



RESULTS FOR THE 9 MONTHS OF 2018

Telia Lietuva, AB Group



A man in a dark t-shirt and pants is running on a paved road, holding a brown suitcase and a hat. He is running away from the camera, towards the horizon. The road is flanked by dry, hilly terrain under a clear blue sky. The man's shadow is cast on the road behind him.

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

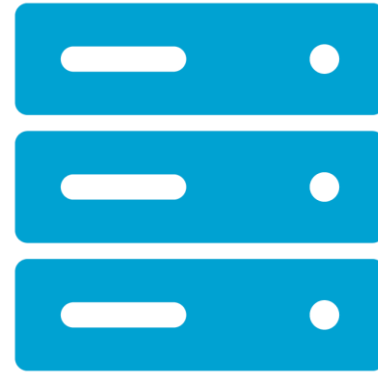
TELIA LIETUVA MEANS:



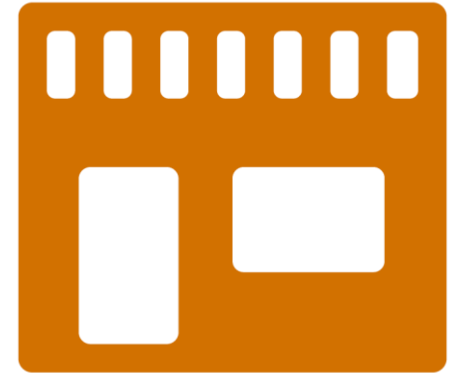
Wide range of
services



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



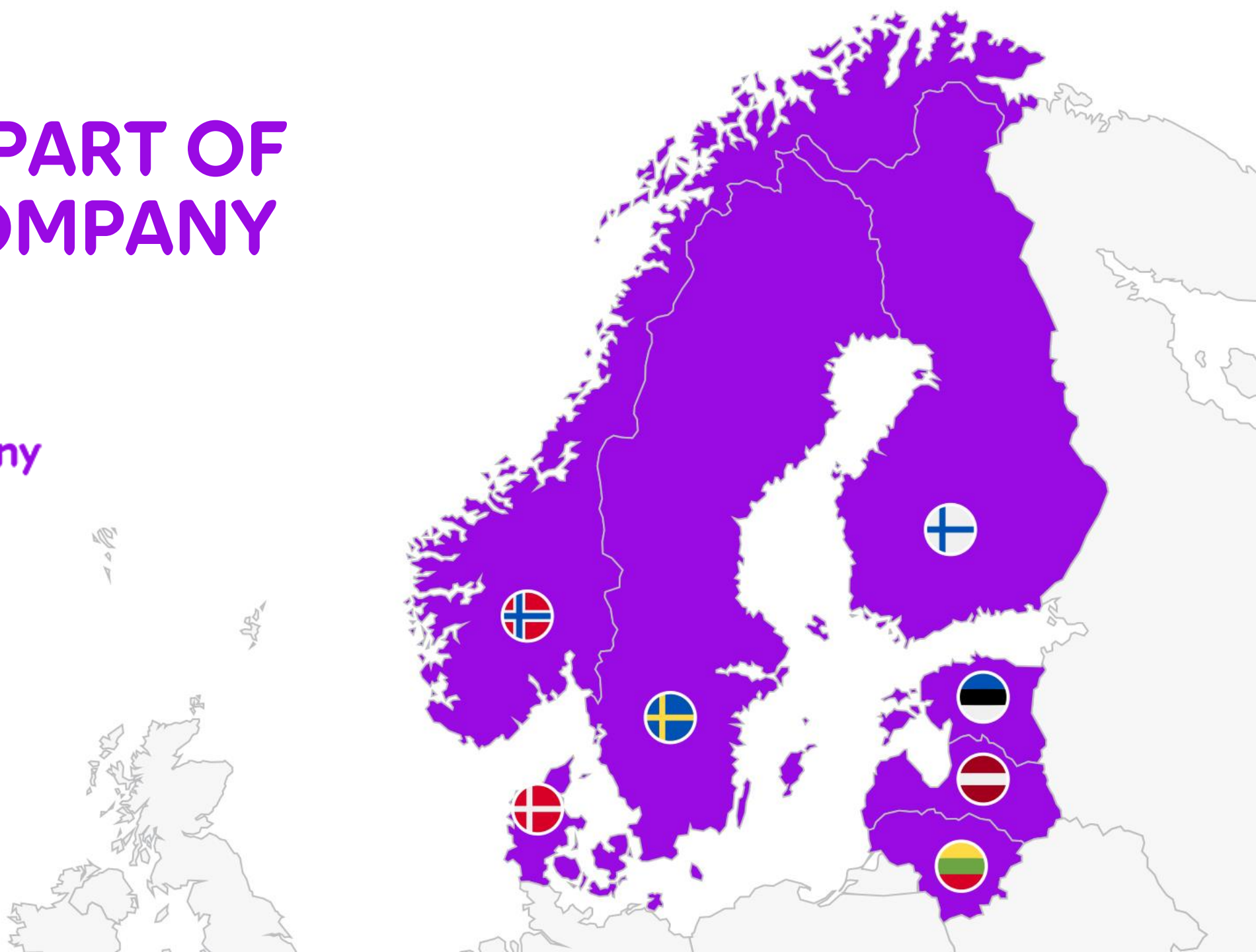
Team of almost
3,000 professionals



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, UAB	100 %
UAB Verslo Investicijos	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
- **Verslo Investicijos** implements an investment project in Vilnius, at Lvovo str. 21A
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai** creates a platform for instant payments (Tele2 and Bitė Lietuva owns 33.3% each)
- On 1 June 2018, **Telia Global Services Lithuania** was sold by Telia Lietuva to Telia Company. Prior to that, 196 employees of Telia Lietuva were moved to Telia Global Services Lithuania and it became a Vilnius based services center of Telia Group



HIGHLIGHTS OF Q3 2018

- On 4 July 2018, **Dan Strömberg** stepped in as a **new CEO of Telia Lietuva** following the resignation of Kęstutis Šliužas
- In August, Telia Lietuva brought an award-winning series and movies from **HBO to Lithuania**
- From August, renewed **pre-paid** mobile communication service “Ežys” offers **simplified payment plans**
- Mobile **instant payment platform MoQ**, created by 3 Lithuanian telco operators, was **launched** in August
- In September, the Company **terminated provision of** digital terrestrial television (**DVB-T**) **service**
- Almost **25 thousand** customers already have used the unique in the market converged offer “**Telia One**”



OPERATING FIGURES



3.6%

1,398

thousand of
mobile service users



1.5%

412

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



3.0%

244

thousand of
TV service users



13.1%

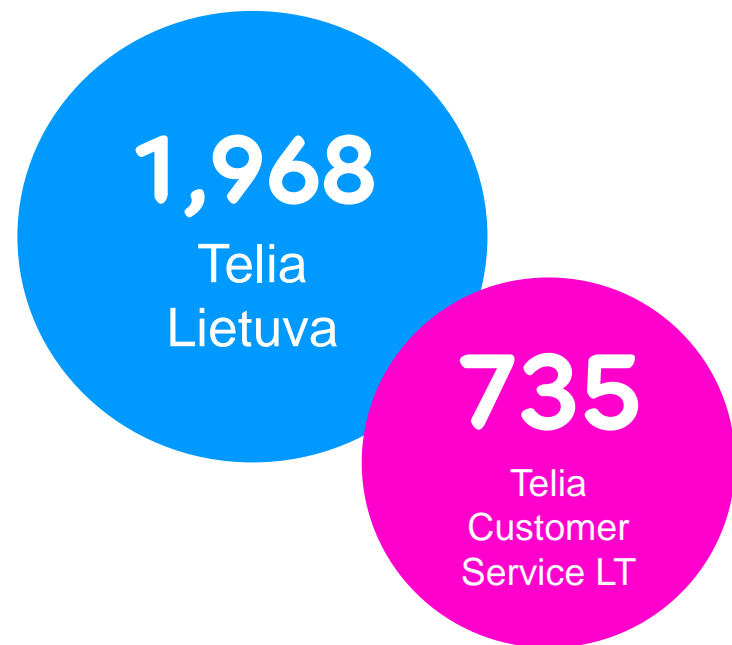
372

thousand of
fixed telephone lines
in service

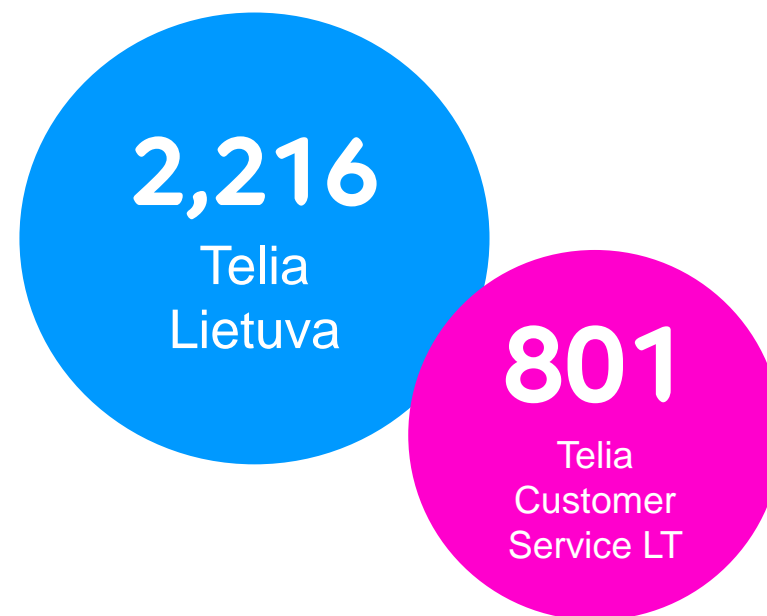
Data as of 30-09-2018 & change (y-o-y)



NUMBER OF EMPLOYEES



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



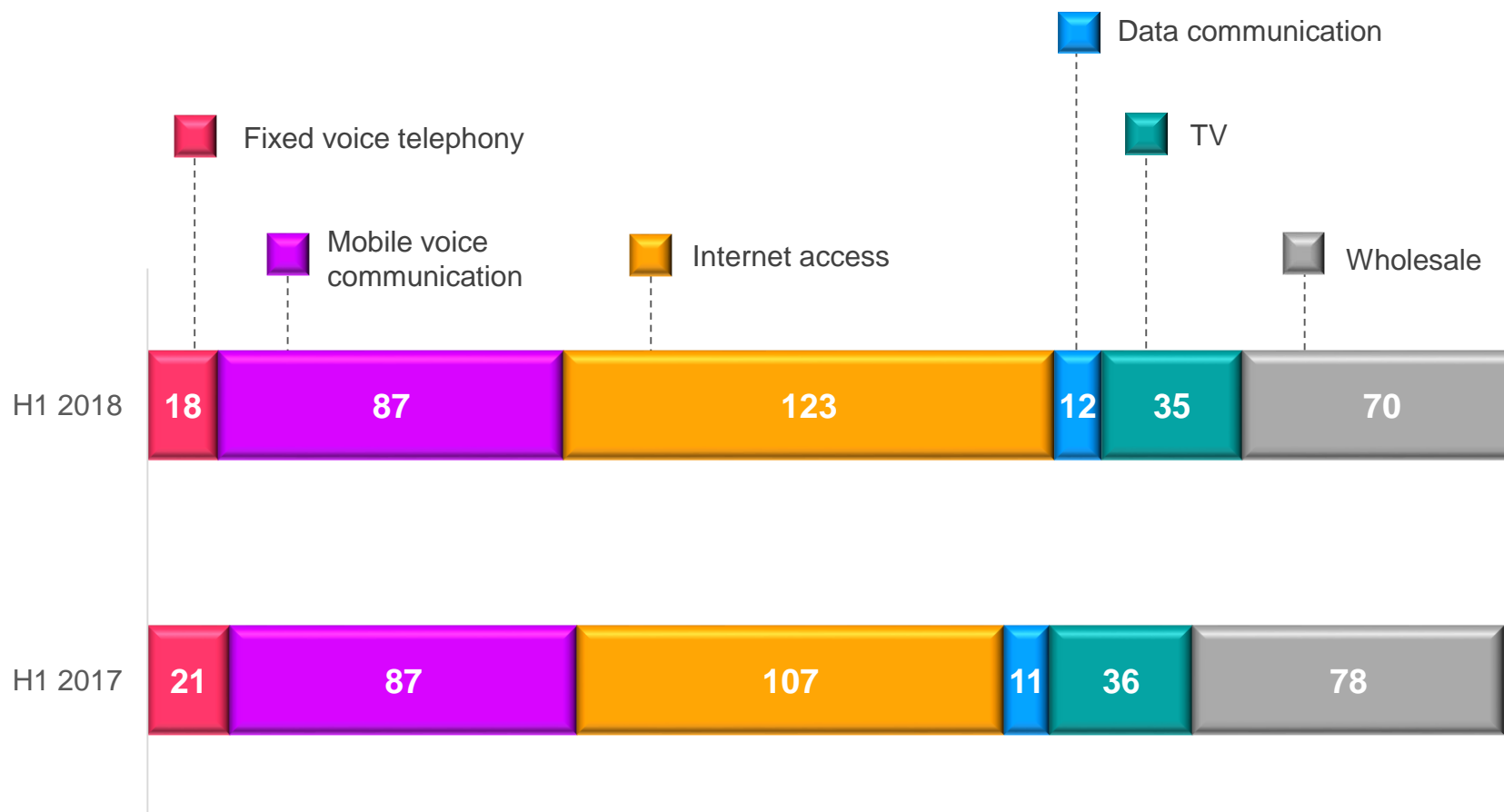
In total **3,017** (30-09-2017)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET

(EUR million)

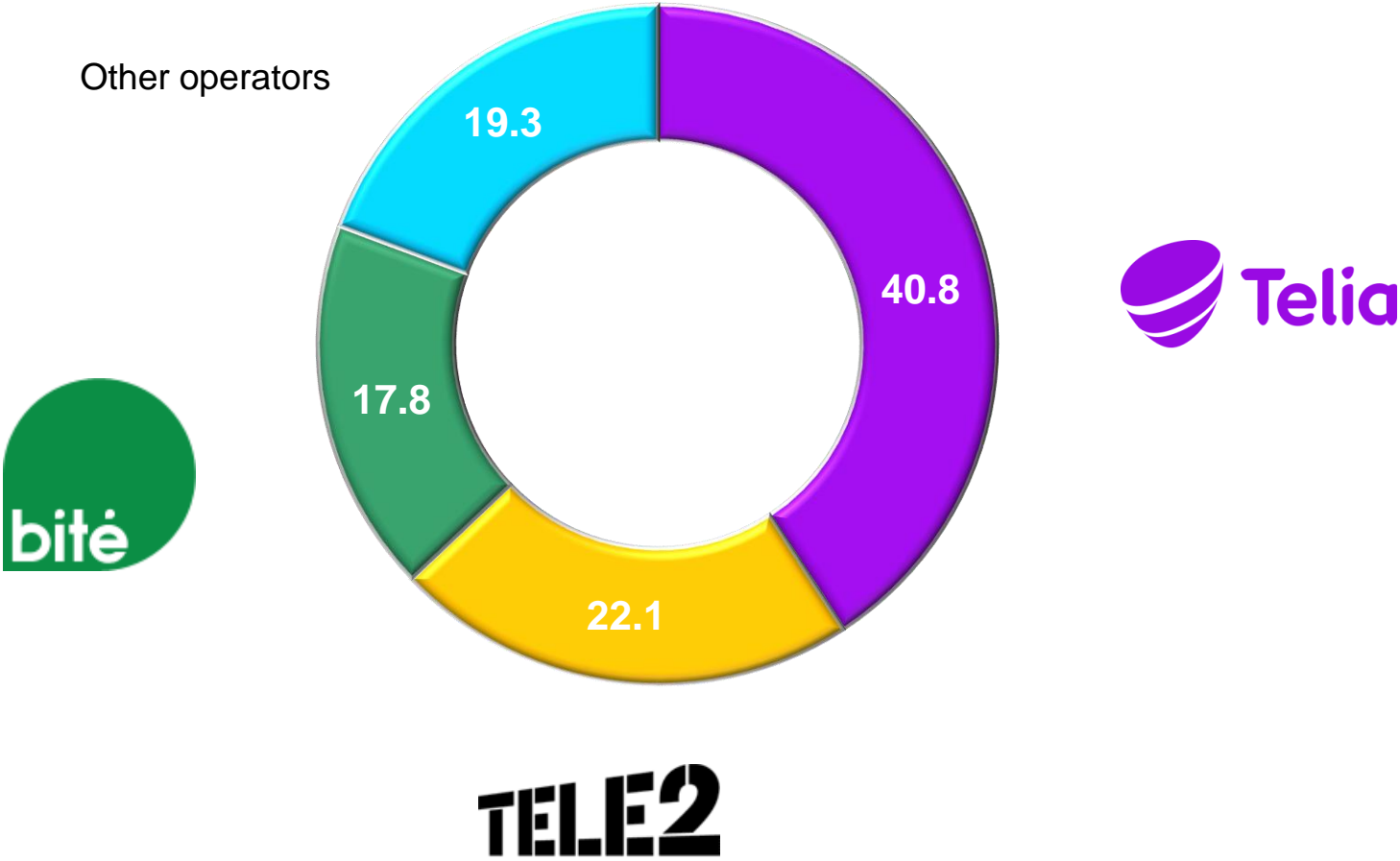


+1.3%

Source: Report of the Communications Regulatory Authority



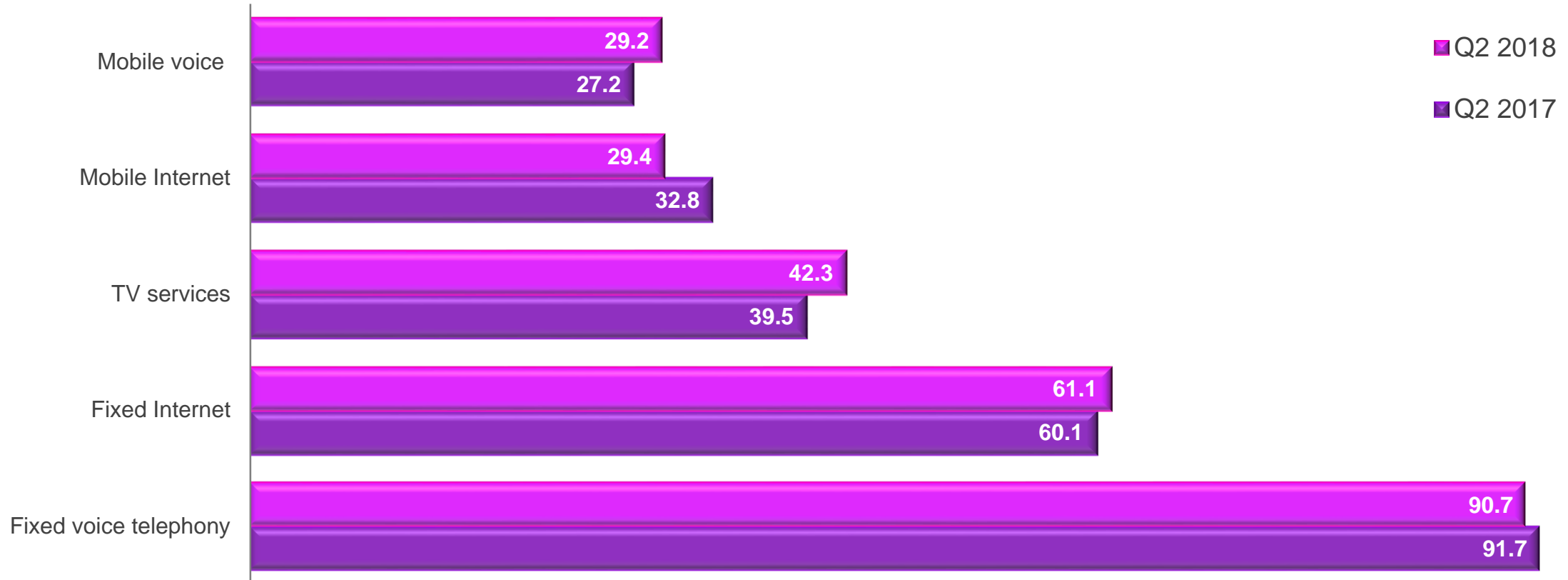
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q2 2018 (%)



Source: Report of the Communications Regulatory Authority



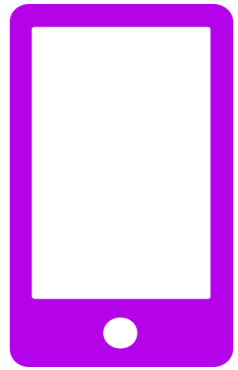
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



60.2%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
68,694 million MB
of data per quarter)



3.4%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **72%** of all
fixed Internet connections)



11.3%
(y-o-y)

Growing number of
IPTV users

(accounts for **34%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



134

mobile communications
subscribers



33.2

fixed telephony lines
(households)



45.4

broadband **Internet**
access



52.0

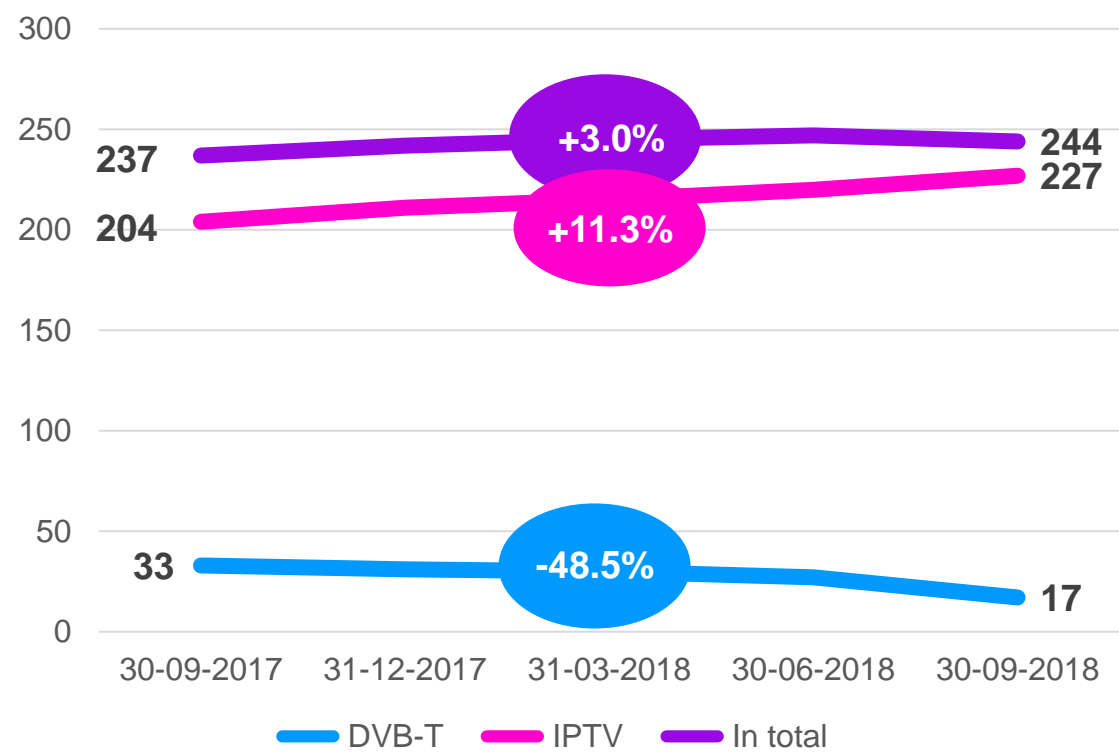
pay-TV subscribers
(households)



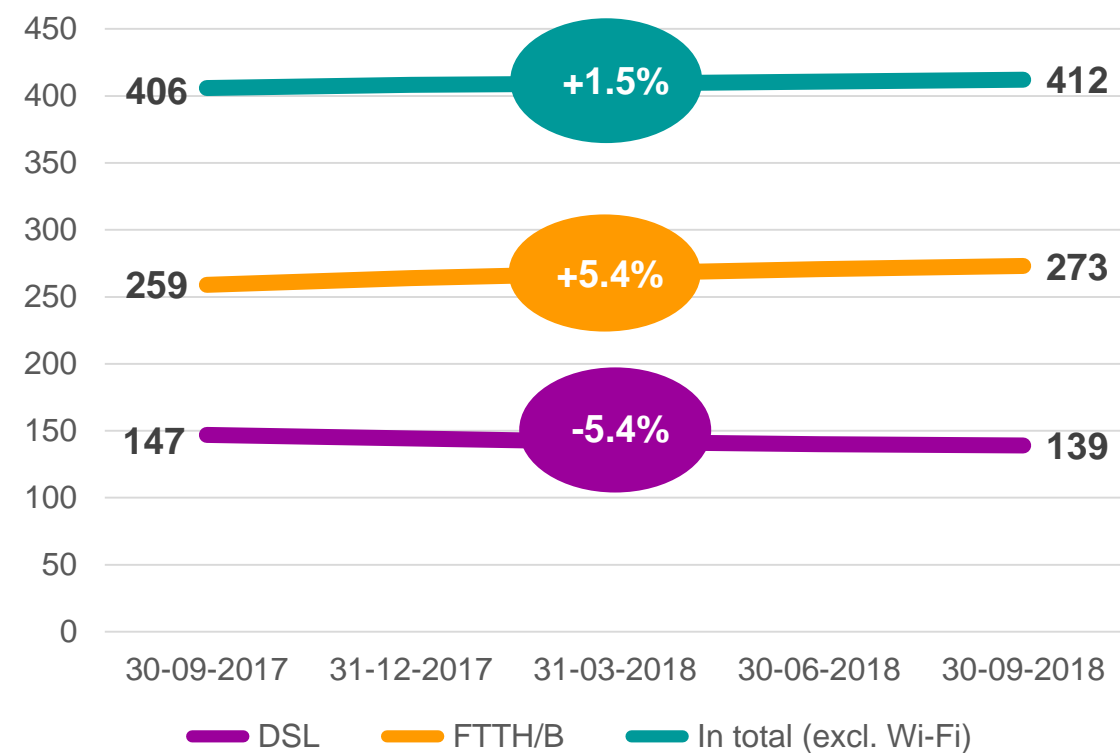
OPERATING AND FINANCIAL RESULTS

CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS

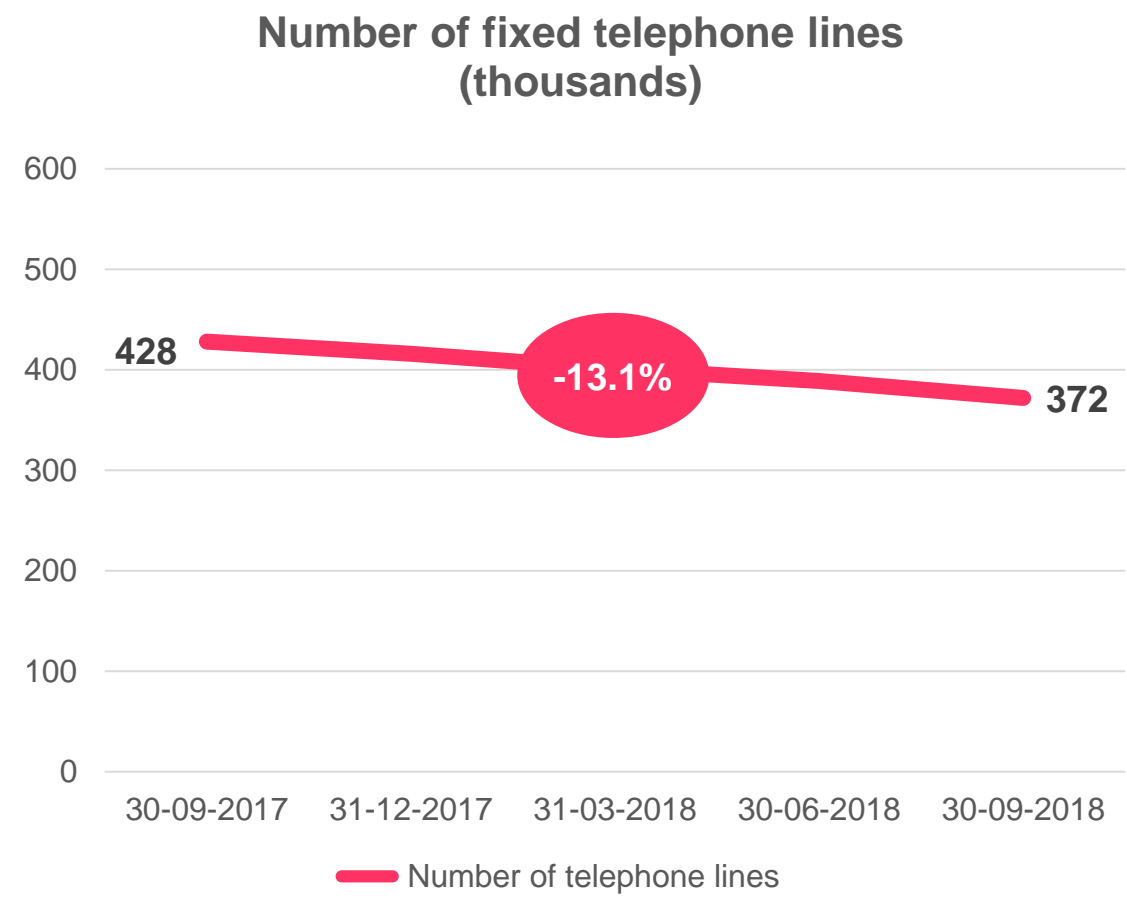
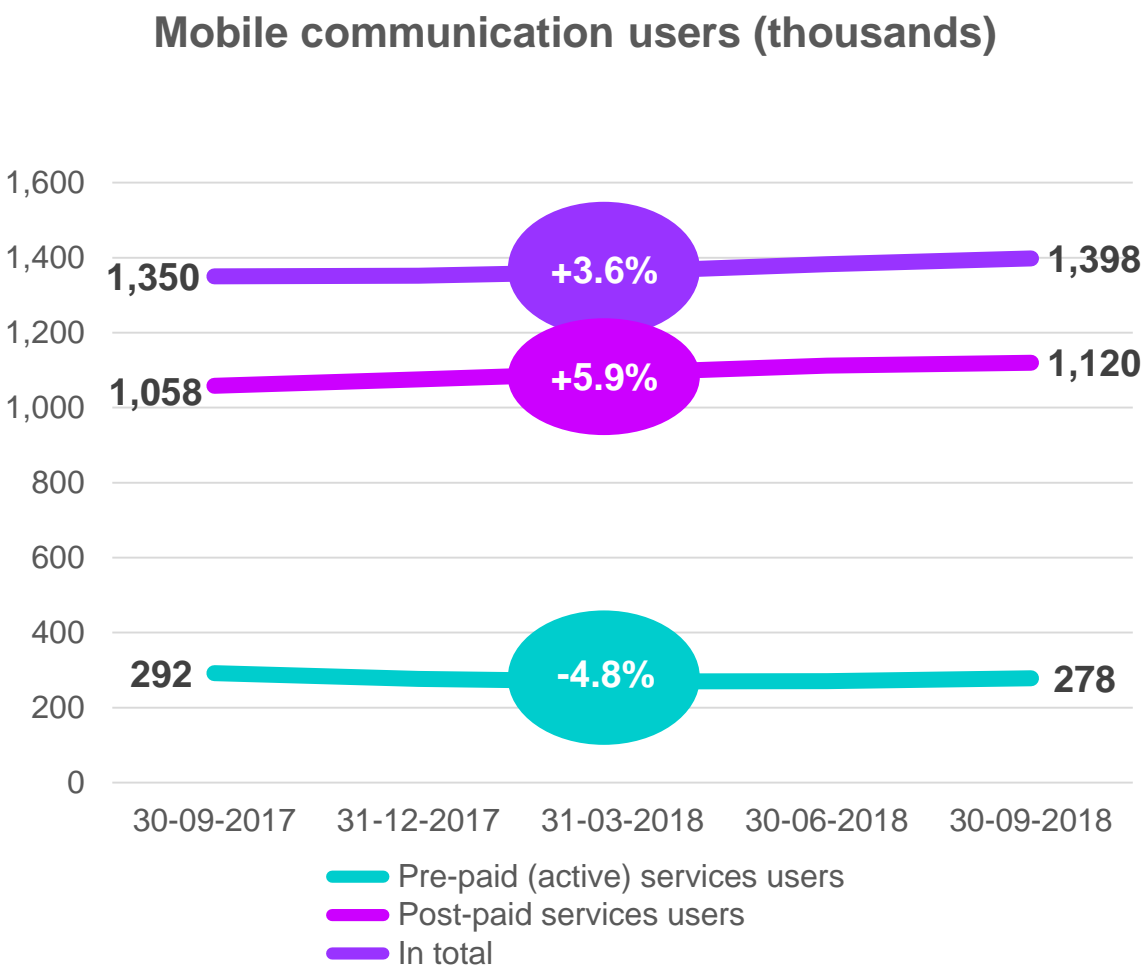
Number of TV service users (thousands)



Number of broadband Internet users (thousands)

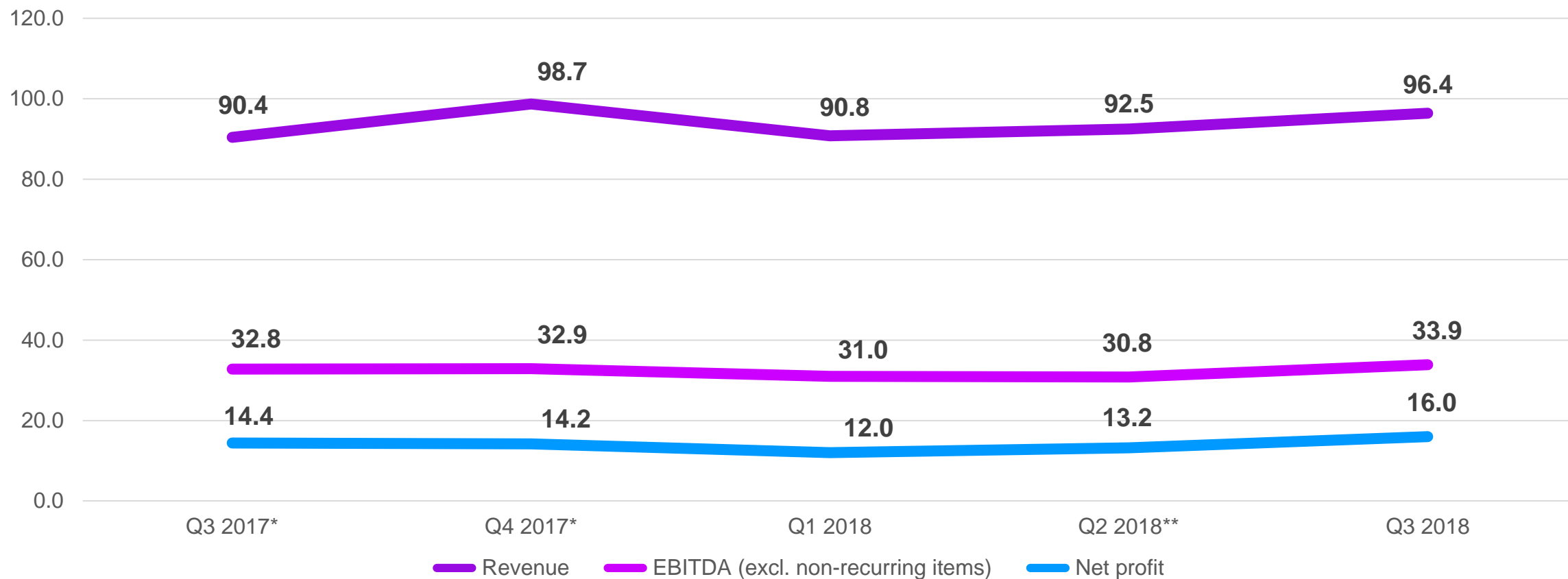


NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING



REVENUE, EBITDA & NET PROFIT

(EUR million)



NOTES:

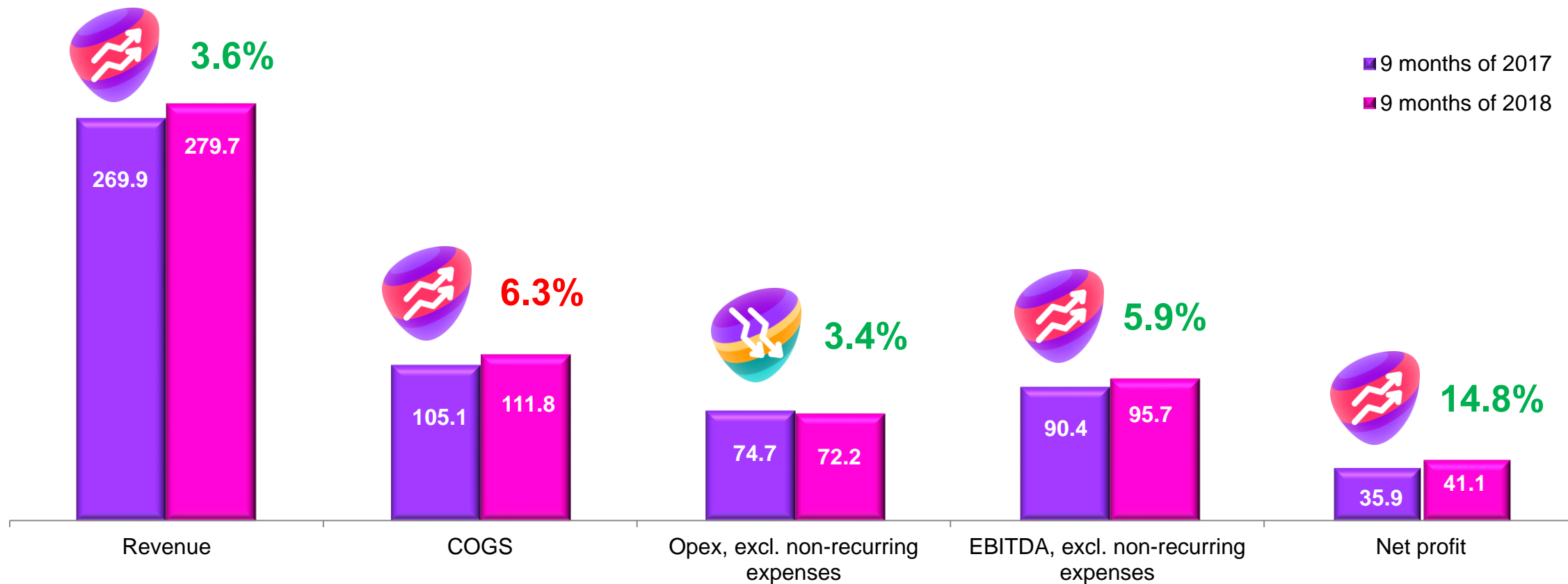
* Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018

** Reported financial data for Q2 2018 is recalculated due to changed treatment of revenue related to subsidiary's disposal



DYNAMICS OF MAIN FINANCIAL INDICATORS

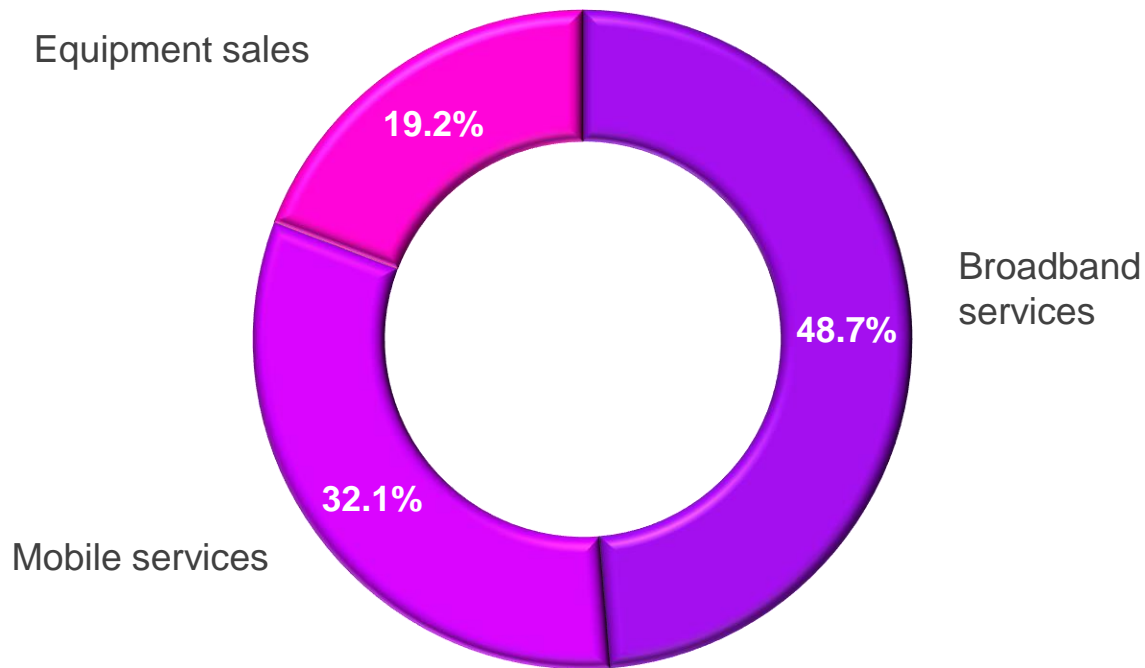
(EUR million)



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



9 MONTHS OF 2018 REVENUE BREAKDOWN



B2B

41.5%



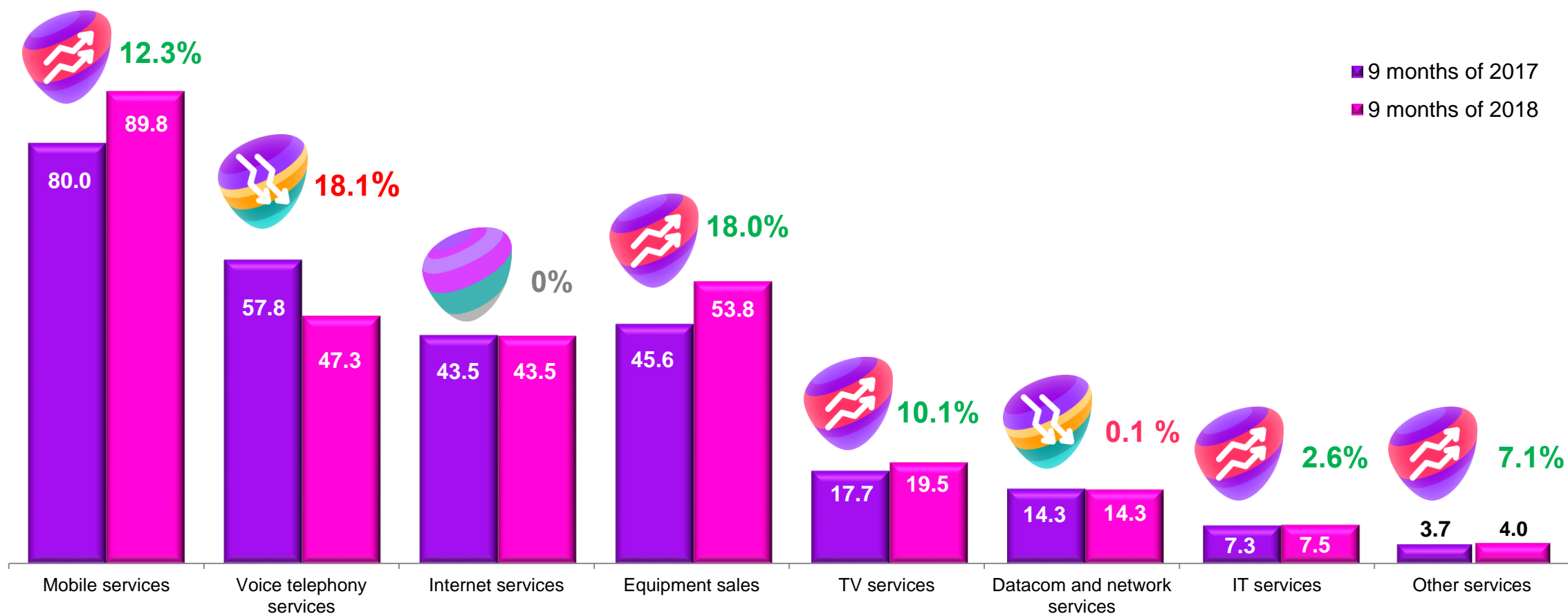
B2C

57.7%



REVENUE BY SERVICES

(EUR million)

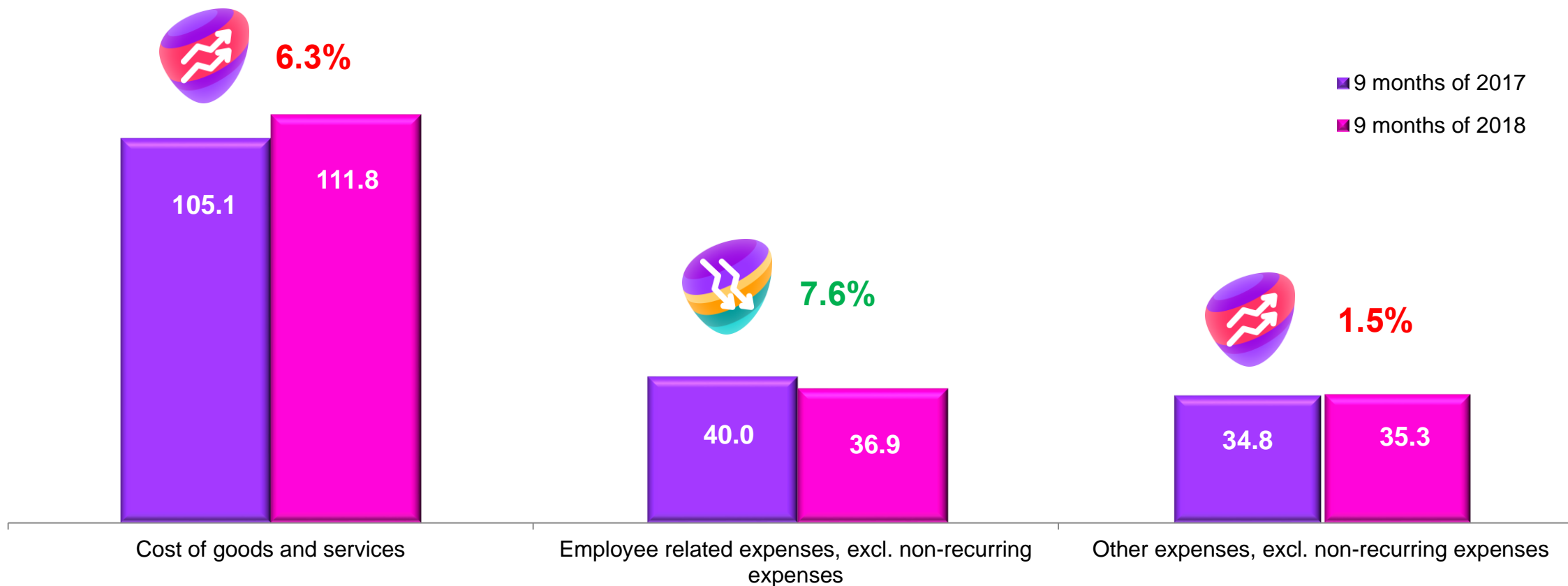


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



OPERATING EXPENSES

(EUR million)

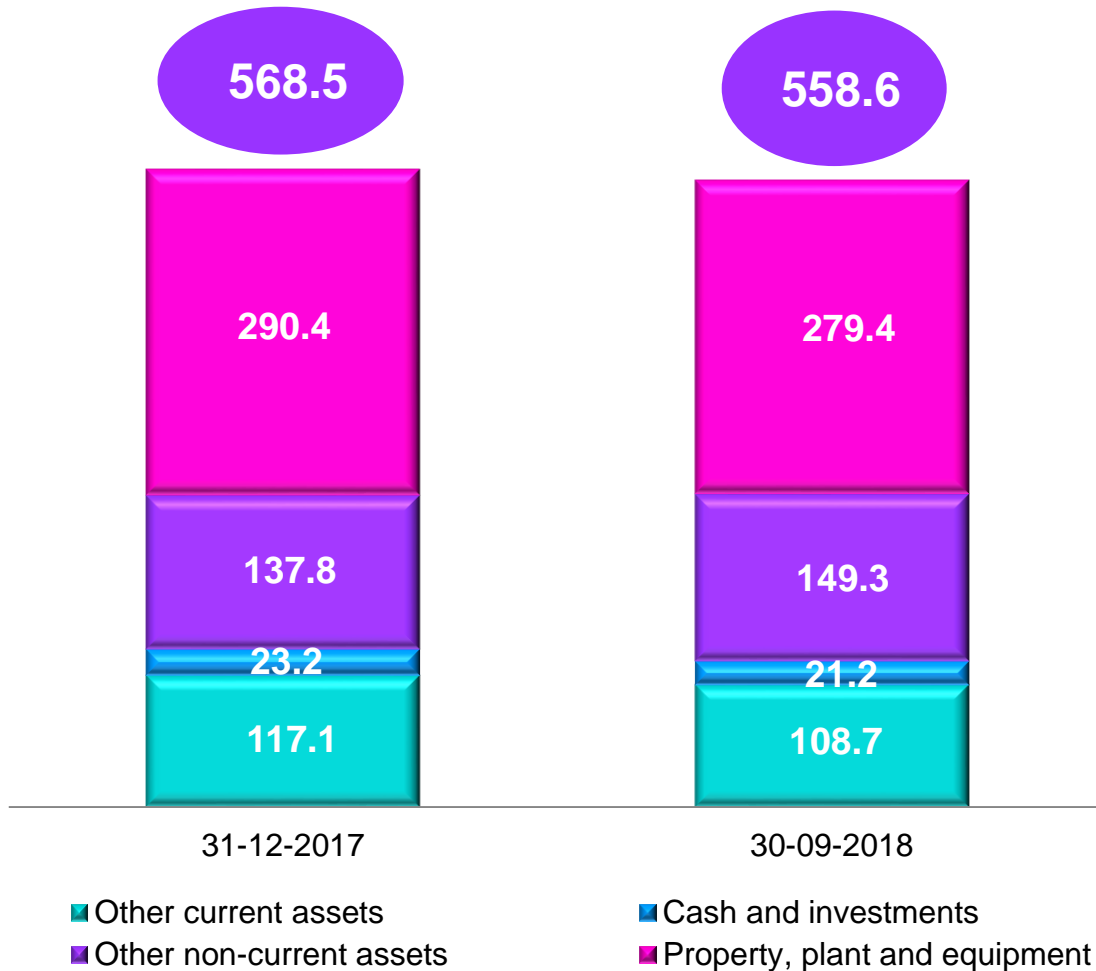


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



ASSETS

(EUR million)



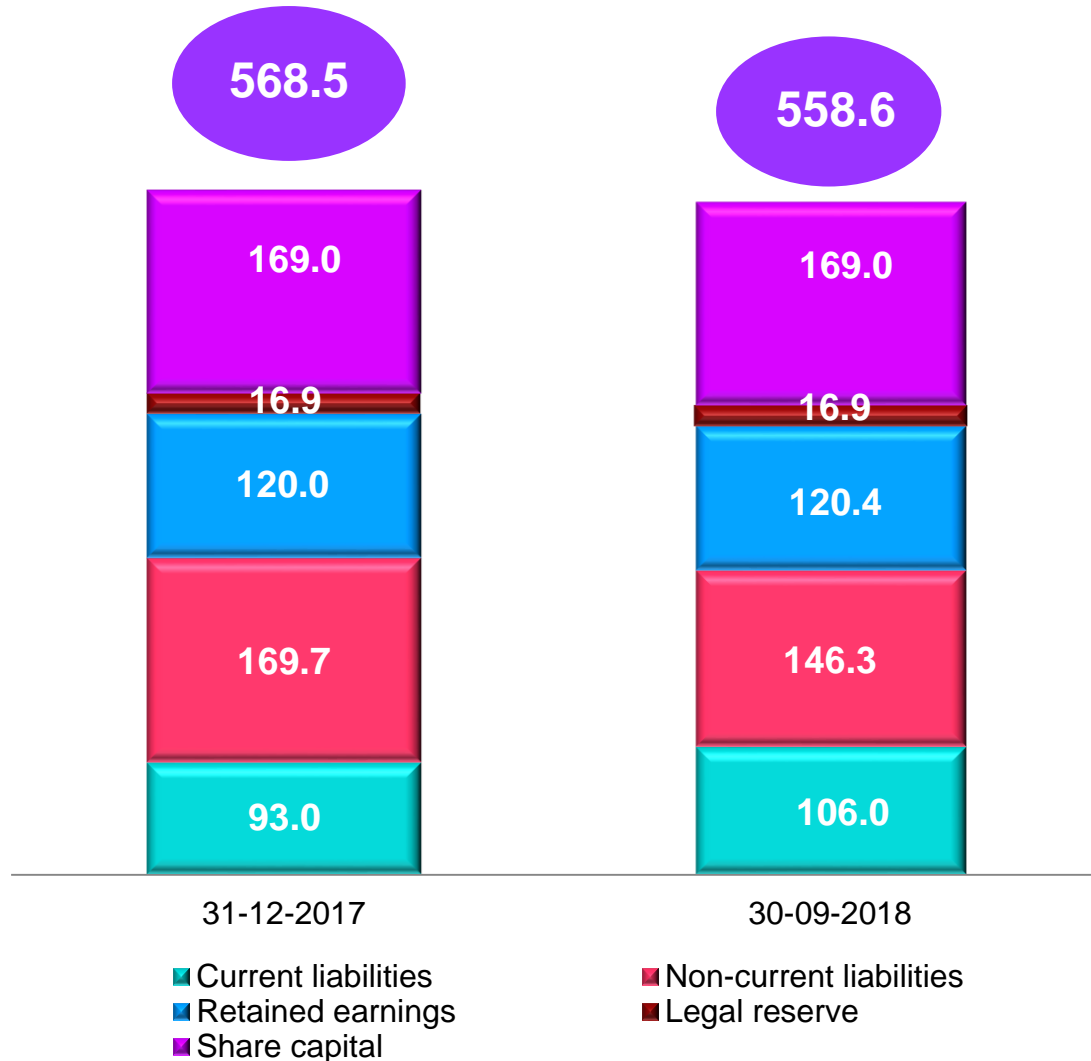
- During January-September 2018, **total assets** decreased by 1.7%
- **Non-current assets** amounted to 76.7% of total assets (30-09-2018)
- **Cash** alone amounted to 3.8%
- **Return on capital employed:** 13.5%
- **Return on average assets:** 10.9%

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



EQUITY AND LIABILITIES

(EUR million)



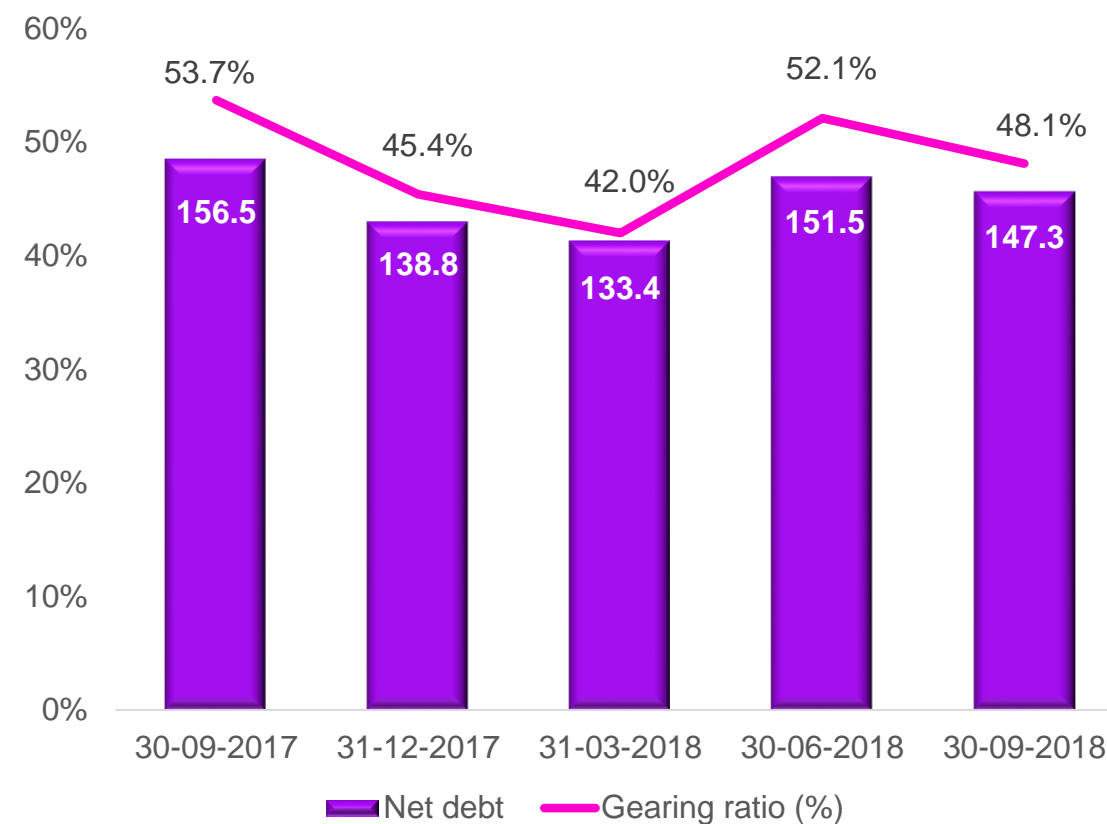
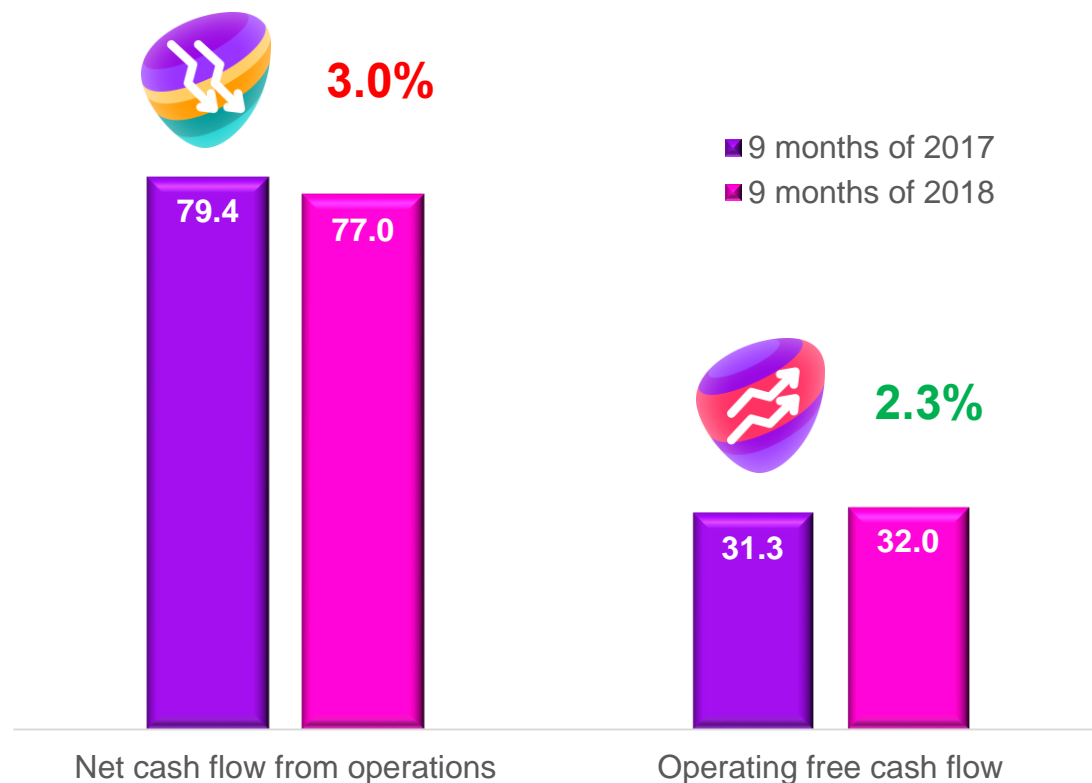
- Shareholders' **equity** amounted to 54.8% of the total assets (30-09-2018)
- Total **borrowings** amounted to EUR 168.2 million (30-09-2018)
- **Gearing ratio**: 48.1%
- **Debt to equity**: 55.0%
- **Return on equity**: 18.2%

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



CASH FLOW & NET DEBT

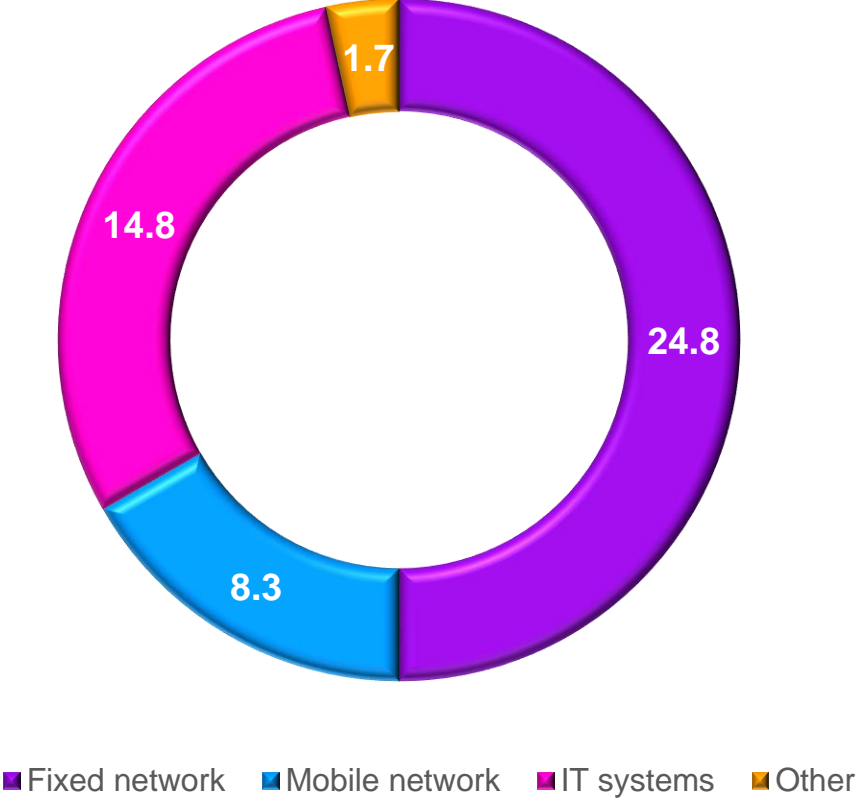
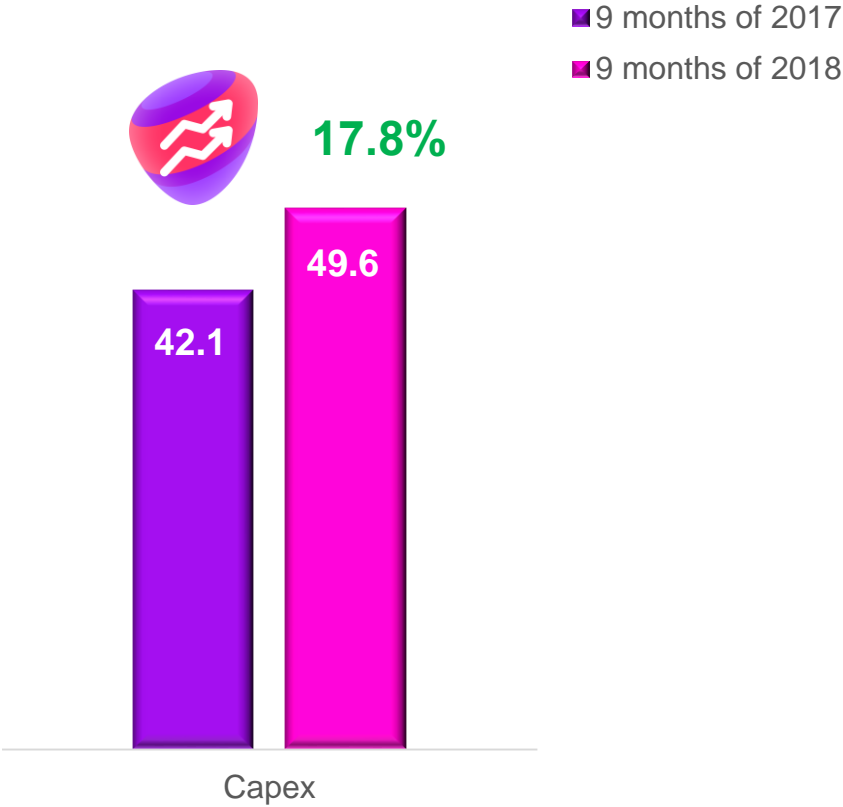
(EUR million)



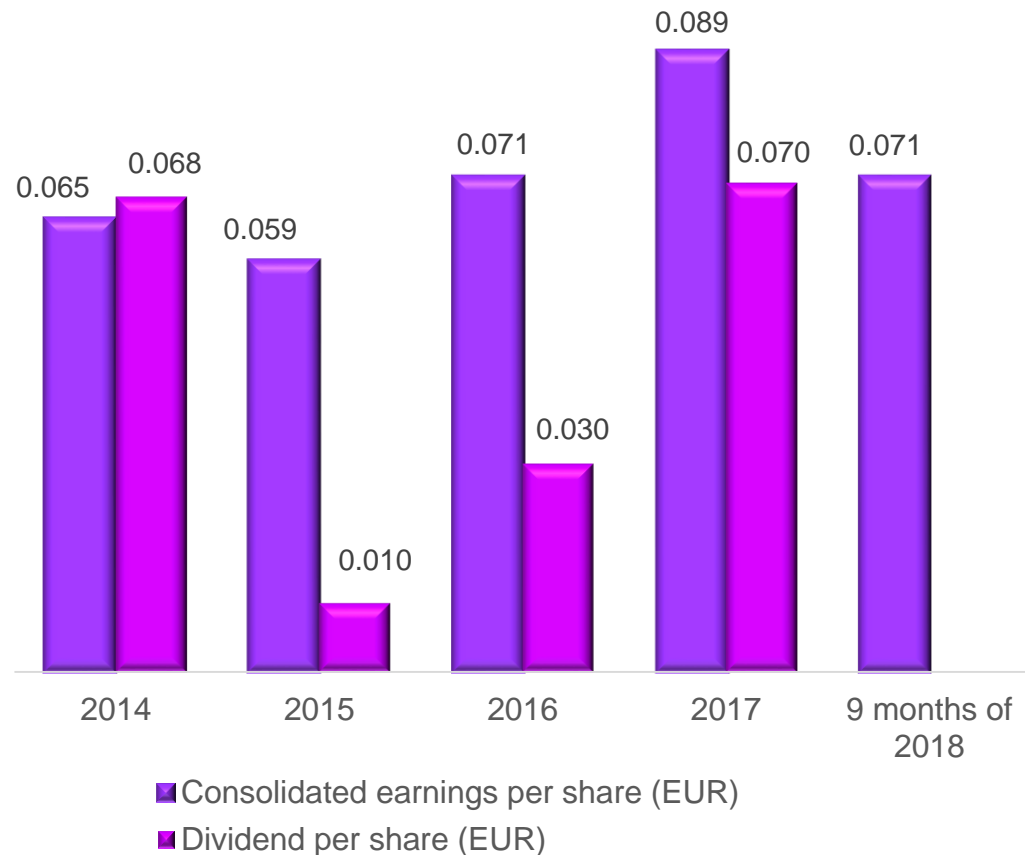
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



CAPEX & CAPEX BREAKDOWN FOR 9 MONTHS OF 2018



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 2017, audited retained earnings of the Parent company amounted to **EUR 116.7 million**
- On 25 April 2018, the Annual General Meeting of Shareholders decided to pay-out **EUR 40.8 million** or **EUR 0.07 per share of dividends** for the year 2017



SHARES AND SHAREHOLDERS

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** exceeds **11 thousand**

Shareholders as of 30-09-2018

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

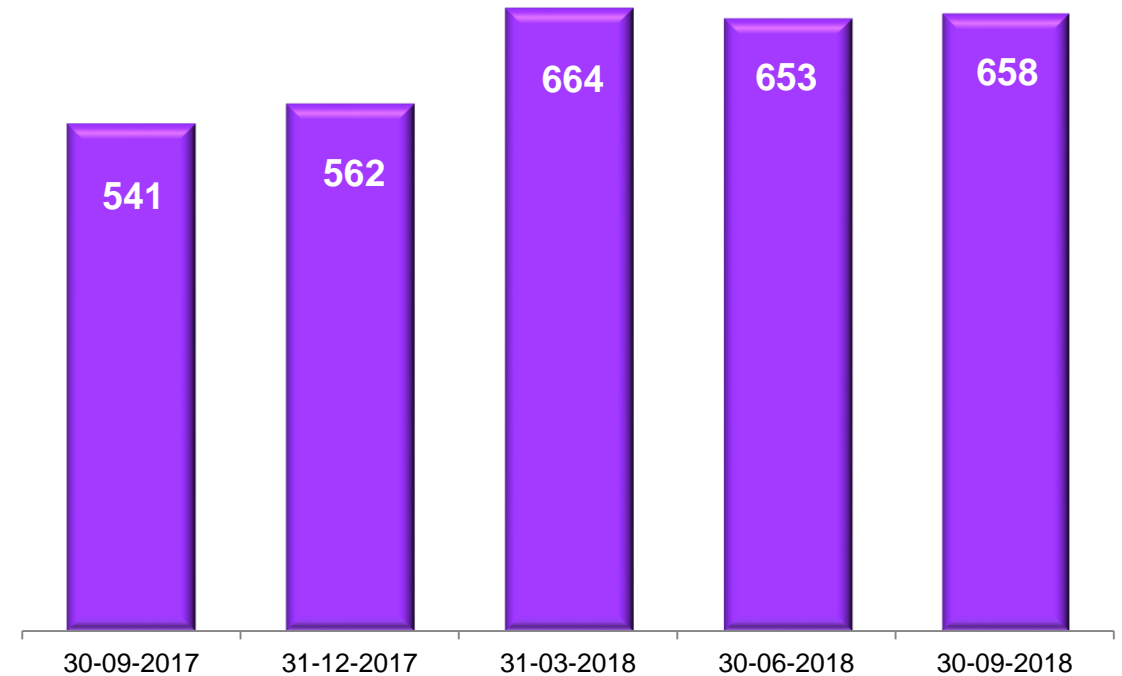


SHARES

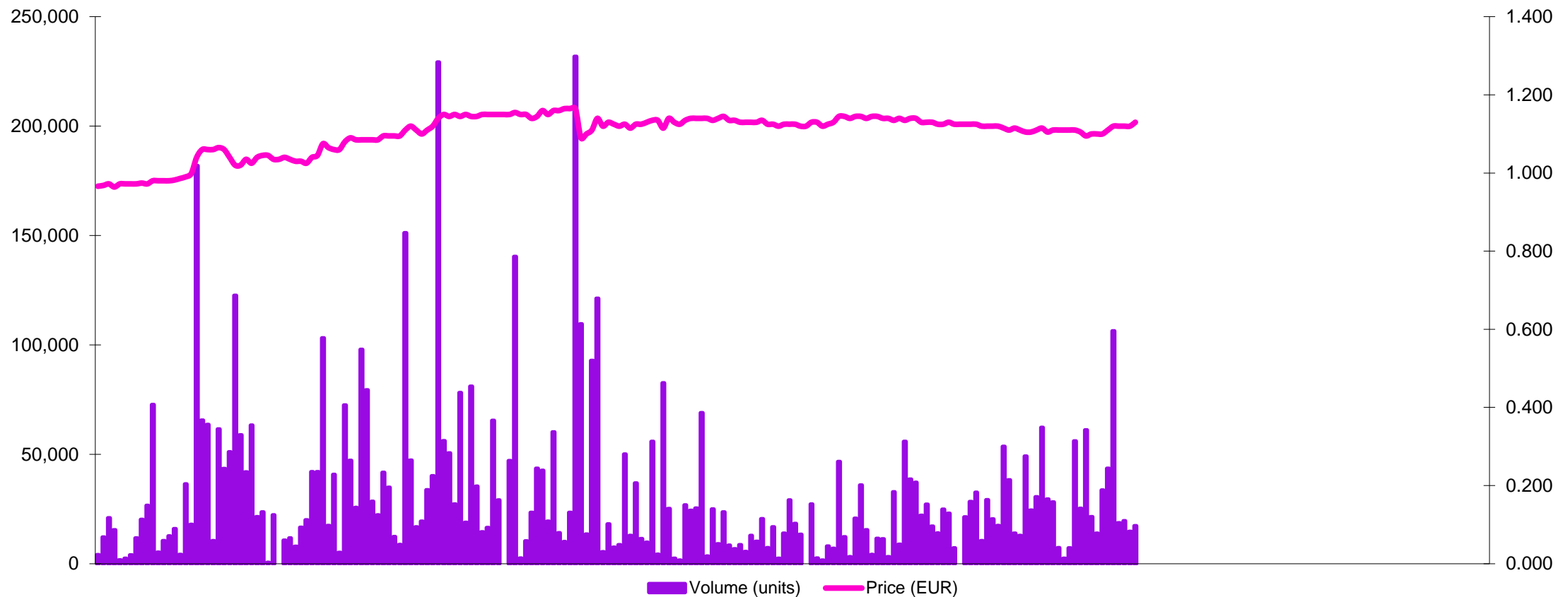
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January–September of 2018: 6.1 million of shares or EUR 6.7 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.170
Low	0.956
30-09-2018	1.130

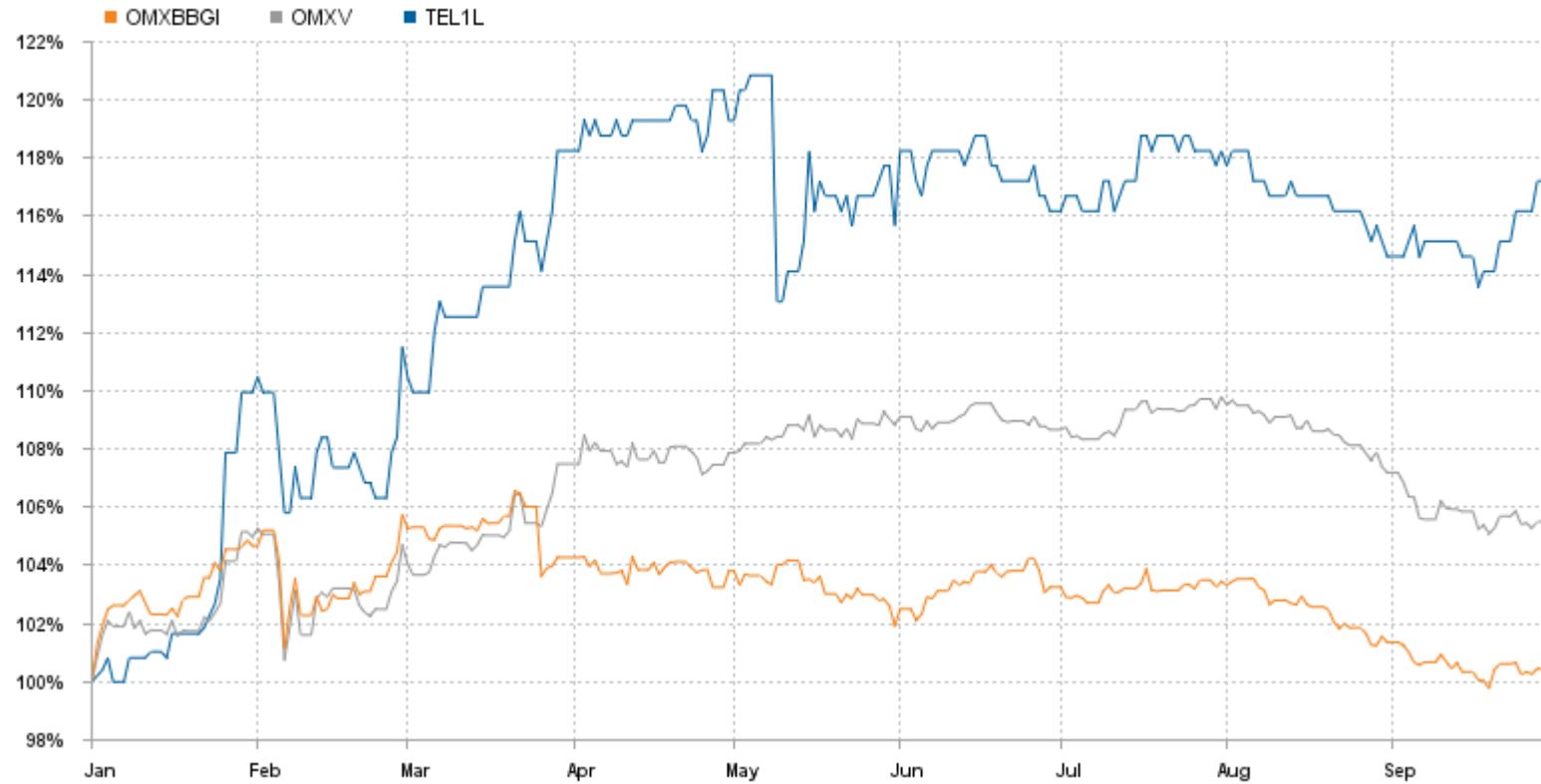
Market capitalization (EUR million)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2018



THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius

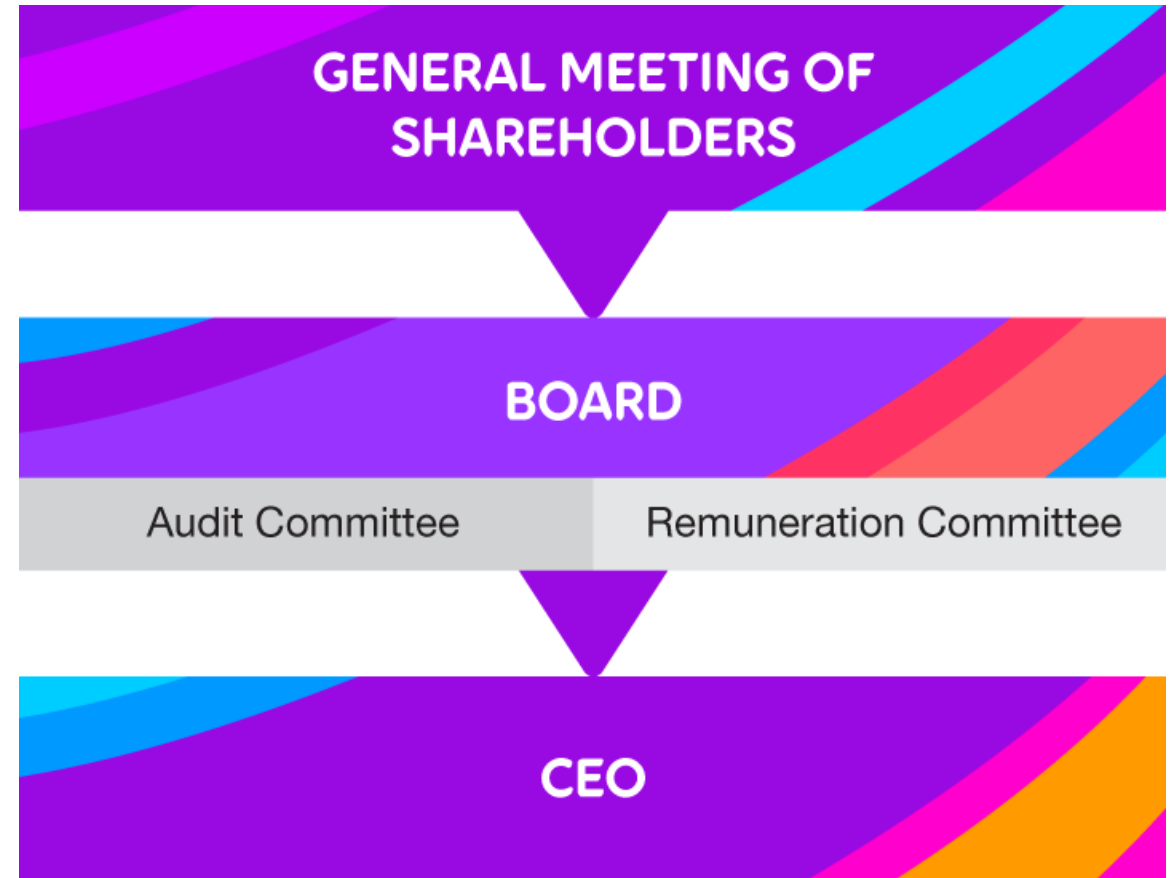


CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors are: a deep purple, a vibrant blue, a bright yellow, a warm orange, and a teal green. The bands flow diagonally from the top left towards the bottom right, creating a sense of movement and modernity.

GOVERNING BODIES

- The Annual **General Meeting of Shareholders** was held on 25 April 2018
- The **Board** consist of 6 members elected for the 2 year term
- Stefan Block, Ole Stenkil, Inga Skisaker and Rolandas Viršilas **resigned** from the Board as of 24 April 2018
- Agneta Wallmark, Hannu-Matti Mäkinen, Tomas Balžekas and Mindaugas Glodas were **elected** to the Board for the current term of the Board
- Henriette Wendt **will resign** from the Board as of 8 November 2018, and Emil Nilsson is **proposed for election** to the Board at EGM on 9 November 2018
- 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**



BOARD



Henriette Wendt (born in 1969),
Chairwoman of the Board till 8
November 2018, represents Telia
Company AB, Chairwoman 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,
Chairwoman 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 OCTOBER 2018

CEO

Business to Business (B2B)

Business to Consumer (B2C)

Technology

Finance

Human Resources

Legal and Corporate Affairs

Marketing and Communication

Operational Excellence



MANAGEMENT TEAM



Dan Strömberg,
CEO



Mindaugas Ubartas,
Head of B2B, acting Head of B2C



Andrius Šemeškevičius,
Head of Technology



Laimonas Devyžis,
Head of Finance



Ramūnas Bagdonas,
Head of Human
Resources



Giedrė Kaminskaitė-Salters,
General Counsel & Head of
Public Affairs, Chiefs Analytics
Officer



Vaida Jurkonienė,
Head of Marketing &
Communication



Vytautas Bučinskas,
Head of Operational
Excellence



PRINCIPLES THAT WE FOLLOW



Anti-bribery and
corruption



Freedom of
expression



Customer privacy



Occupational health
and safety



Responsible
procurement



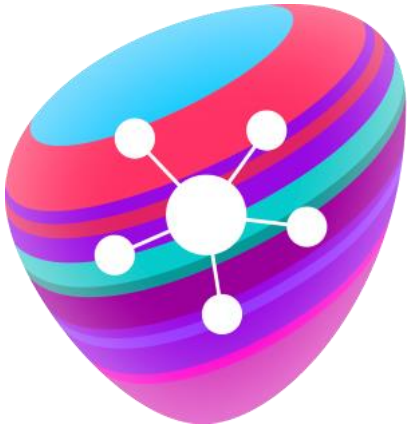
Environmental
responsibility



Children safety
online



ALL IN APPROACH



Connecting the
unconnected



A healthy and safe
society



Education for all



Digital
entrepreneurship and
innovation





Telio

#VISAOTINKLAS