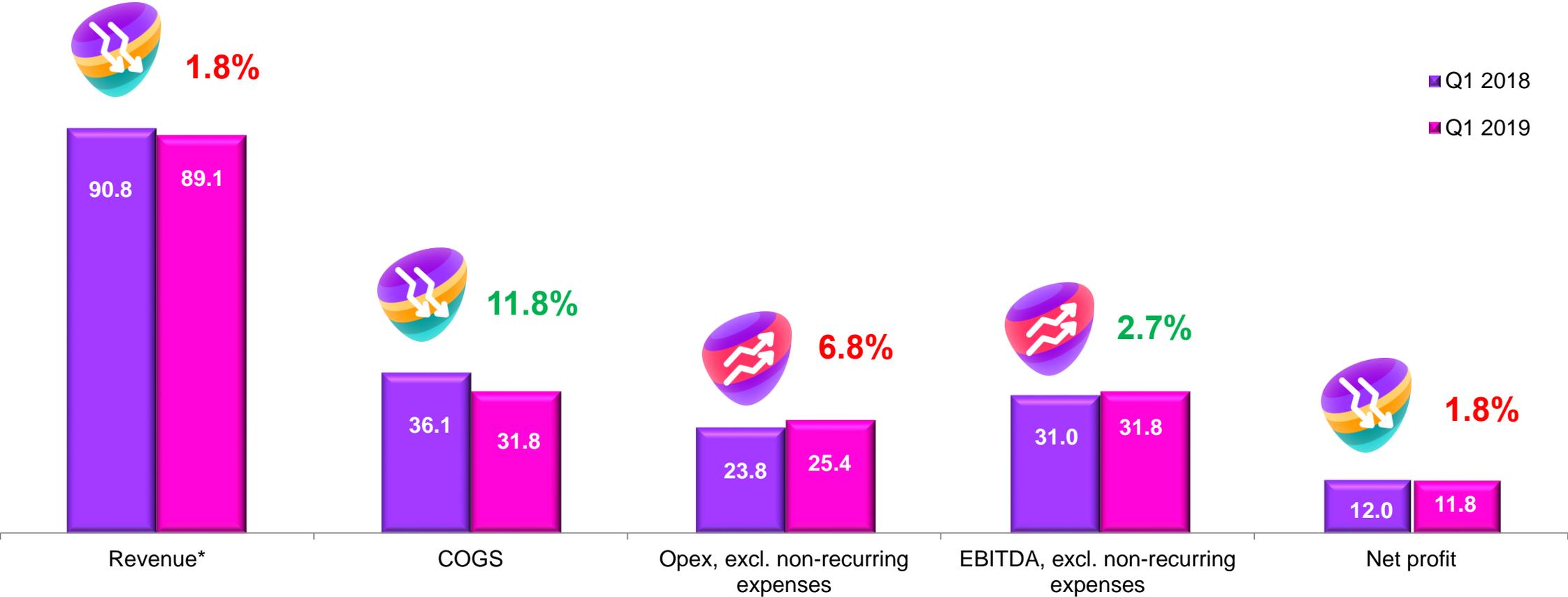
REVENUE, EBITDA & NET PROFIT

(EUR million)



DYNAMICS OF MAIN FINANCIAL INDICATORS

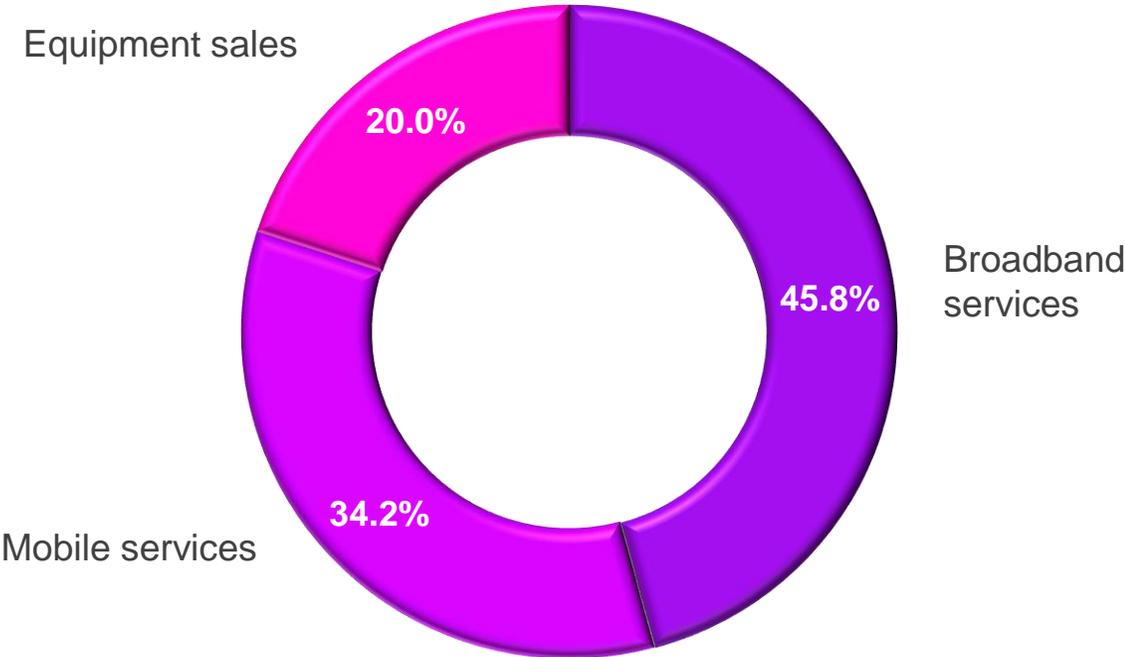
(EUR million)



NOTE. Revenue excl. voice transit services grew by 3.4%



3 MONTHS OF 2019 REVENUE BREAKDOWN



B2B

39%



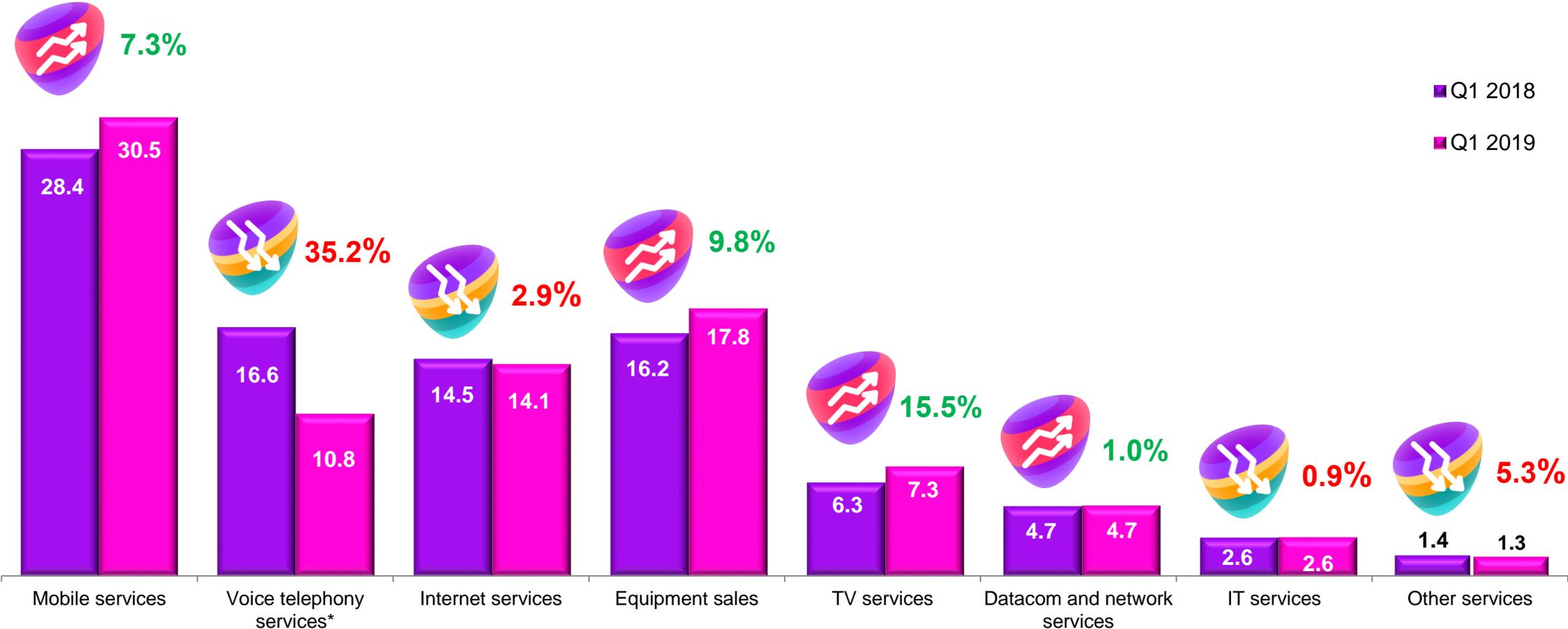
B2C

60.2%



REVENUE BY SERVICES

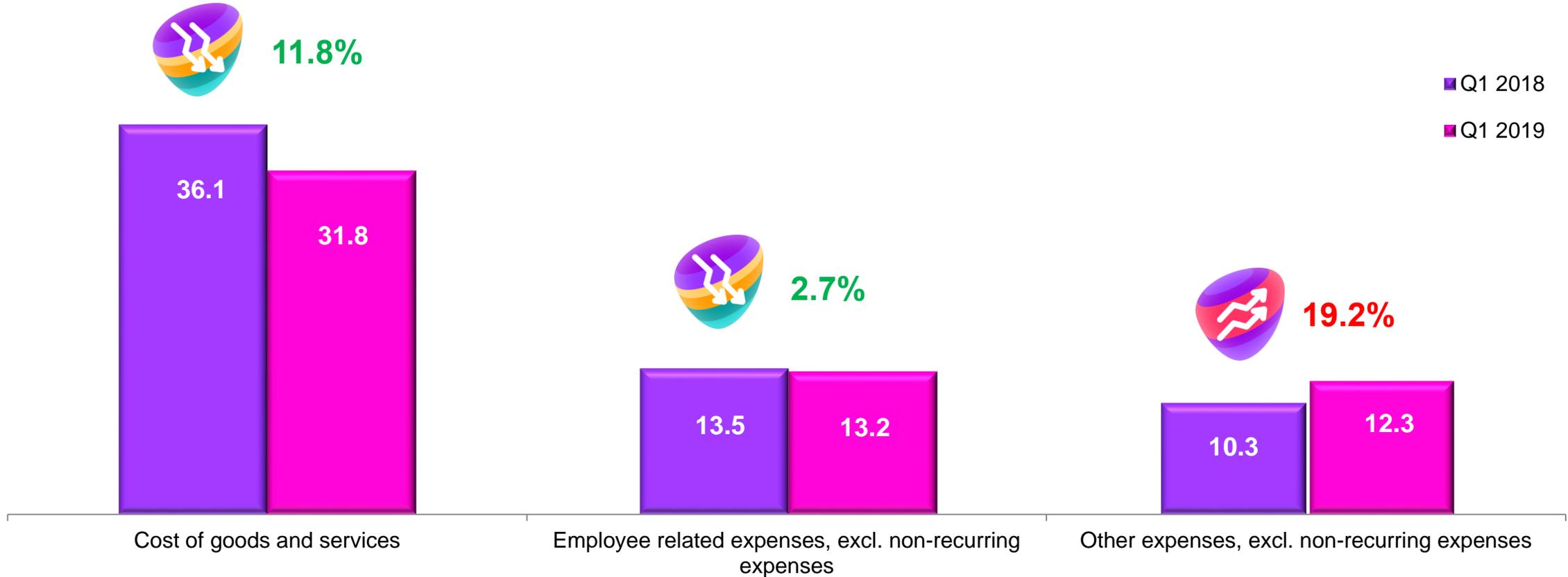
(EUR million)



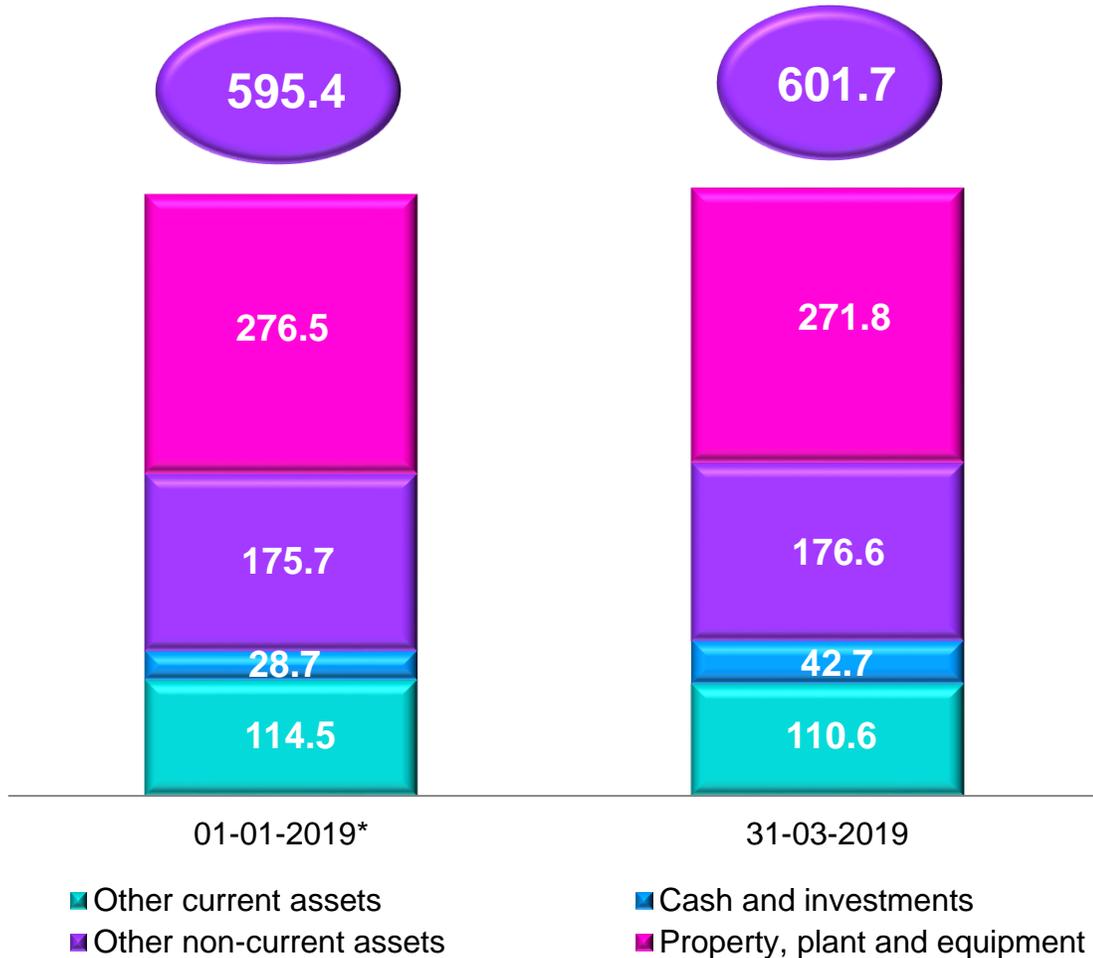
NOTE. Voice telephony revenue excl. networks' interconnection services were down by 15.2%



OPERATING EXPENSES (EUR million)



ASSETS (EUR million)

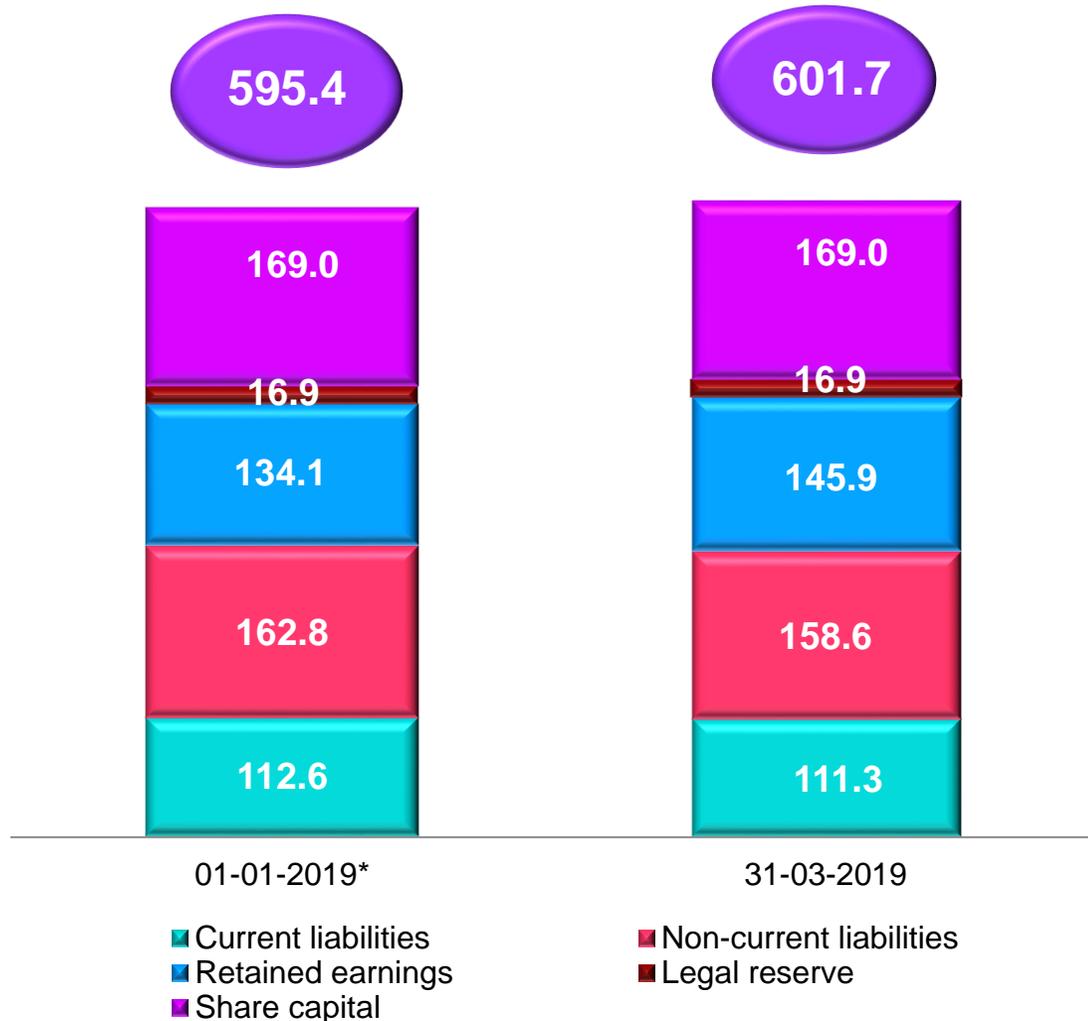


NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019

- During 3 months of 2019, **total assets** increased by 1.1%
- **Non-current assets** amounted to 74.5% of total assets (31-03-2019)
- **Cash** alone amounted to 7.1%
- **Return on capital employed:** 13.5%
- **Return on average assets:** 10.9%



EQUITY AND LIABILITIES (EUR million)



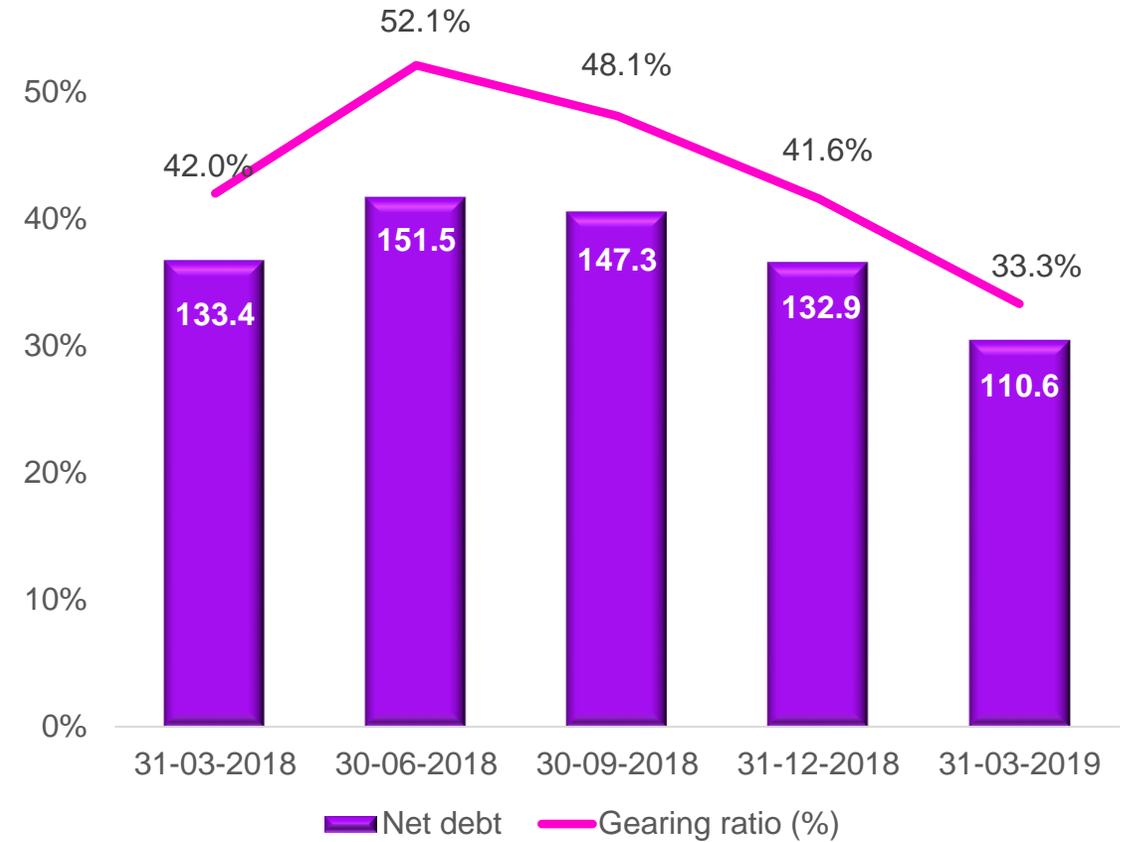
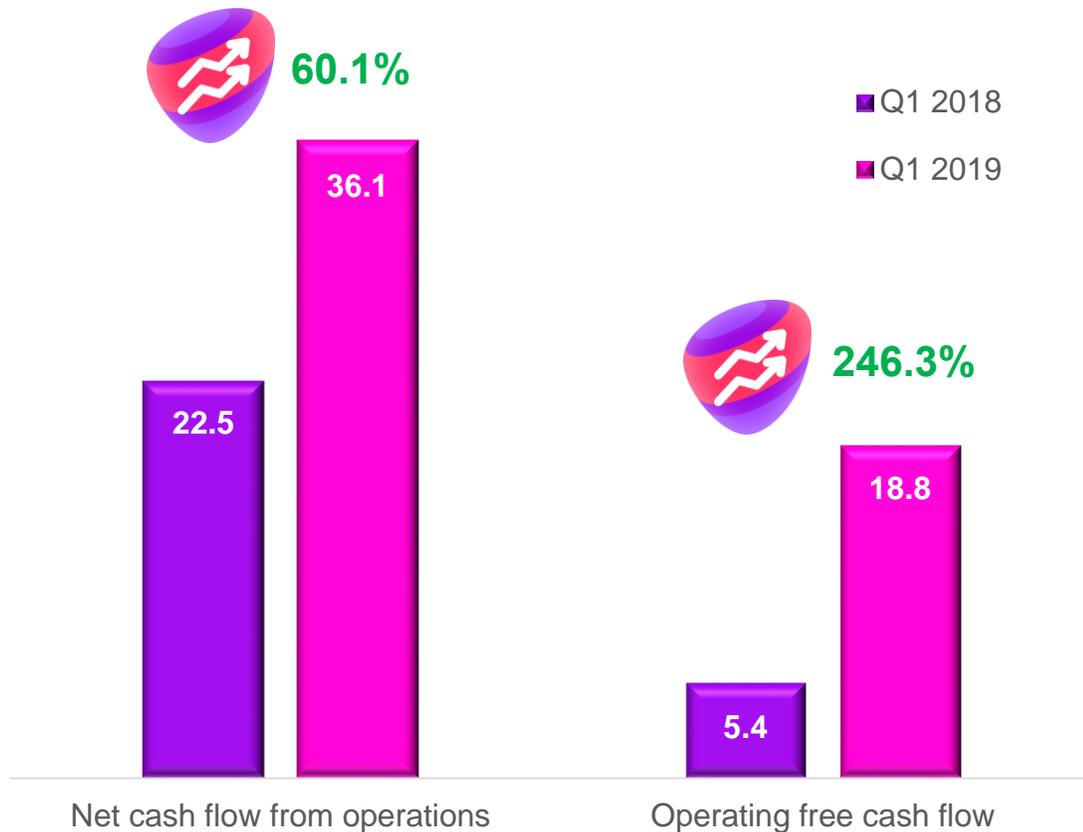
- Shareholders' **equity** amounted to 55.1% of the total assets (31-03-2019)
- Total **borrowings** (31-03-2019) amounted to EUR 153.3 million: EUR 120 million – bank loans, EUR 30.2 million – vendor financing and EUR 3.1 – financial lease.
- **Gearing ratio**: 33.3%
- **Debt to equity**: 46.2%
- **Return on equity**: 17.5%

NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019



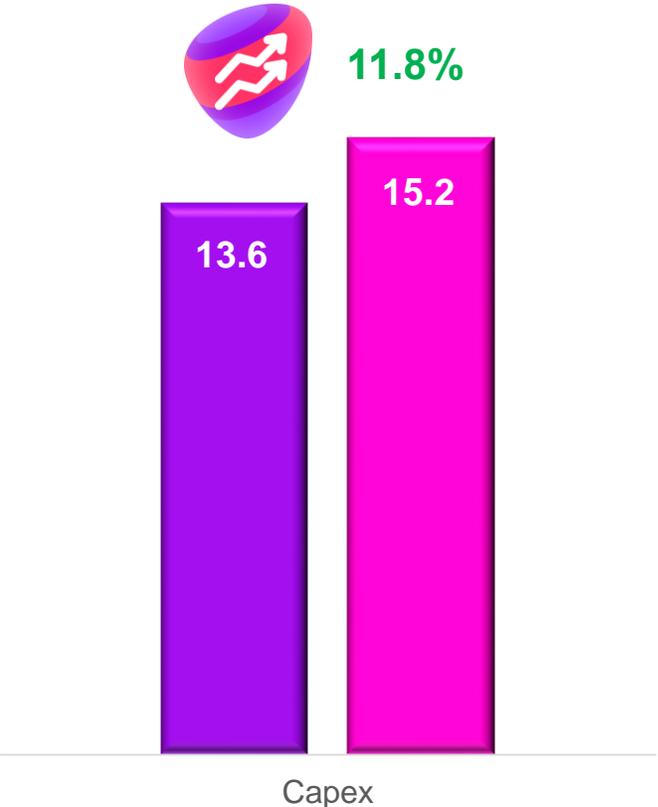
CASH FLOW & NET DEBT

(EUR million)

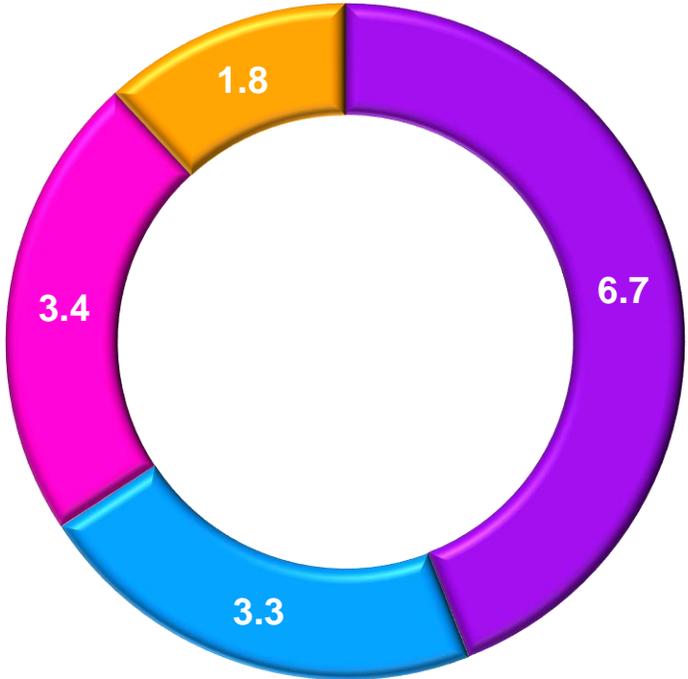


CAPEX & CAPEX BREAKDOWN FOR Q1 2019

(EUR million)



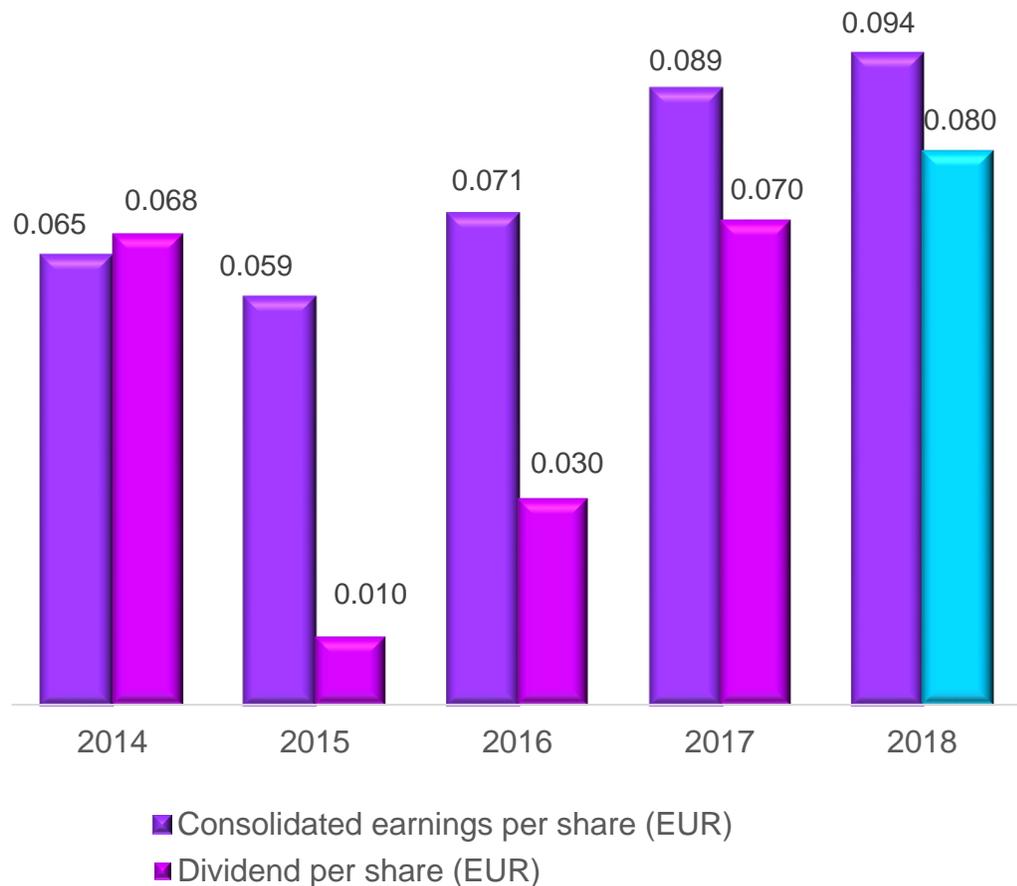
■ Q1 2018
■ Q1 2019



■ Fixed network ■ Mobile network ■ IT systems ■ Other



DIVIDENDS



- Earnings and dividends till 2014 were allocated to **776,817,518** shares, from 2014 – to **582,613,138** shares
- On 17 November 2014, shareholders got **0.072 euro** per share payment **due to reduction of authorized capital**
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay out up to 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 2018, retained earnings of the Parent company amounted to **EUR 131.6 million**
- The Board proposed to AGM to pass a decision to pay **EUR 0.08 dividend per share** for the year 2018



SHARES AND SHAREHOLDERS

The background features a series of diagonal stripes in vibrant colors: red, purple, and yellow. The stripes are arranged in a way that creates a sense of movement and depth, with the colors transitioning from top-left to bottom-right.

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 LTL 194 million (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 almost **11 thousand**

Shareholders as of 31-03-2019

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

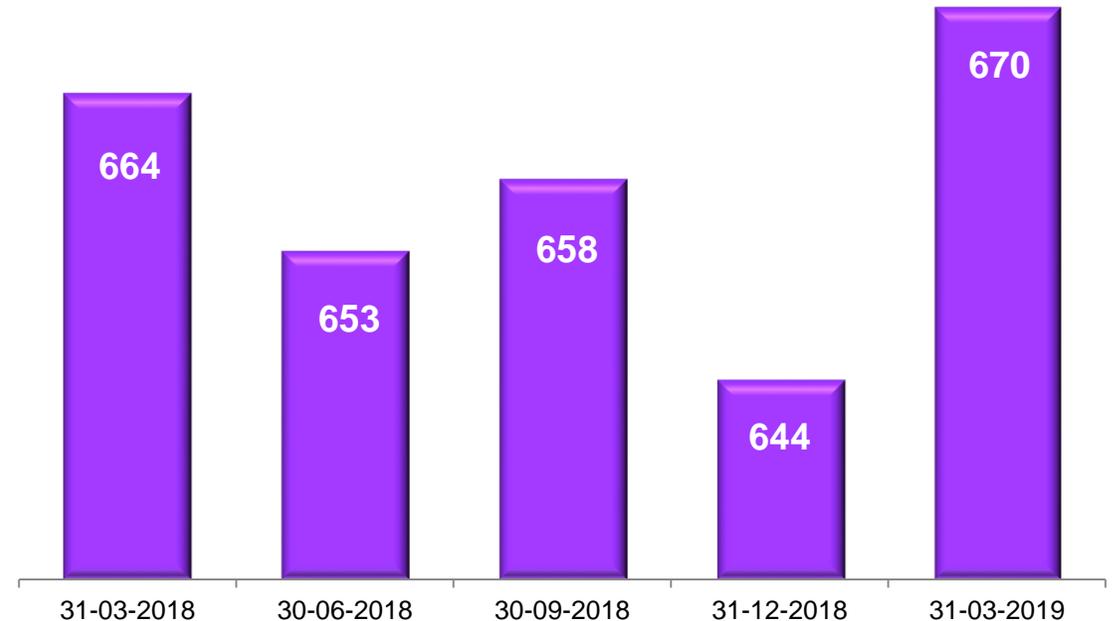


SHARES

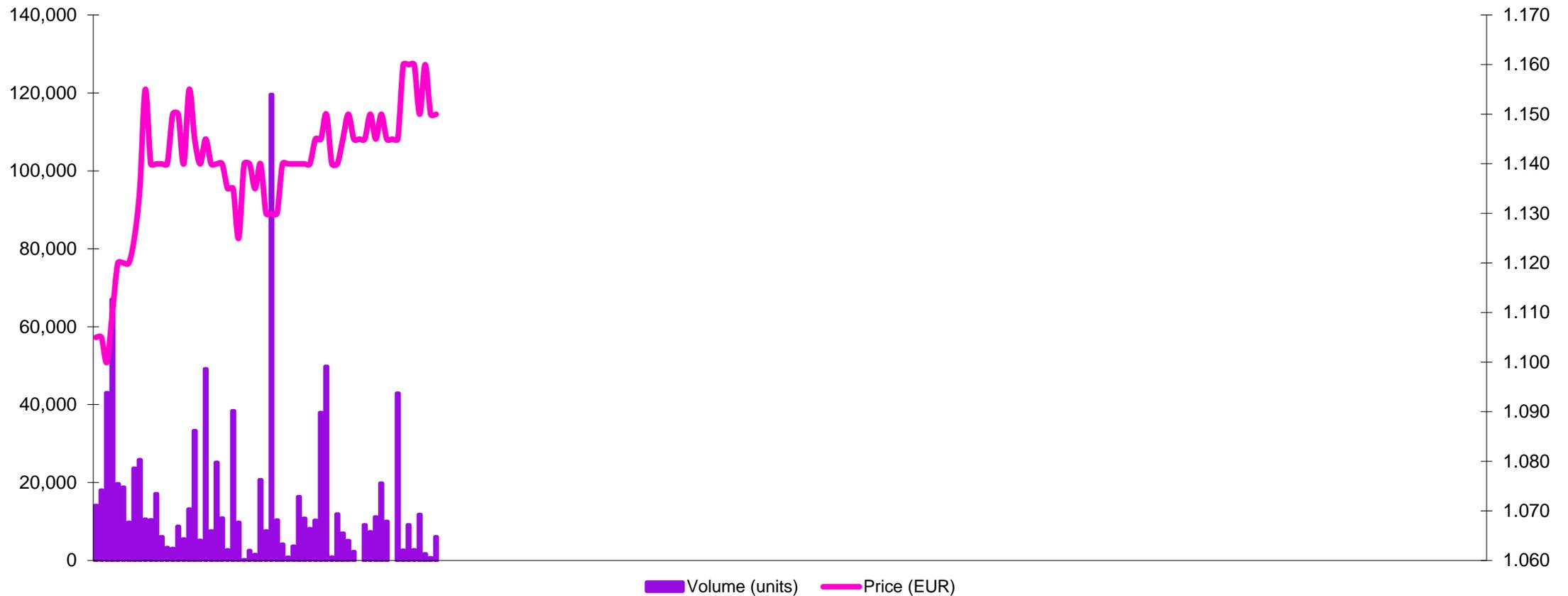
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-March of 2019: 0.9 million of shares or EUR 1.1 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2019	1.110
High	1.160
Low	0.095
31-12-2019	1.150

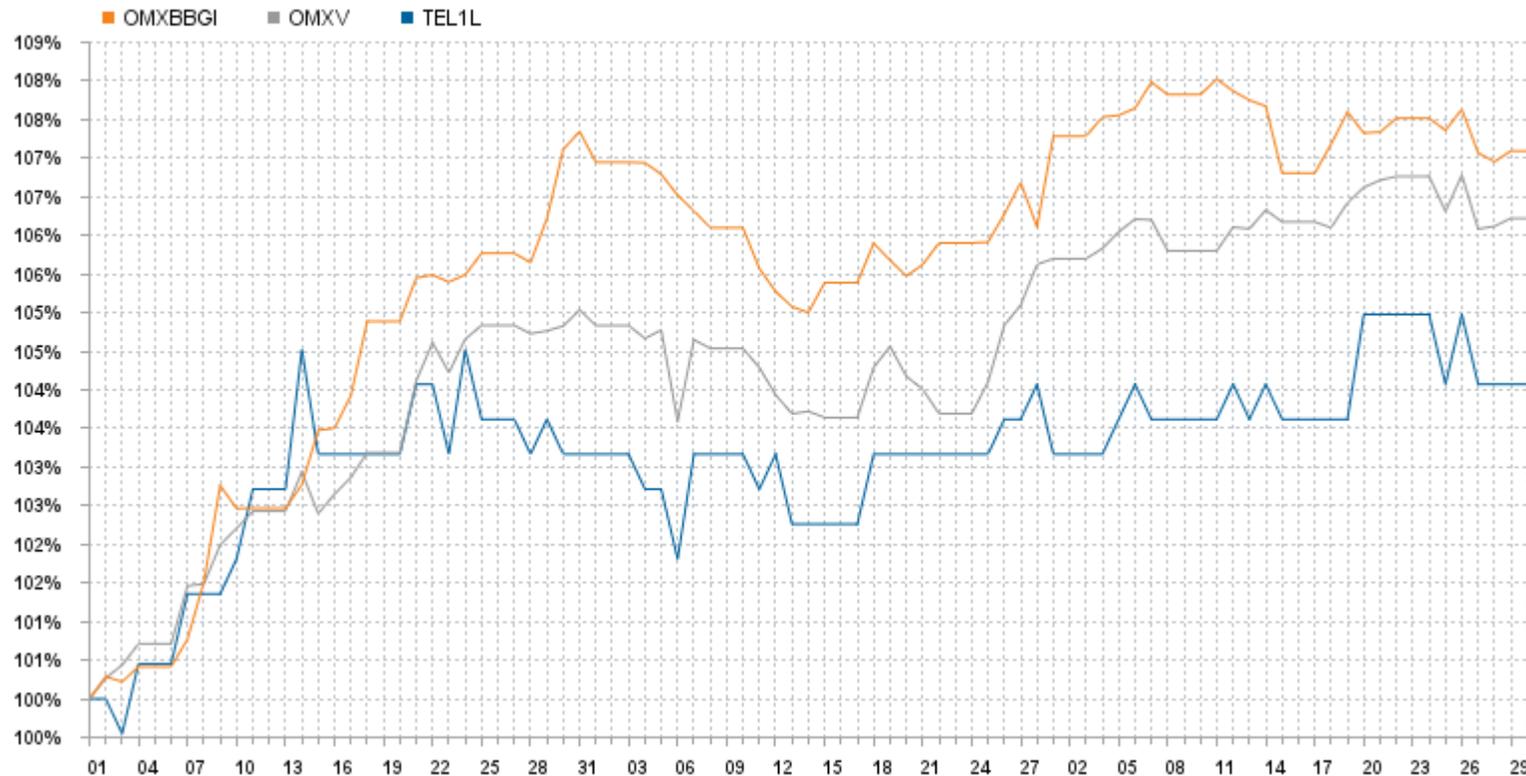
Market capitalization (EUR million)



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 features a series of overlapping, wavy bands of color. From top to bottom, the colors are: a dark purple band, a medium purple band, a light yellow band, a bright orange band, and a teal band. The text 'CORPORATE GOVERNANCE' is positioned in the upper left corner, overlaid on the purple bands.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders will be held on 26 April 2019
- The **Board** consist of 6 members elected for the 2 year term
- Upon termination of the current term of the Board the largest shareholder, Telia Company AB, **proposed to re-elect the current Board members** for a new term
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is the Company's independent auditor for the year 2018 and 2019
- The Board elects and recalls **CEO**
- New **CFO** of the Company, Arūnas Lingė, stepped in on 25 March 2019, while Mindaugas Ubartas, **Head of B2B & B2C**, left the Company on 12 April 2019



BOARD



Emil Nilsson (born in 1971),
Chairman 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



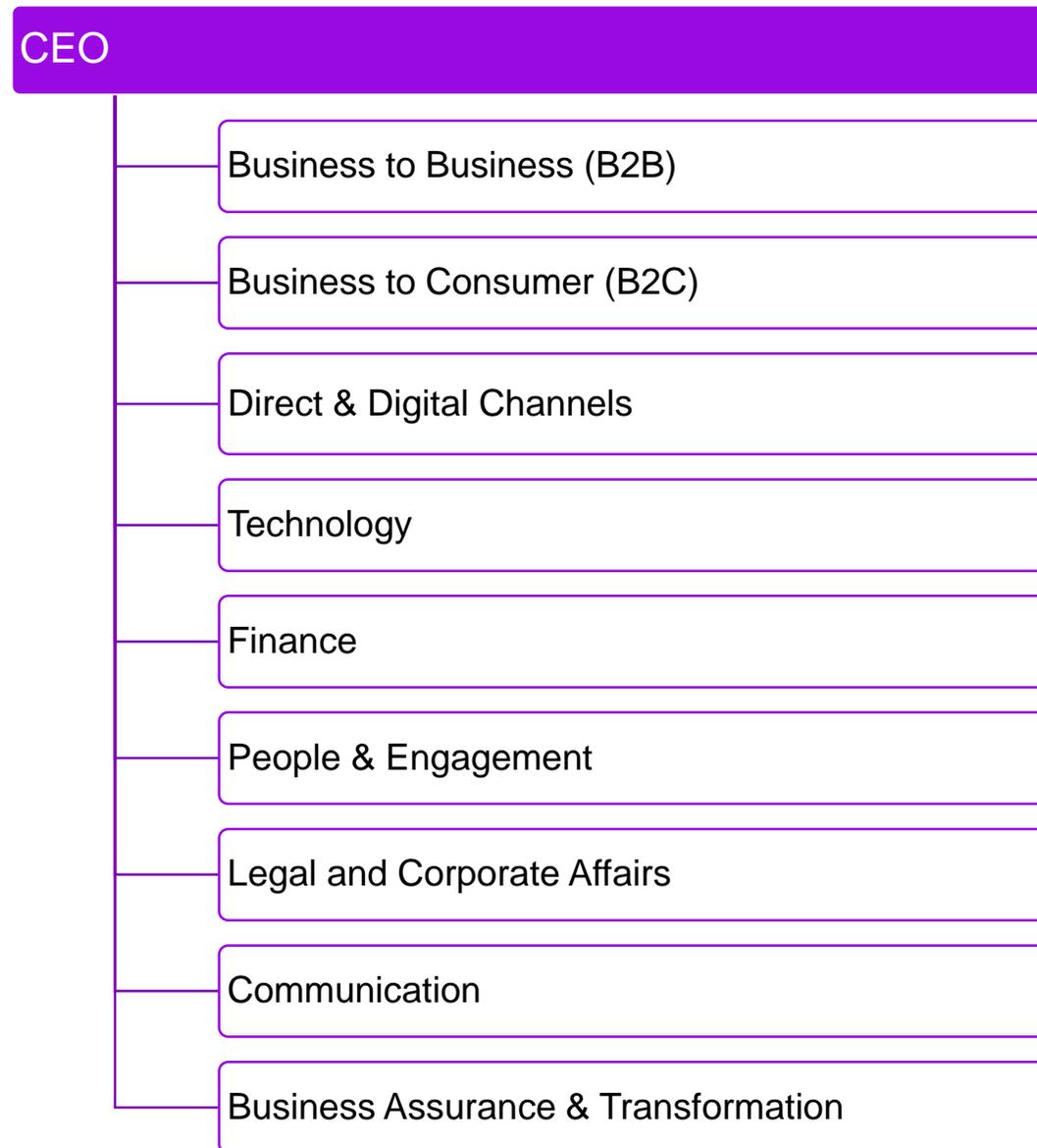
Mindaugas Glodas (born in 1972),
Independent member of the Board,
Member of the Audit and
Remuneration Committees

- Members of the Board have no direct interest in the share capital of Telia Lietuva



GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2019



MANAGEMENT TEAM



Dan Strömberg,
CEO



Giedrė Kaminskaitė-Salters,
Head of Direct & Digital
Channels



Andrius Šemeškevičius,
Head of Technology



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



PRINCIPLES THAT WE FOLLOW



Anti-bribery and corruption



Freedom of expression



Customer privacy



Occupational health and safety



Responsible procurement



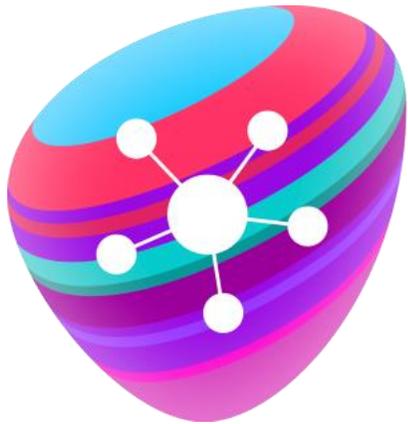
Environmental responsibility



Children safety online



ALL IN APPROACH



Connecting the unconnected



A healthy and safe society



Education for all



Digital entrepreneurship and innovation





Telio

#VISAKOTINKLAS