



RESULTS FOR THE 9 MONTHS OF 2019

Telia Lietuva, AB Group





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

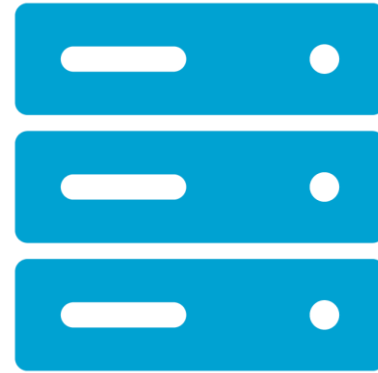
TELIA LIETUVA MEANS:



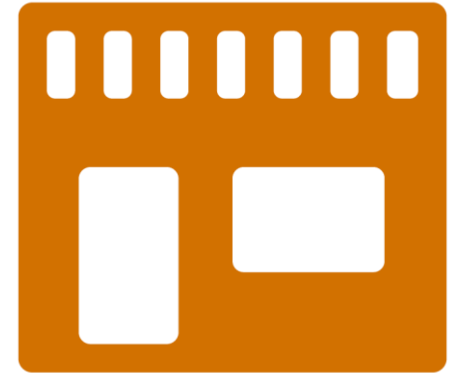
Wide range of
services



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



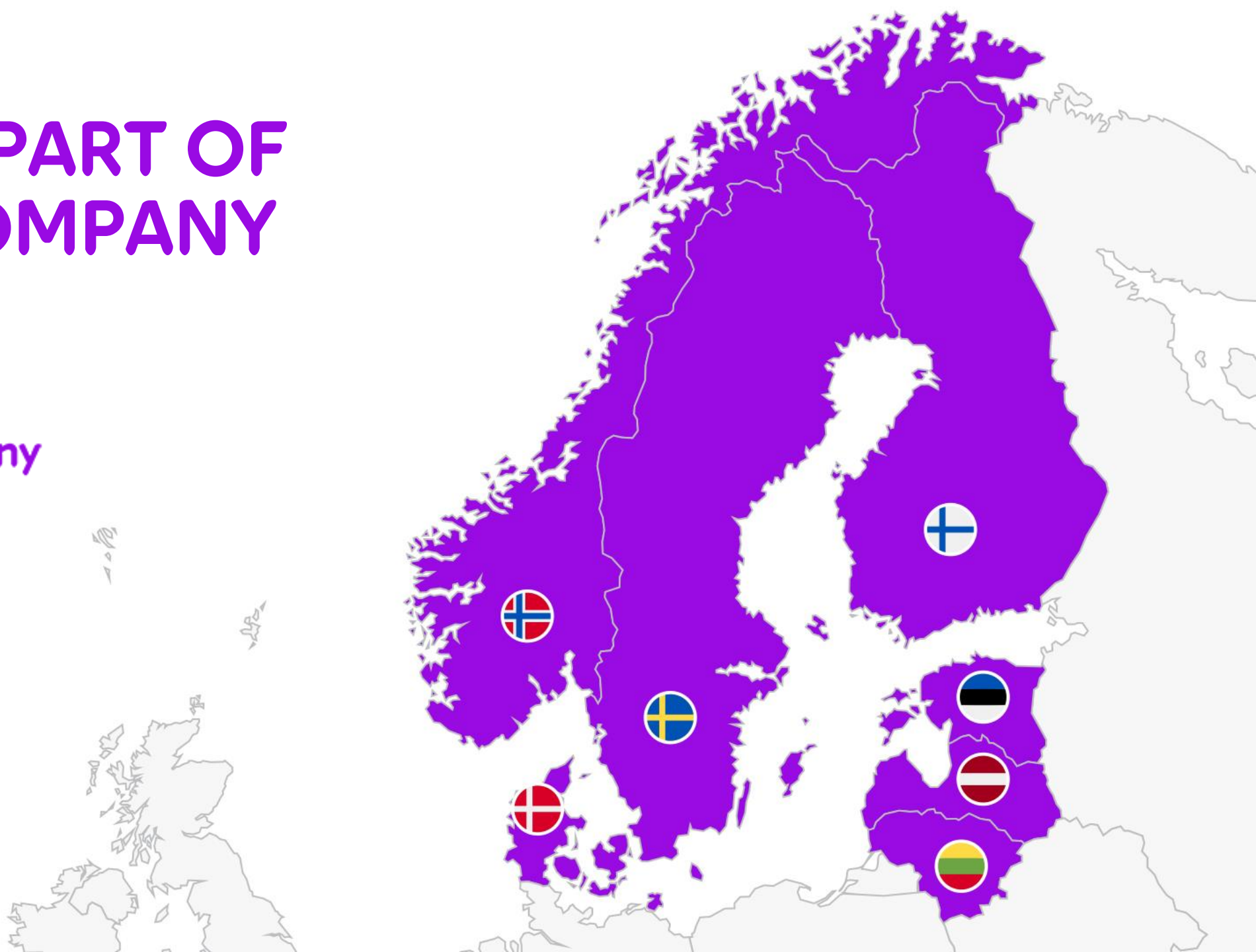
Team of almost
2,400 professionals



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. A large, fluffy brown dog is also sitting in the wheelbarrow. They are in a lush green garden with a wooden gazebo in the background. The scene is bright and sunny, with shadows cast on the grass.

**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 %
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VšĮ Numerio Perkėlimas	50 %
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UAB Mobilieji Mokėjimai	33.3 %
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- **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 Q3 2019

- The quarterly **revenue exceeded EUR 100 million**
- Over the year number of converge offer “**Telia One**” users more than doubled and reached **54 thousand**
- TV channels created by the largest Lithuanian news portal, **Delfi TV**, is **on IPTV platform** since September
- The Company’s **4G network** is the fastest in Lithuania with an average **speed of 74.2 Mbps**
- In July, **completed migration** of home services users into a new CRM system
- In August, a new **Head of B2C**, Nortautas Luopas, stepped in



OPERATING FIGURES



4.2%

1,339

thousand of
mobile service users*



1.5%

415

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



5.7%

240

thousand of
IPTV service users



16.9%

309

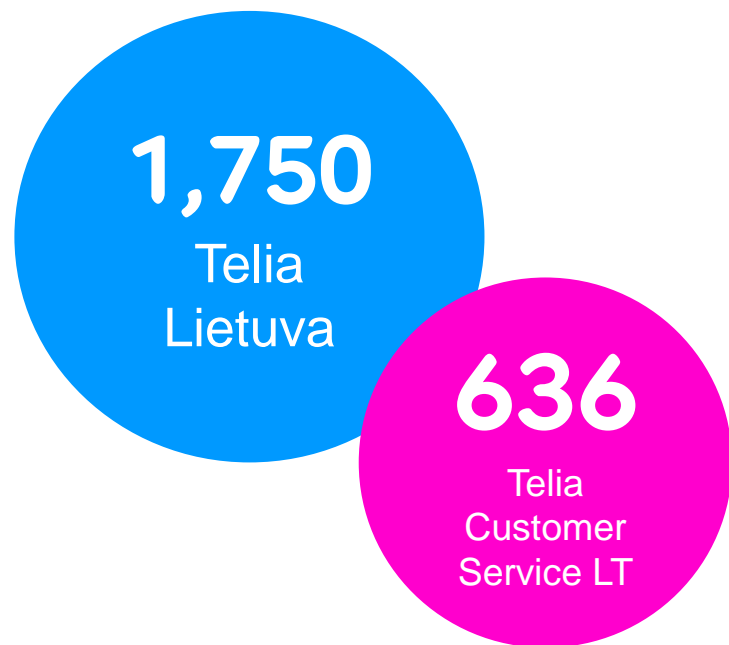
thousand of
fixed telephone lines
in service

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

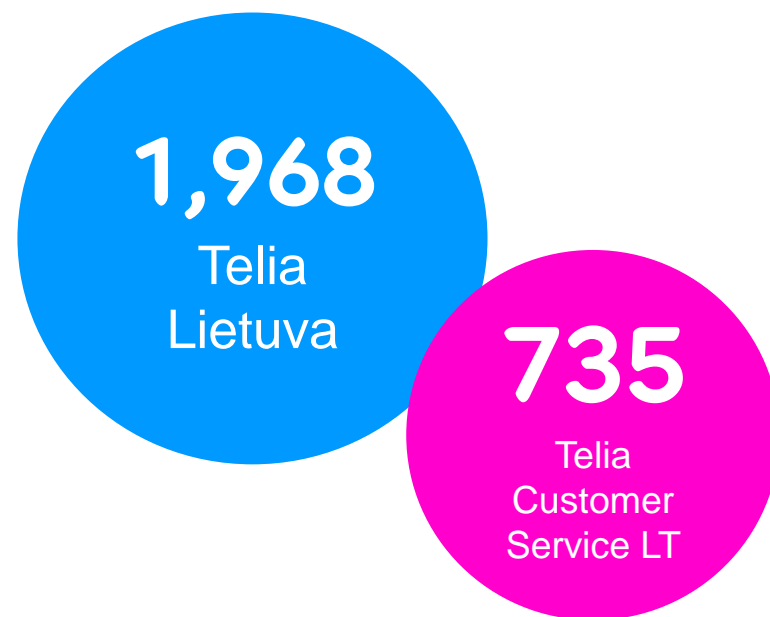
Data as of 30-09-2019 & change (y-o-y)



NUMBER OF EMPLOYEES



In total **2,386** (30-09-2019)



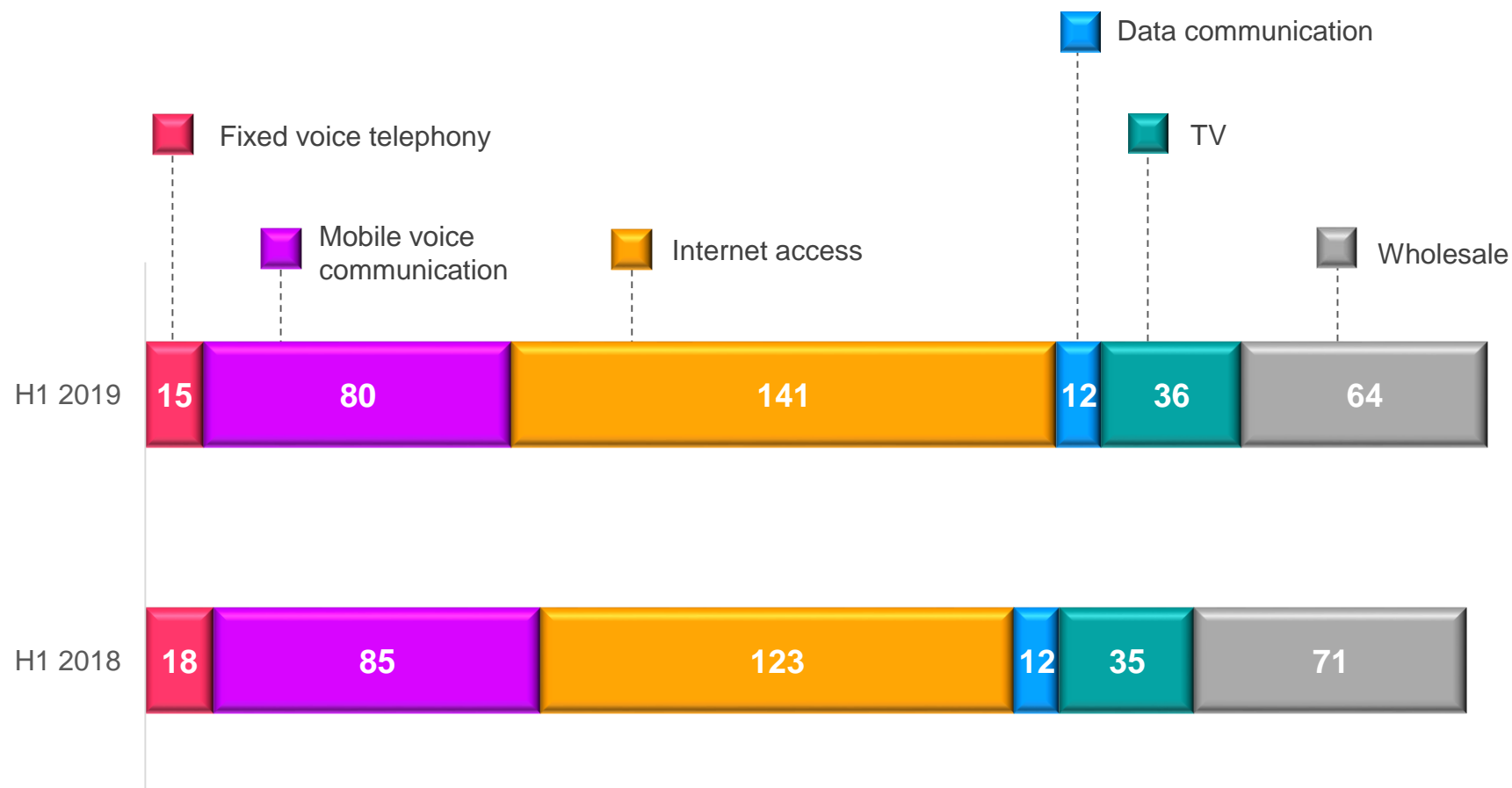
In total **2,703** (30-09-2018)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET

(EUR million)

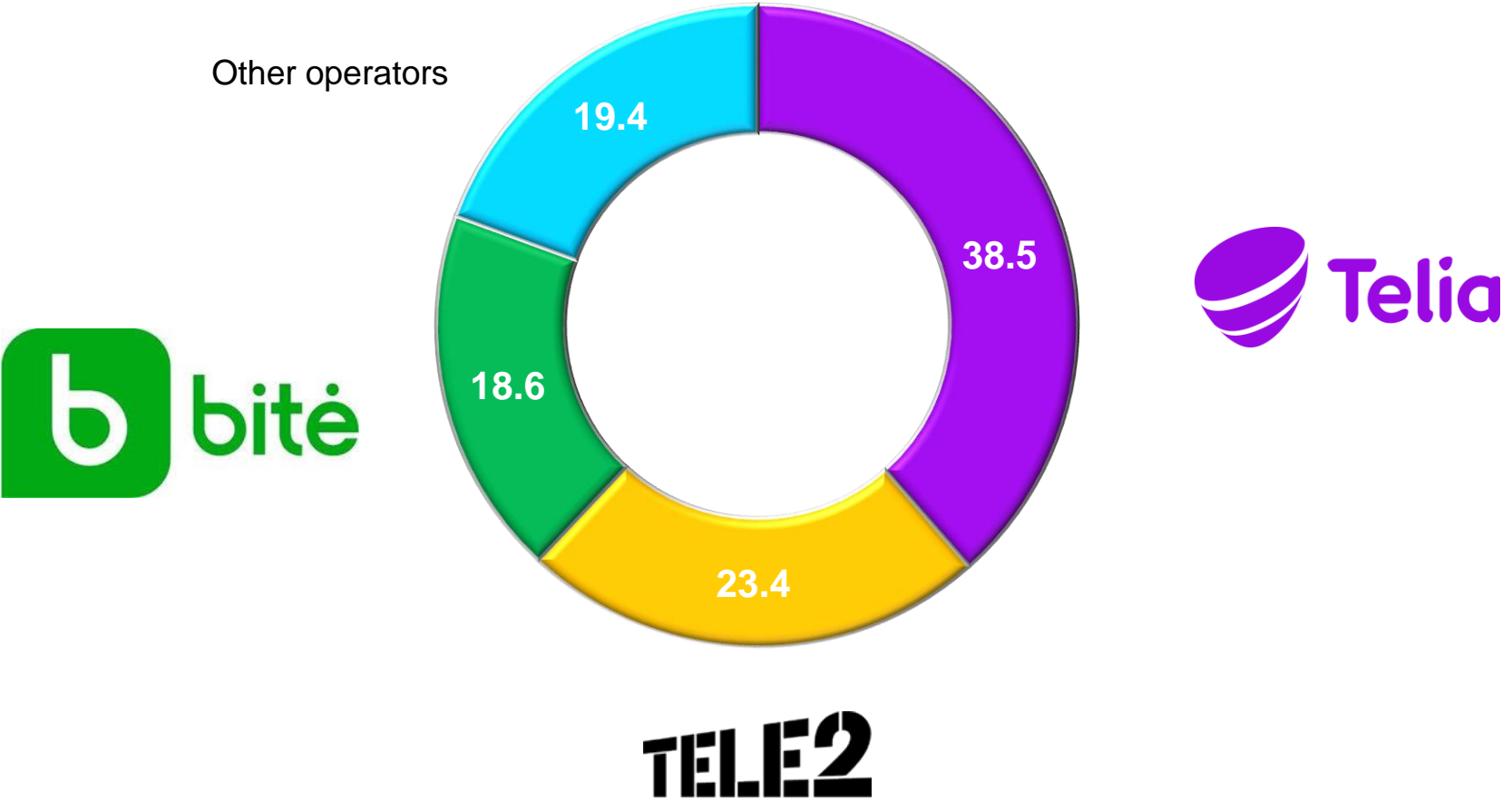


+ 1.6%

Source: Report of the Communications Regulatory Authority



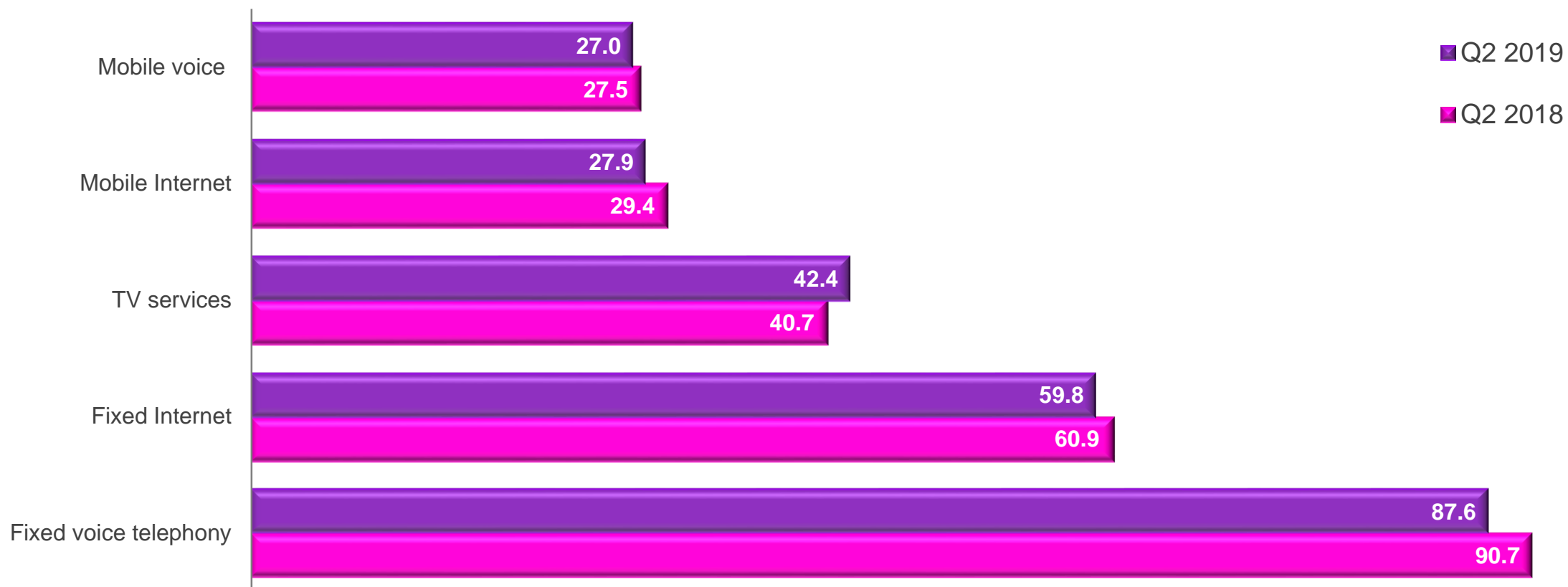
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q2 2019 (%)



Source: Report of the Communications Regulatory Authority



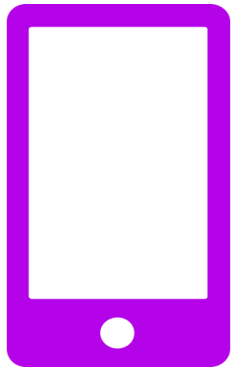
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



43.2%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
98,374 million MB
of data per quarter)



2.8%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **74.6%** of all
fixed Internet connections)



12.5%
(y-o-y)

Growing number of
IPTV users

(accounts for **40.3%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



130.8

mobile communications
subscribers



28.1

fixed telephony lines
(households)



49.2

broadband **Internet**
access



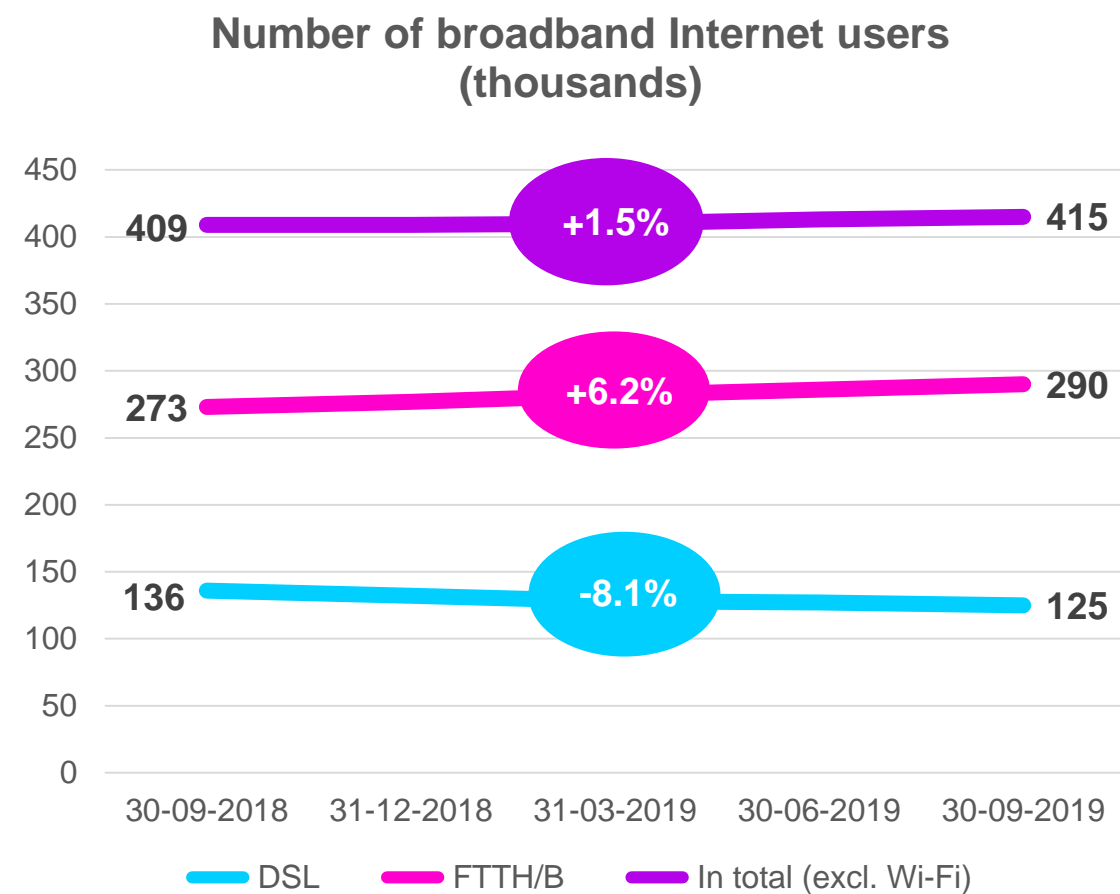
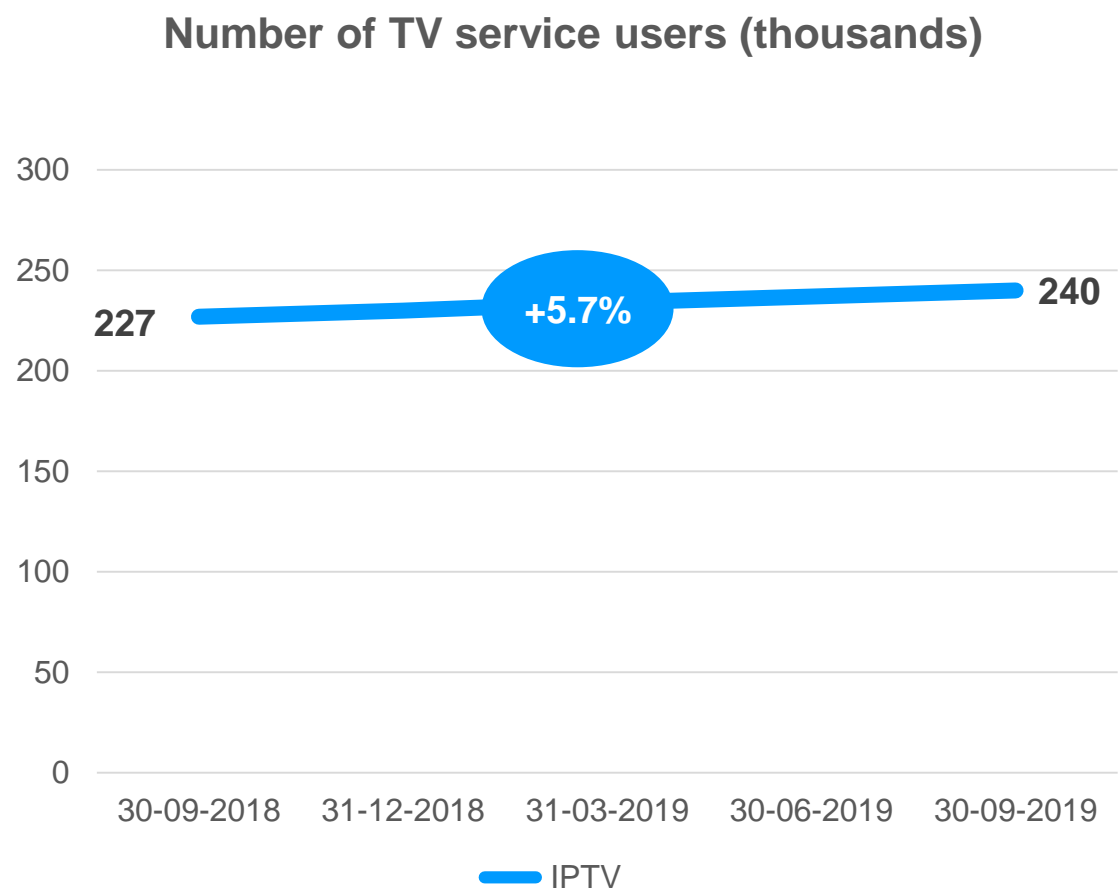
50.1

pay-TV subscribers
(households)



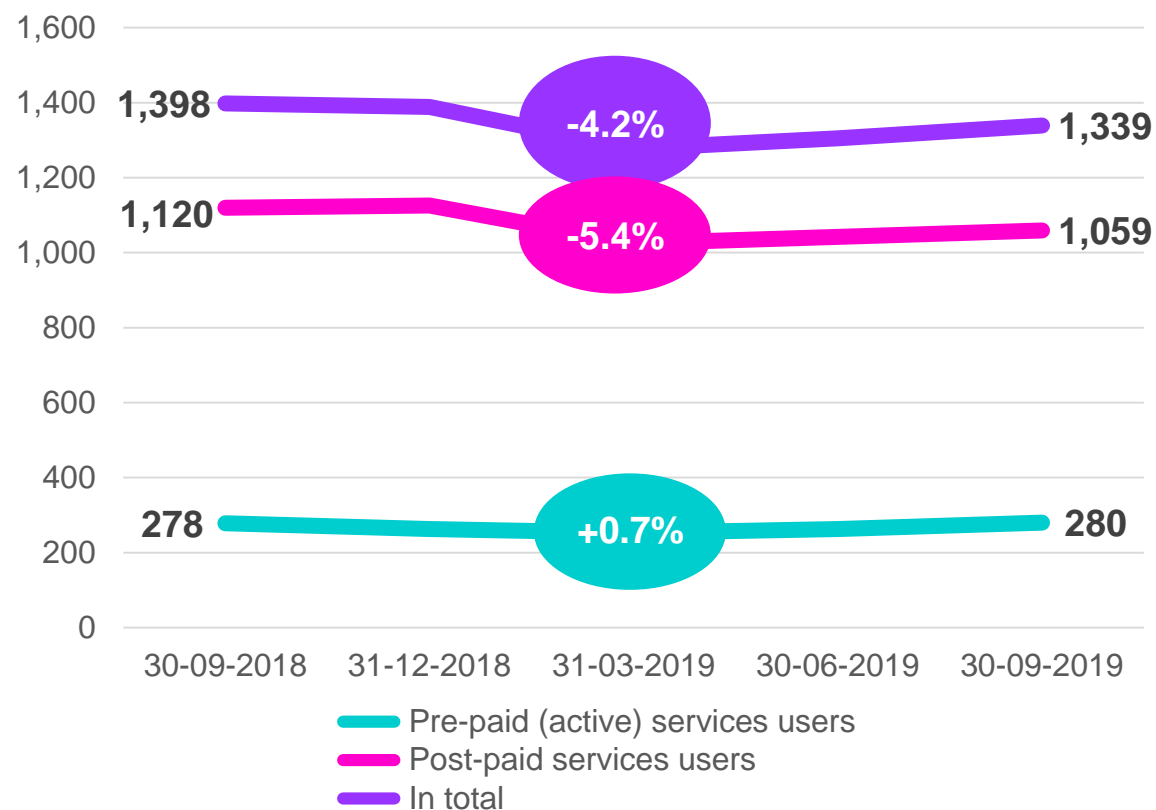
OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

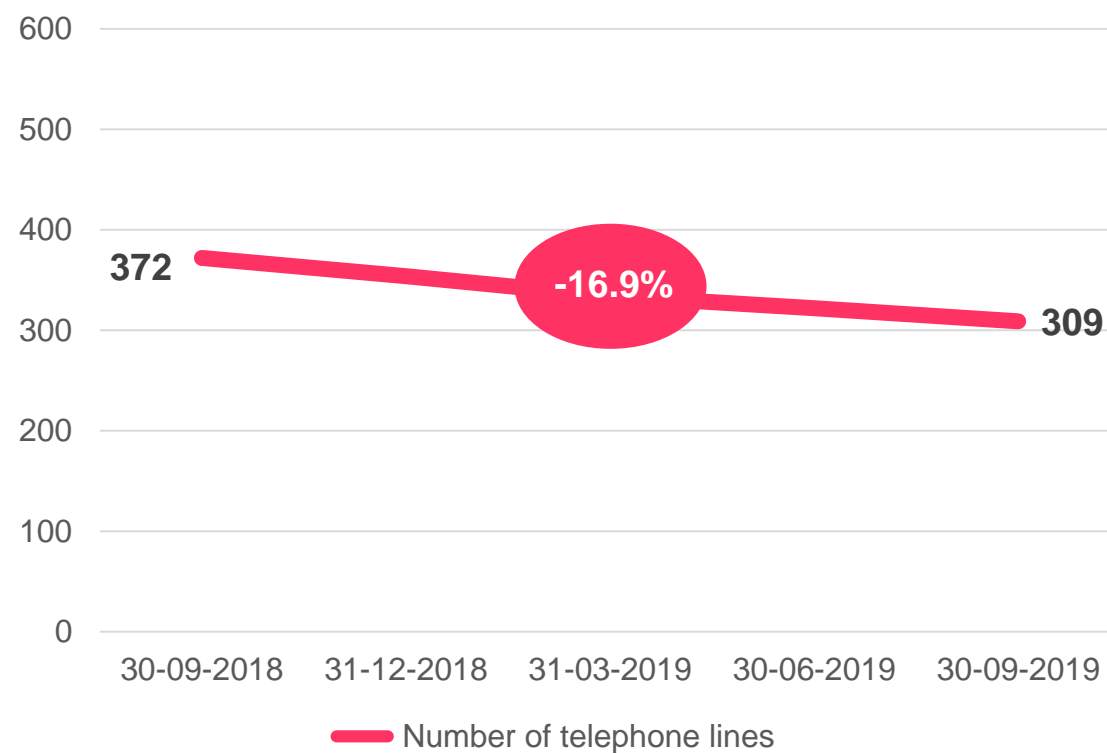


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users* (thousands)



Number of fixed telephone lines (thousands)

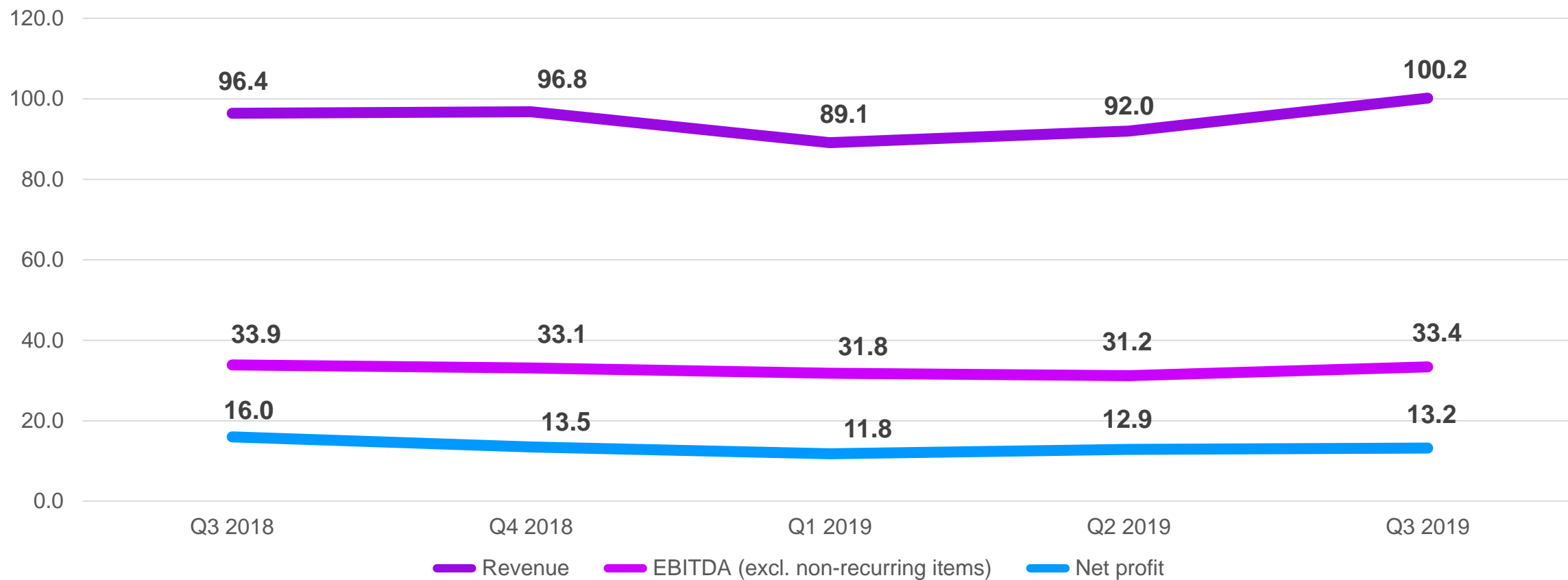


Note. * In Q1 2019 the Company changed treatment of active users and took off 114 thousand subscriptions



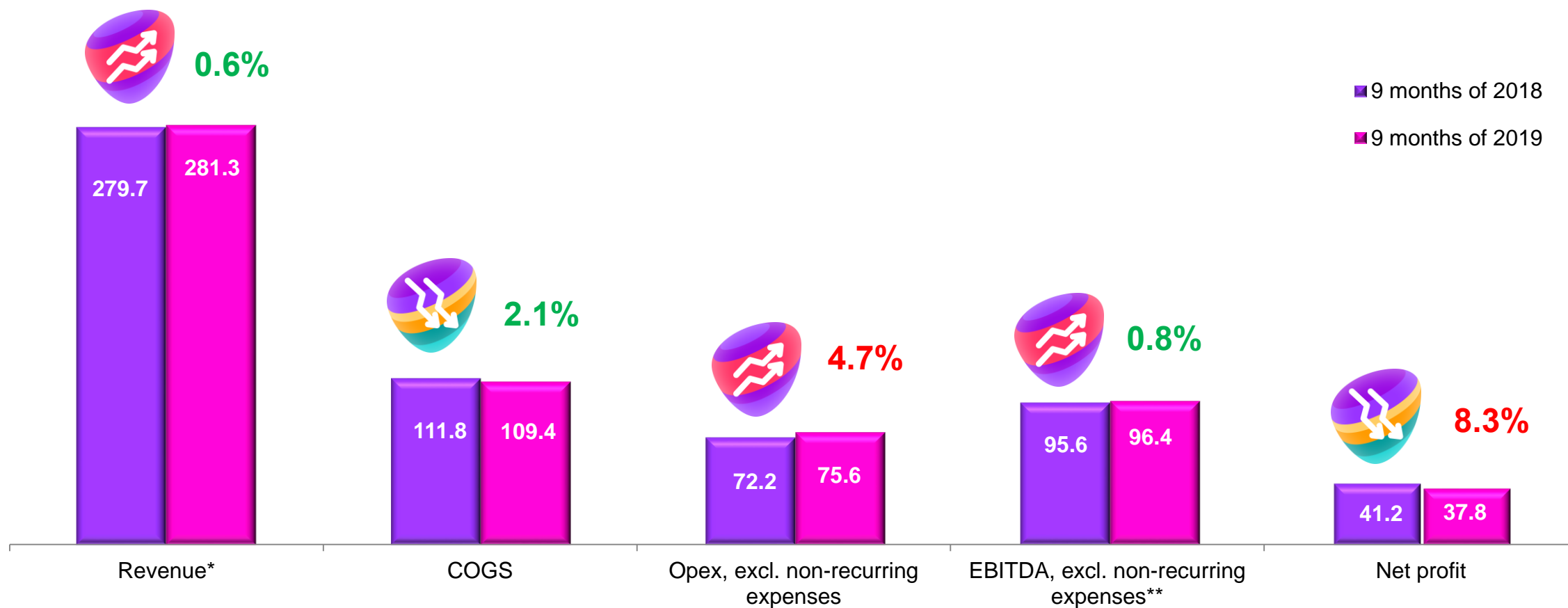
REVENUE, EBITDA & NET PROFIT

(EUR million)



DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



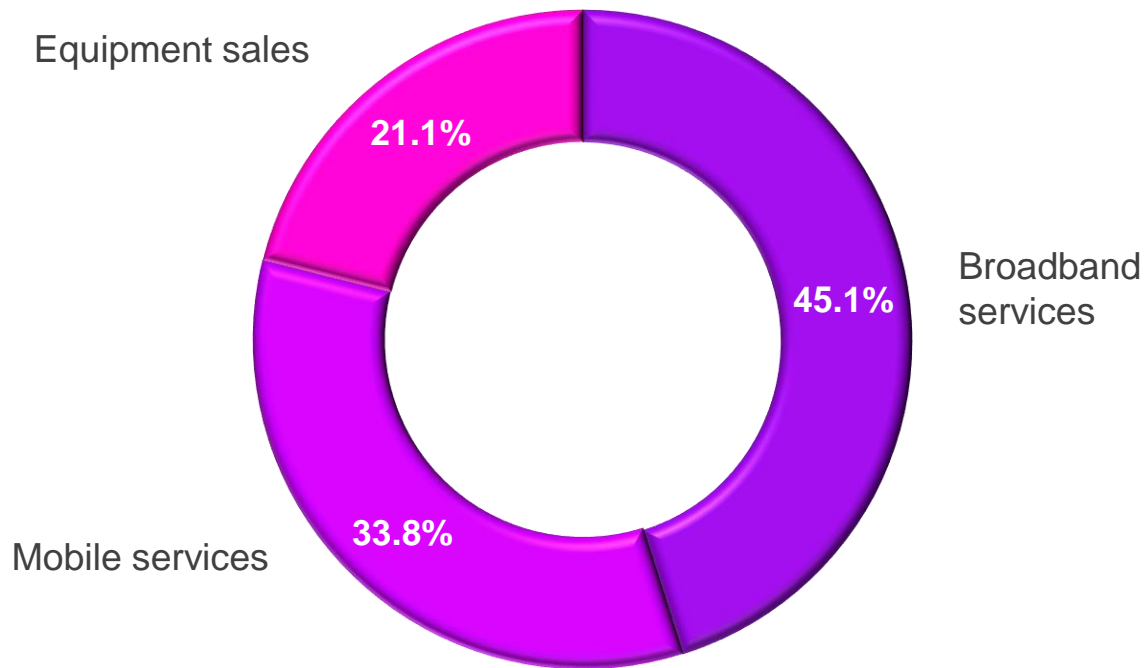
NOTES:

* Revenue excl. voice transit services grew by 3.5%

** EBITDA, excl. non-recurring and impact of IFRS 16, fell 5%



9 MONTHS OF 2019 REVENUE BREAKDOWN



B2B

38.7%



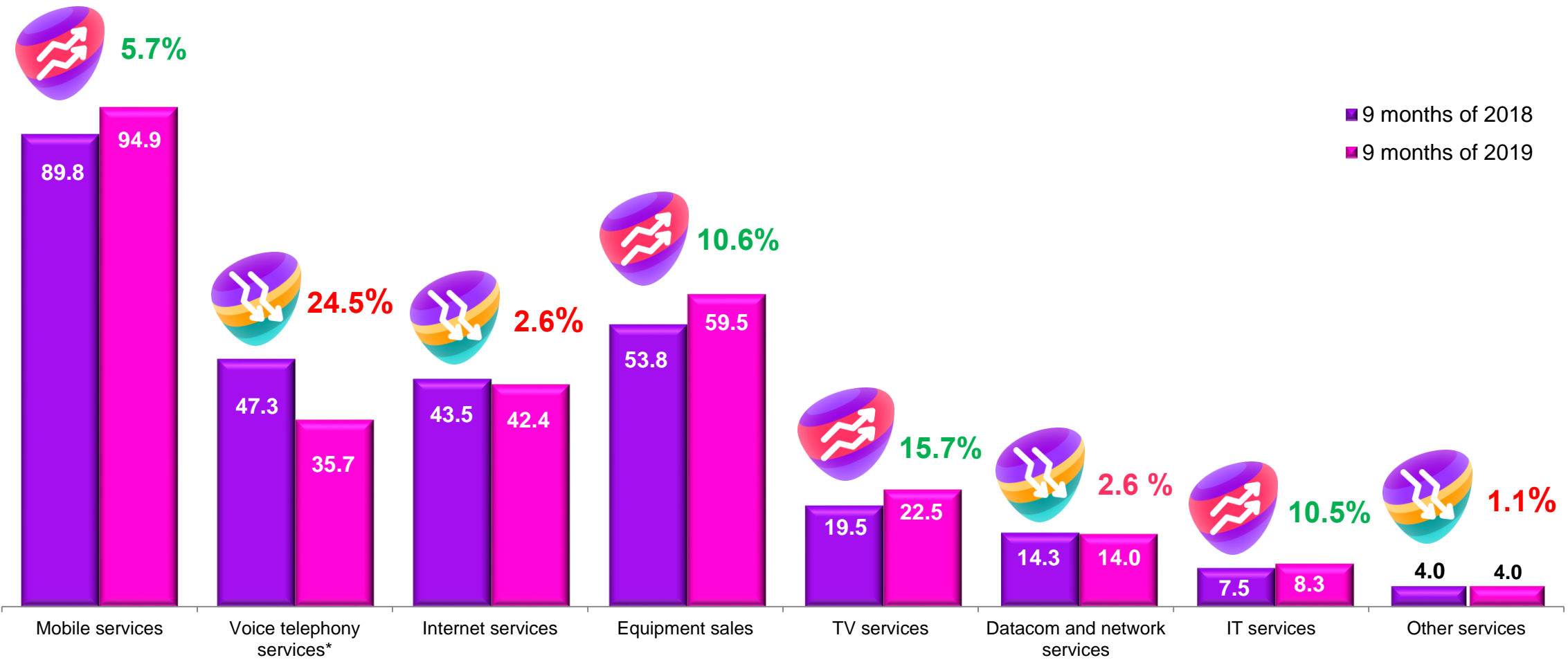
B2C

59.5%



REVENUE BY SERVICES

(EUR million)

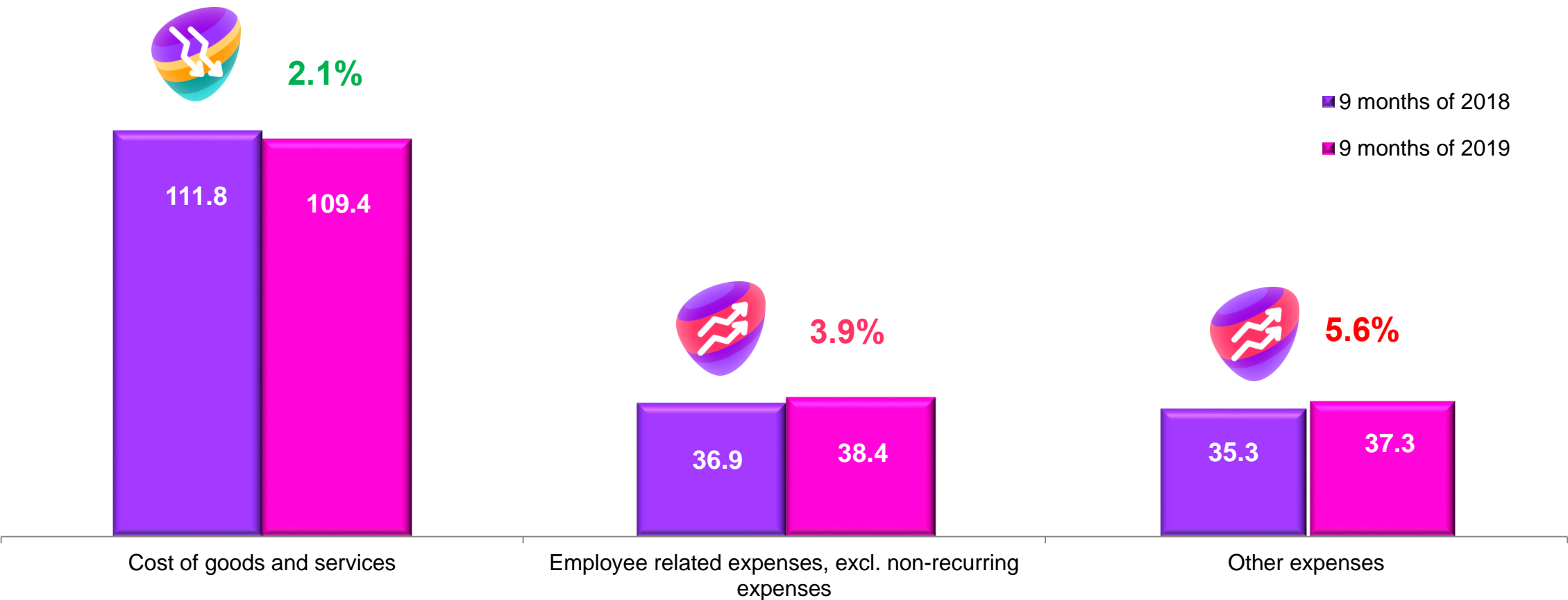


NOTE: Voice telephony revenue excl. networks' interconnection services were down by 16.6%



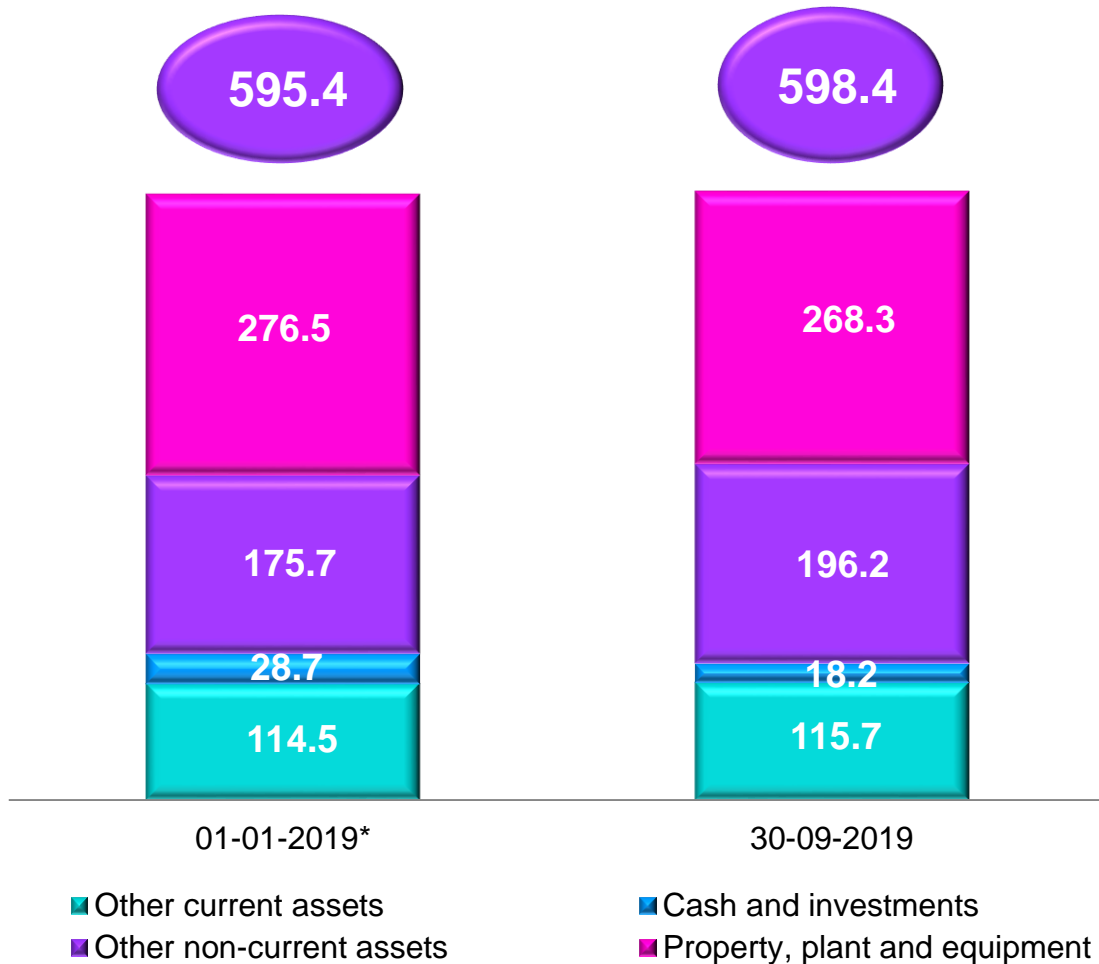
OPERATING EXPENSES

(EUR million)



ASSETS

(EUR million)



- During 9 months of 2019, **total assets** increased by 0.5%
- **Non-current assets** amounted to 77.6% of total assets (30-09-2019)
- **Cash** alone amounted to 3%
- **Return on capital employed:** 13.1%
- **Return on average assets:** 10.1%

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



EQUITY AND LIABILITIES

(EUR million)



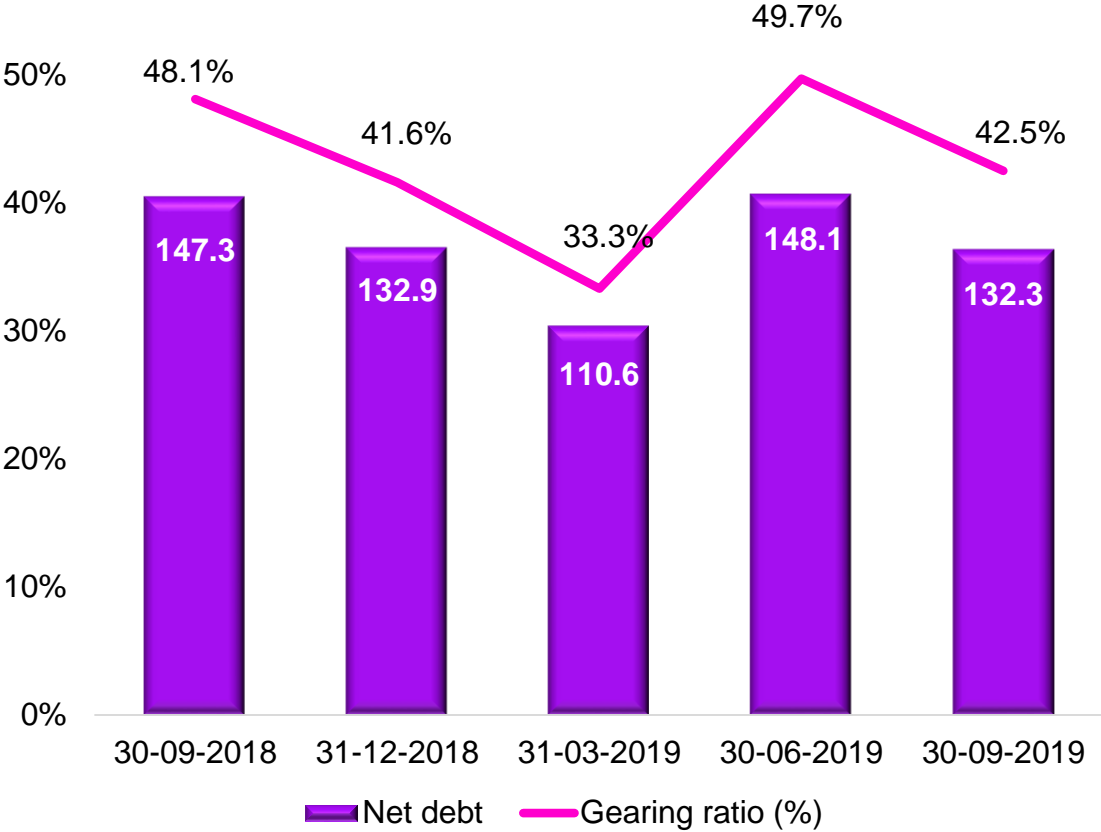
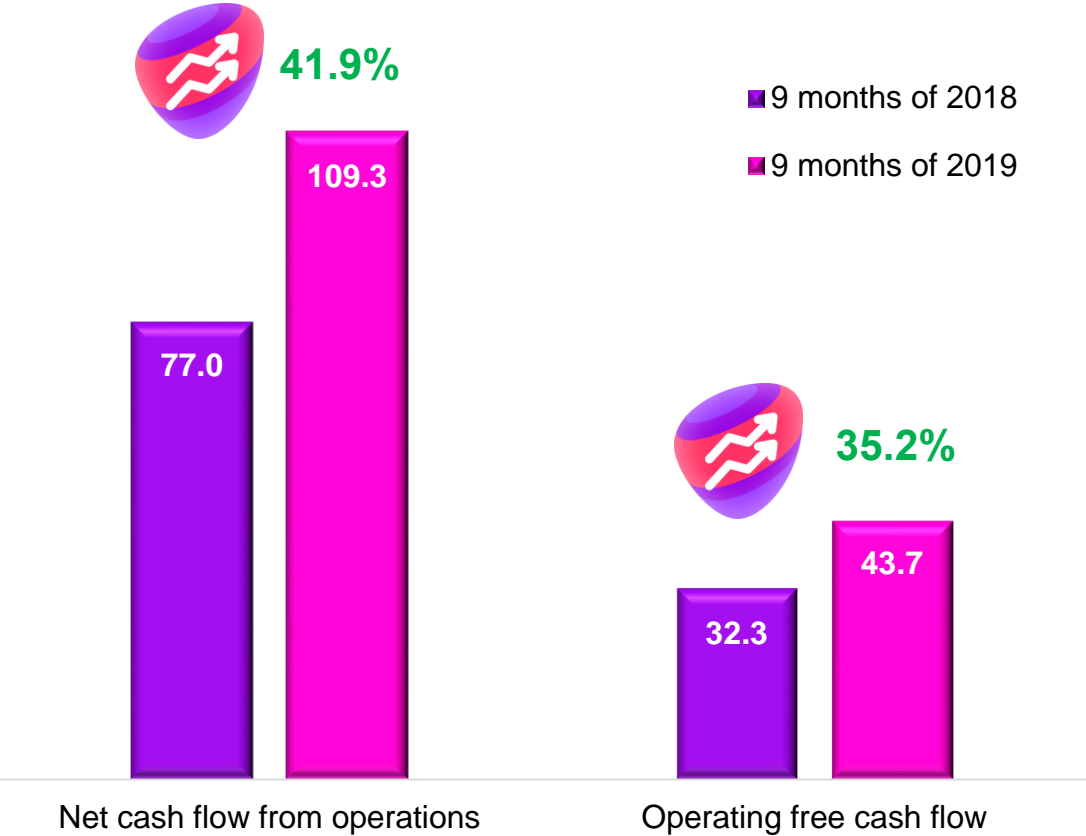
NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019

- Shareholders' **equity** amounted to 52% of the total assets (30-09-2019)
- Total **borrowings** (30-09-2019) amounted to EUR 150.5 million: EUR 105 million – bank loans, EUR 5 million – short-term loan from Telia Company, EUR 37.9 million – vendor financing and EUR 2.6 – financial lease.
- **Gearing ratio**: 42.5%
- **Debt to equity**: 48.4%
- **Return on equity**: 16.3%

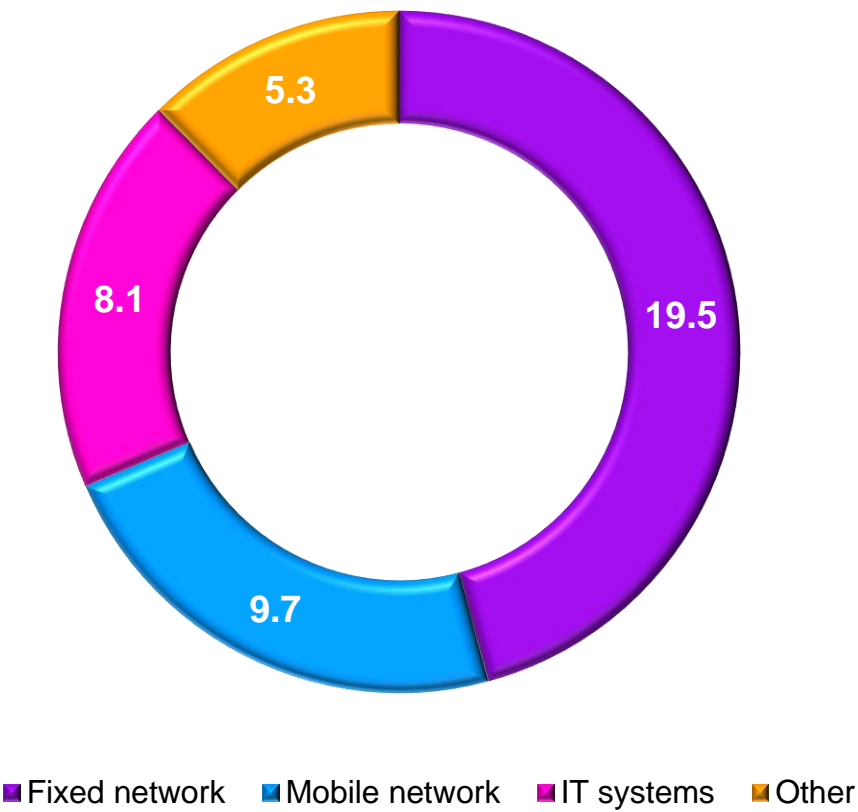
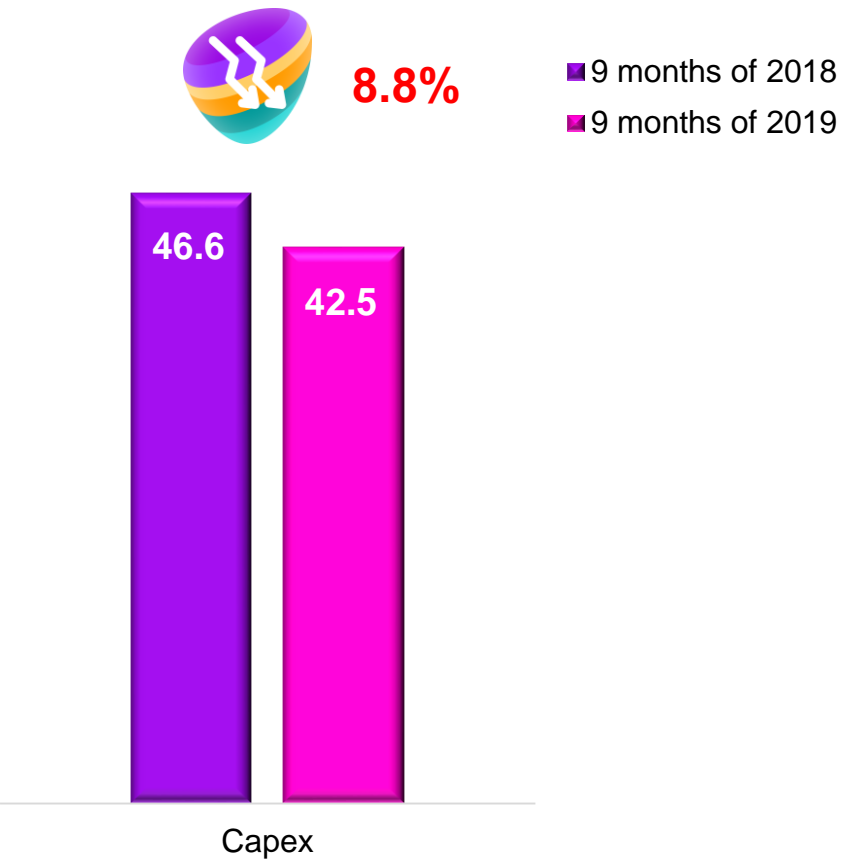


CASH FLOW & NET DEBT

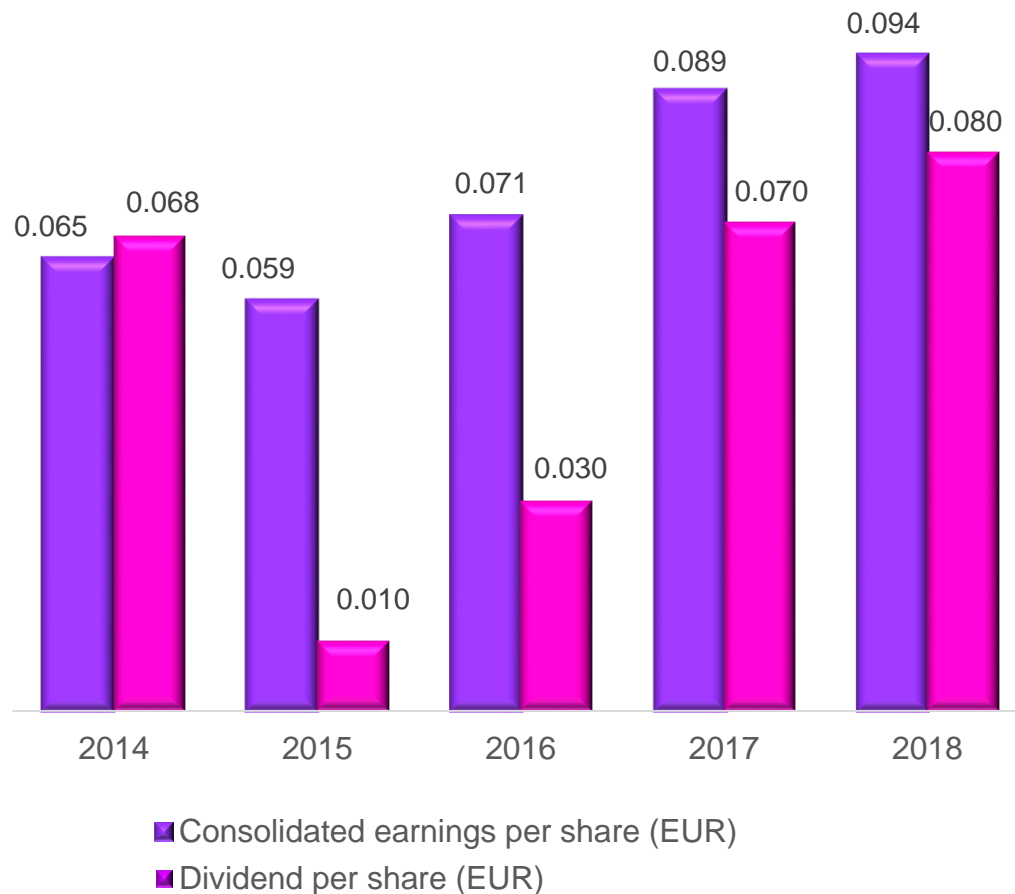
(EUR million)



CAPEX & CAPEX BREAKDOWN FOR 9 MONTHS OF 2019



DIVIDENDS



- Earnings and dividends are allocated 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**
- On 26 April 2018, the Annual General Meeting of Shareholders decided to pay-out **EUR 46.6 million** or **EUR 0.08 per share of dividends** for the year 2018



SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes. The top-left stripe is red. Below it is a wide purple stripe. Further down is a thinner, lighter purple stripe. The bottom-right corner features a yellow stripe.

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 almost **11 thousand**

Shareholders as of 30-09-2019

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

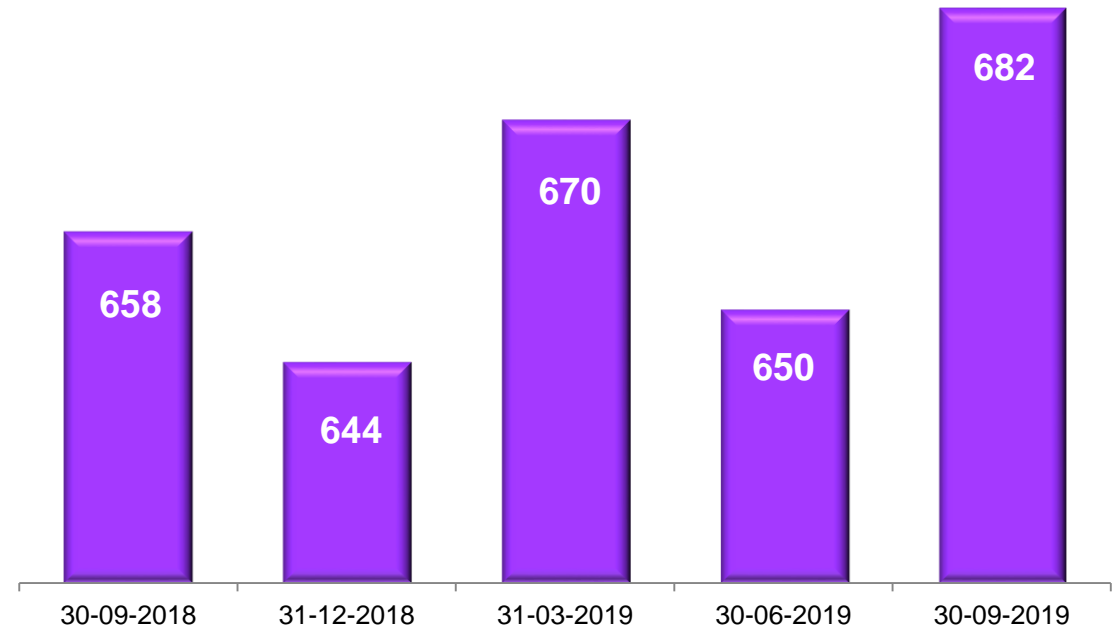


SHARES

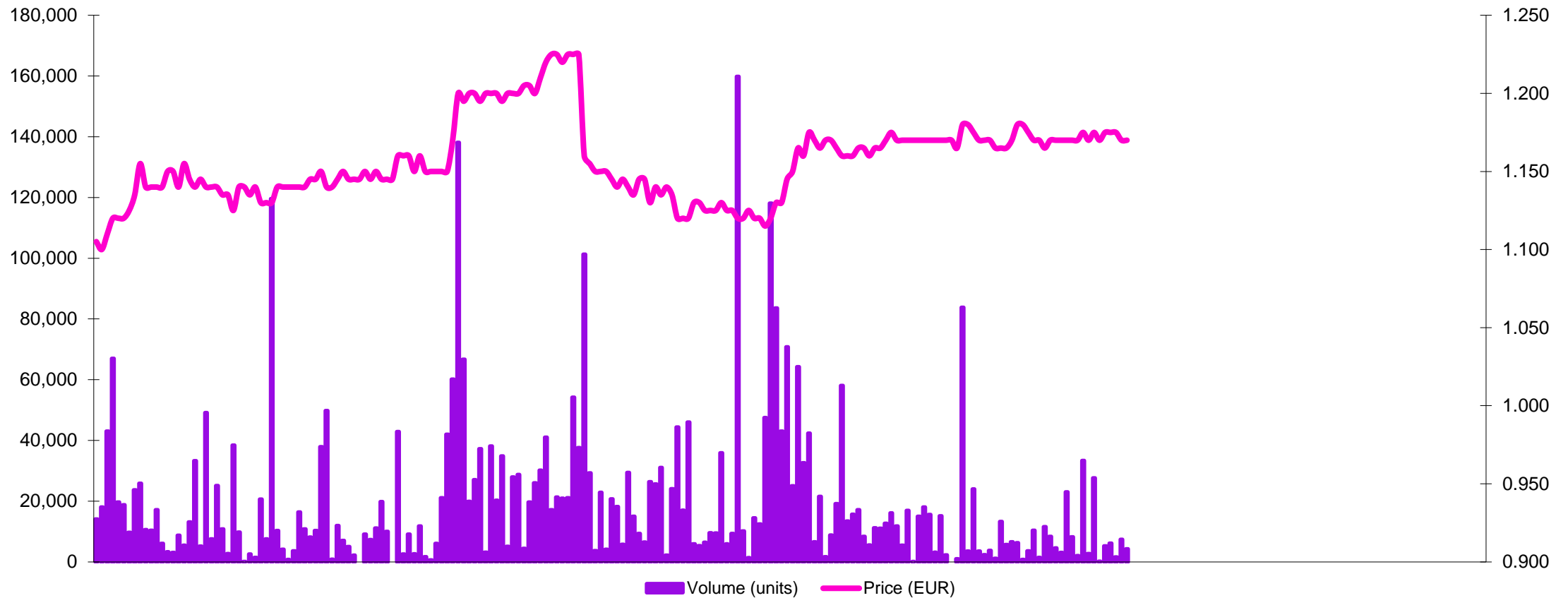
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-September of 2019: 3.8 million of shares or EUR 4.4 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2019	1.110
High	1.225
Low	1.095
30-09-2019	1.170

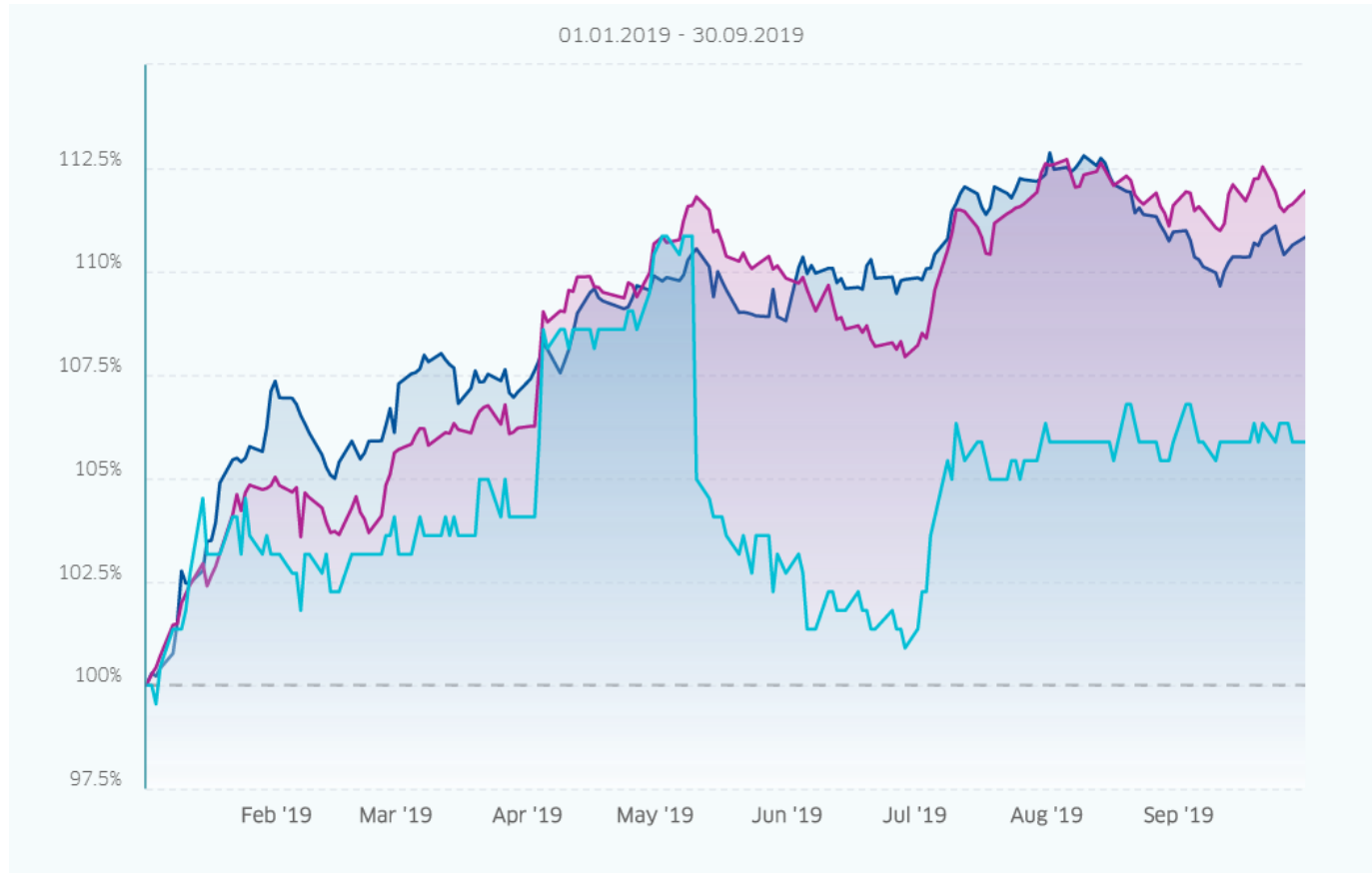
Market capitalization (EUR million)



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

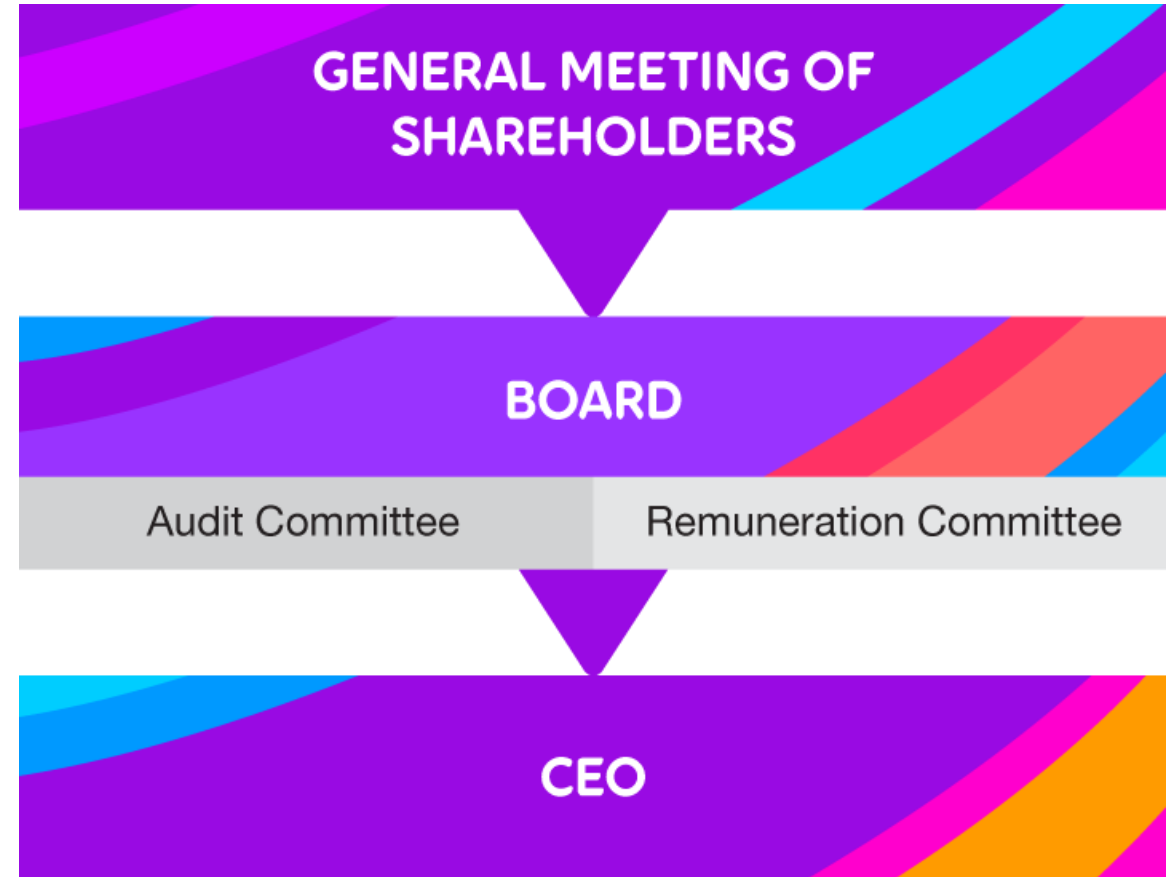


CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors transition from a deep purple to a bright blue, then to a pale yellow, and finally to a vibrant orange. A small portion of a teal color is visible in the bottom right corner. The overall effect is a modern, dynamic, and colorful abstract design.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders was held on 26 April 2019
- The **Board** consist of 6 members elected for the 2 year term
- Upon termination of the 2 years' term of the Board, shareholders **re-elect all members of Board** for a new 2 year 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 **Head of B2C, Nortautas Luopas**, stepped in in August 2019



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



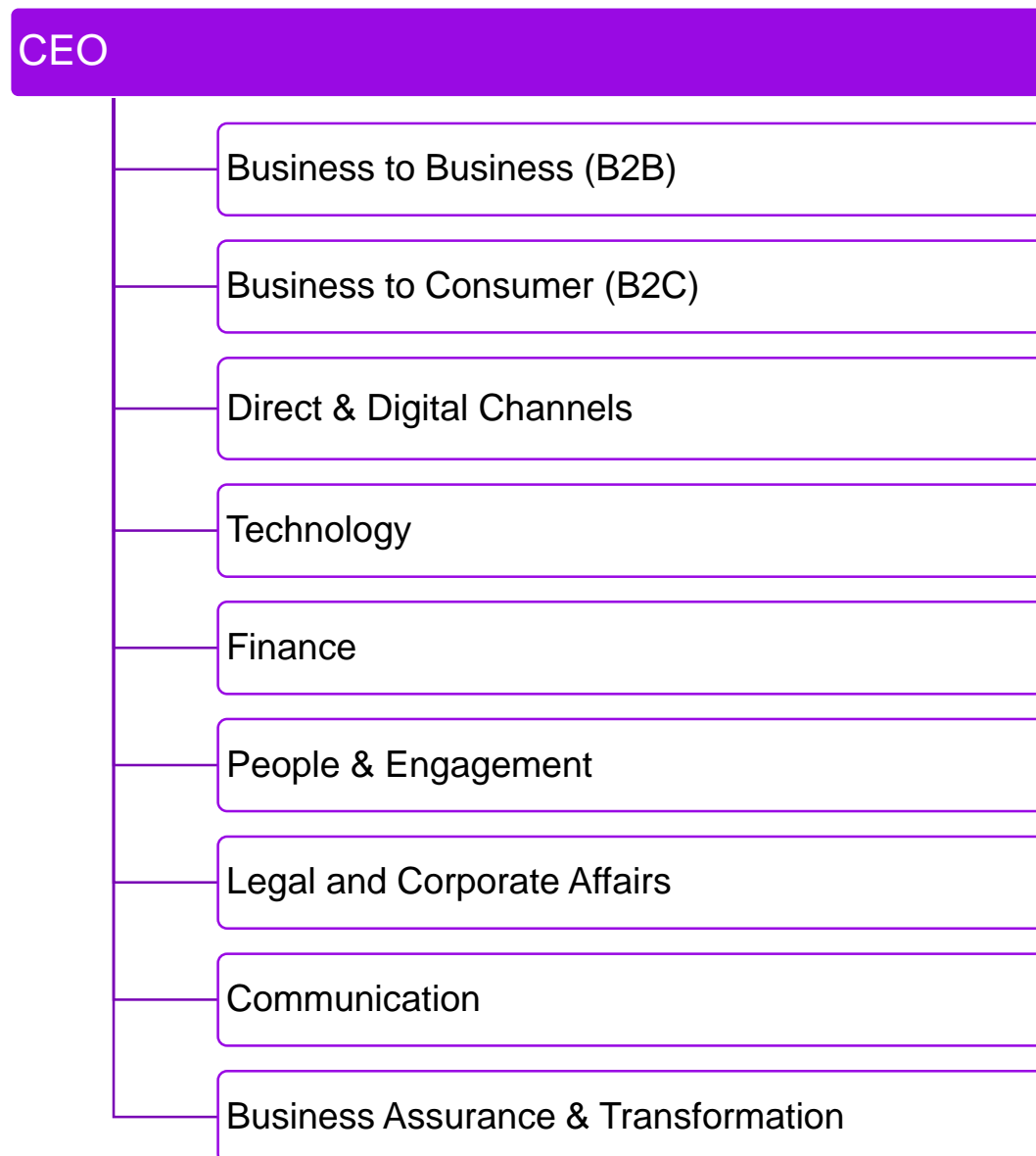
Mindaugas Glodas (born in 1972),
Independent member of the Board,
Member of the Audit and
Remuneration Committees

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



GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2019



MANAGEMENT TEAM



Dan Strömberg,
CEO



Giedrė Kaminskaitė-Salters,
Head of Direct & Digital
Channels



Daniel Karpovič,
Head of B2B



Nortautas Luopas,
Head of B2C



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



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





ZERO
WASTE



ZERO
CO₂



100%
ACTION

**SUSTAINABILITY TARGET -
DARING GOALS 2030**

