



RESULTS FOR THE 3 MONTHS OF 2020

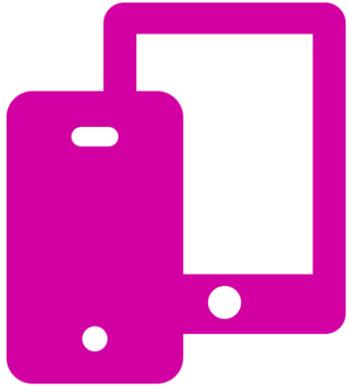
Telia Lietuva, AB Group





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

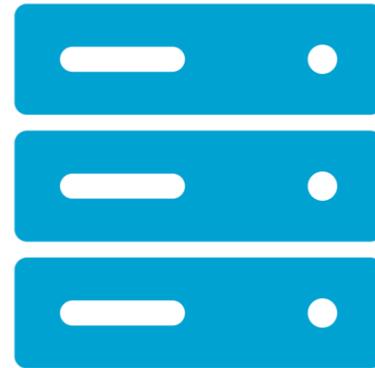
TELIA LIETUVA MEANS:



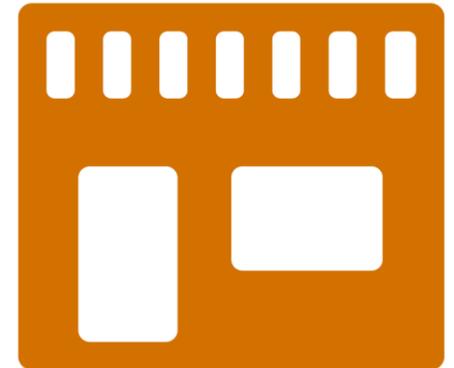
Wide range of
services



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



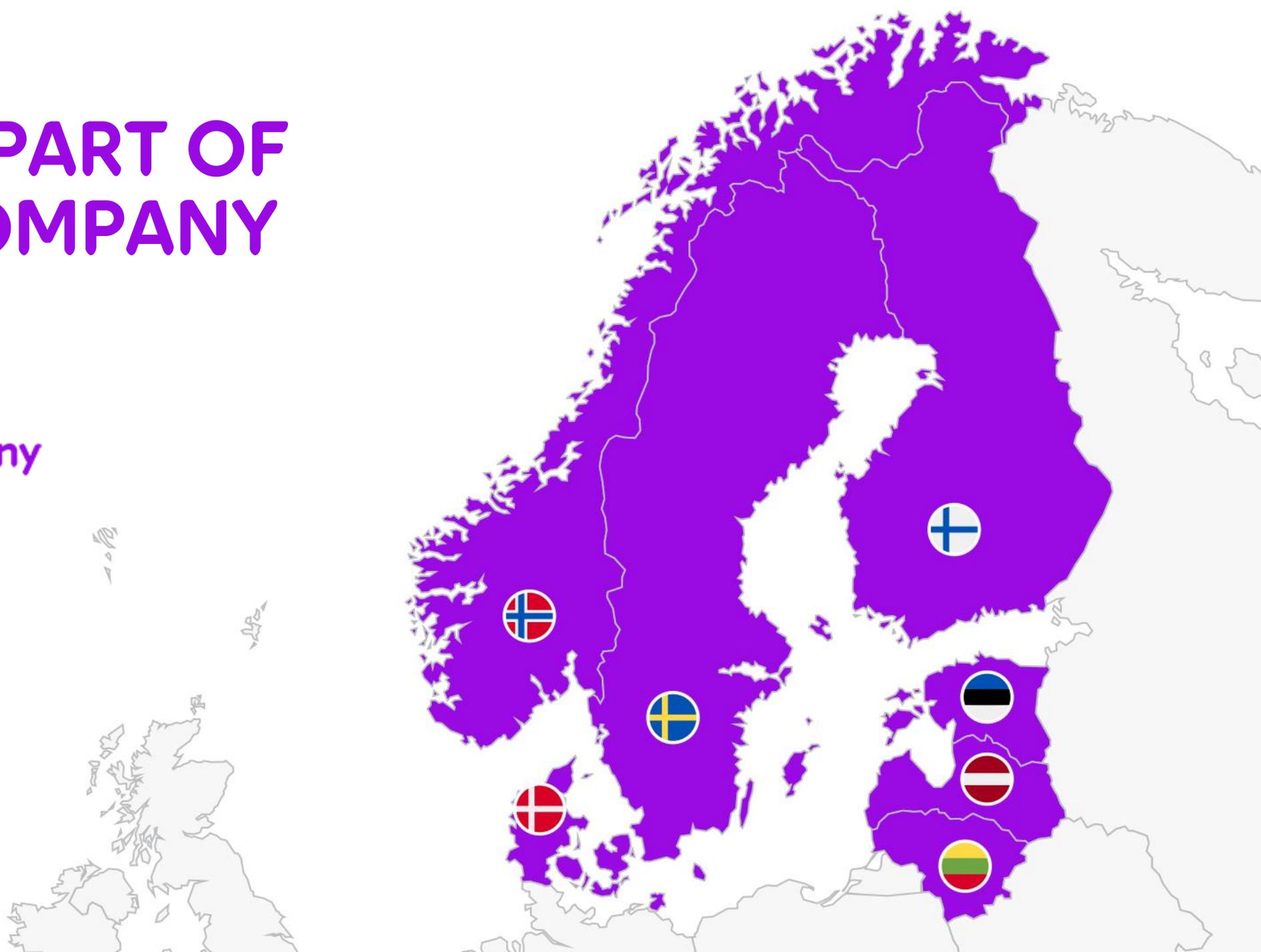
Team of 2,300
professionals



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 child in a wheelbarrow. The child is wearing a blue helmet and a red and white striped shirt, and is smiling with arms outstretched. A large, fluffy brown dog is sitting in the wheelbarrow with the child. They are in a grassy backyard with a wooden gazebo and a dark fence 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
- It is planned to merge Telia Customer Service LT into Telia Lietuva in 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



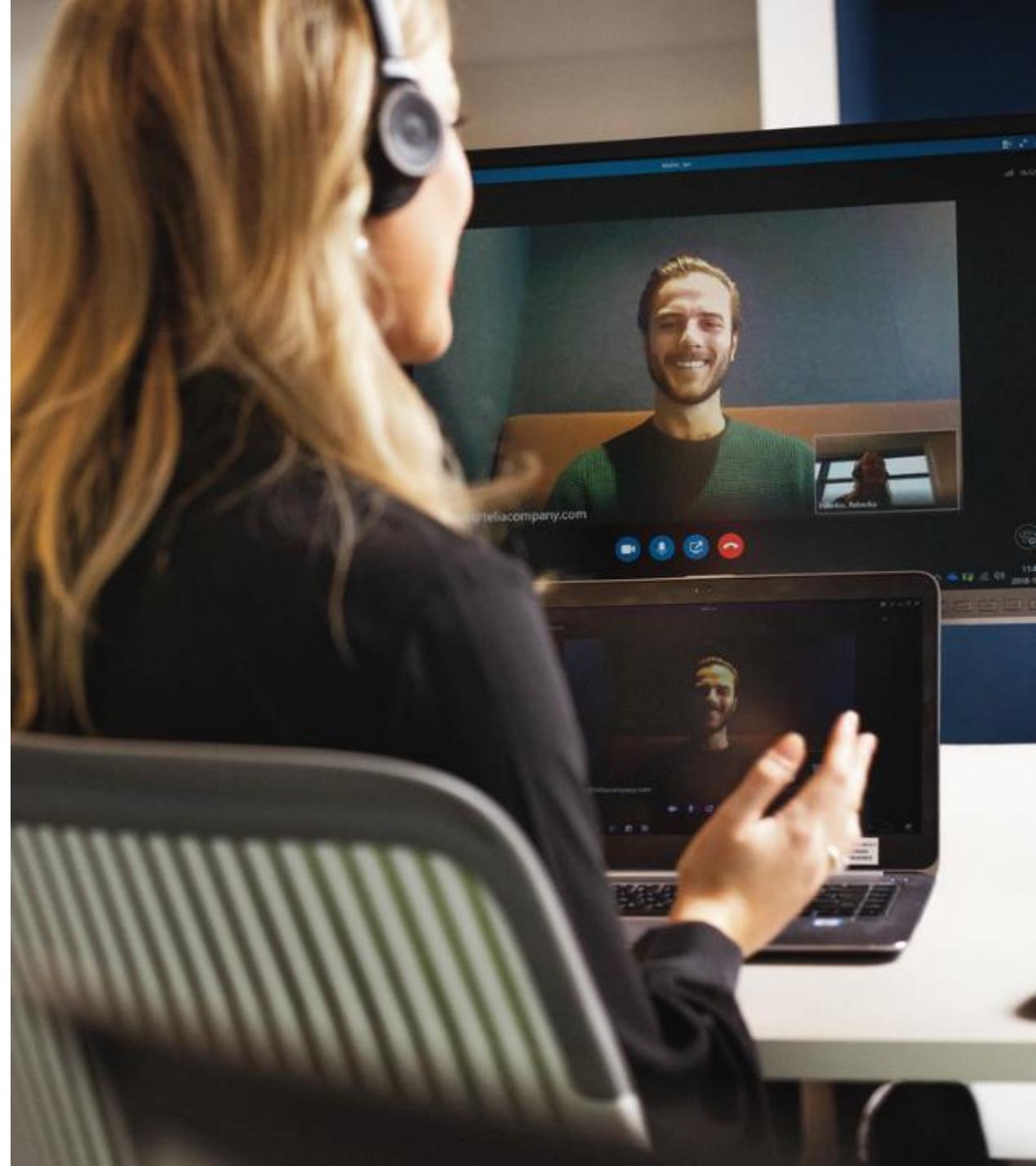
QUARANTINE IMPACT ON OUR ACTIVITIES

- All customer care **shops are closed** since 16 March 2020
- All customers are **served by phone** or online
- Equipment sales only via **online shop**
- Majority of employees (incl. Call Centers) work **remotely from home**, field engineers work following strict safety requirements
- Increased **traffic volumes**: mobile voice up by 70%, international Internet – by 40%, mobile data – by 15%
- Increased **demand** for faster connectivity, VPN solutions, m-signature and premium TV content
- Increased **sales** of PCs and TV sets, declined sales of handsets



OTHER EVENTS DURING Q1 2020

- From 1 January 2020, Telia Lietuva embraced the **New Operating Model** of Telia Company Group
- In January, Telia Lietuva was the first to introduce the **narrowband Internet of Things (NB IoT)** technology
- New **Collective Bargaining Agreement** between the Company and Trade Unions was signed in January
- Telia was awarded as the **Friendliest Workplace** during the National Responsible Business Awards
- Shareholders of Mobilieji Mokėjimai decided to **cease provision of payment services** from 18 May 2020
- The Board of Telia Lietuva proposed to **pay EUR 0.09 dividend** per share for the year 2019
- **AGM of shareholders** by voting in advance will be held on 28 April 2020



NUMBER OF CUSTOMERS



+5.6%

1,349

thousand of
mobile service users



+0.7%

412

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



+5.1%

246

thousand of
IPTV service users



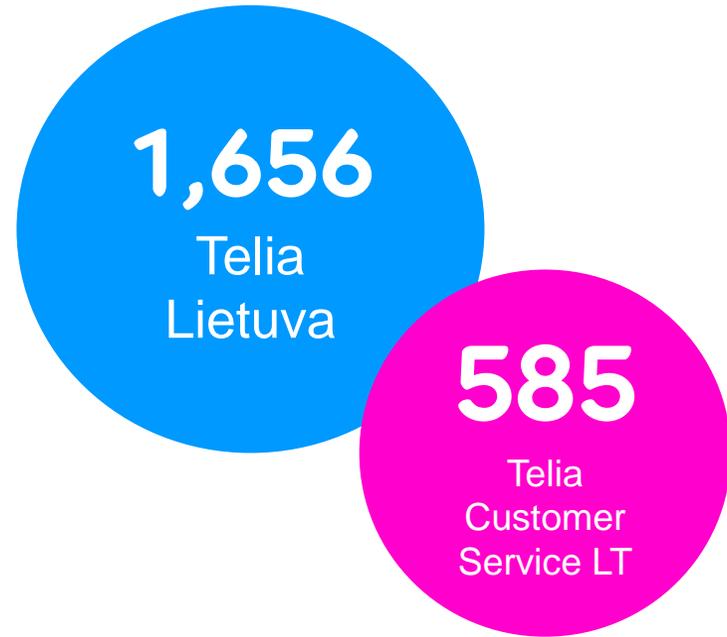
-14.4%

286

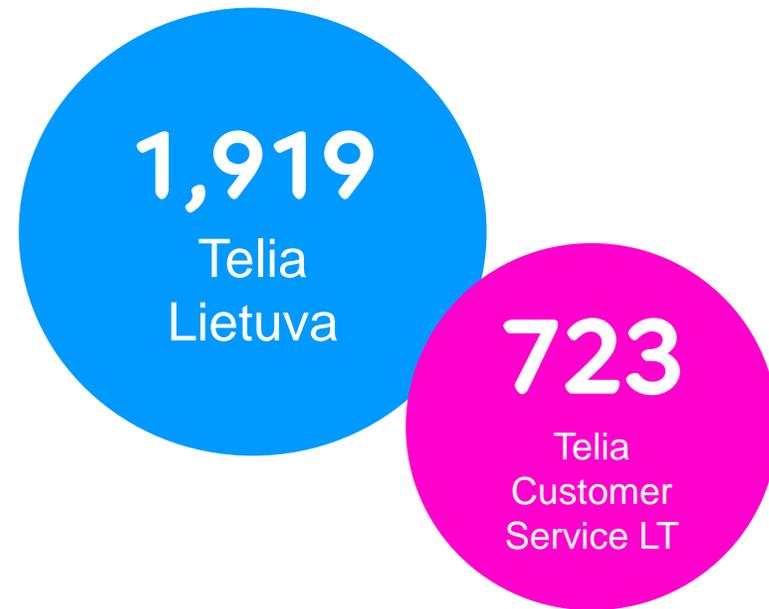
thousand of
fixed telephone lines
in service



NUMBER OF EMPLOYEES



In total **2,241** (31-03-2020)

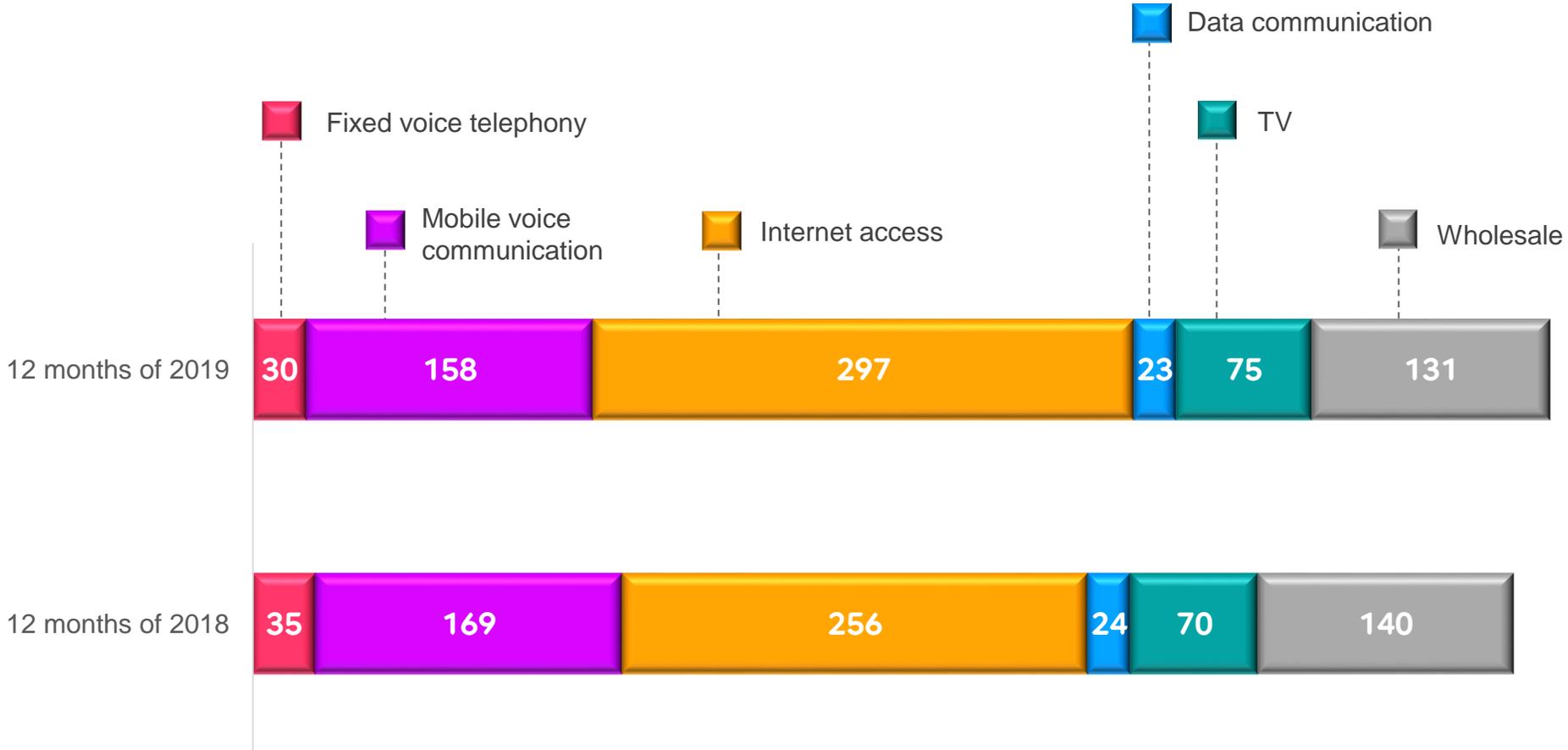


In total **2,642** (31-03-2019)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

INTERNET & PAY TV DRIVE TELCO MARKET GROWTH (EUR million)

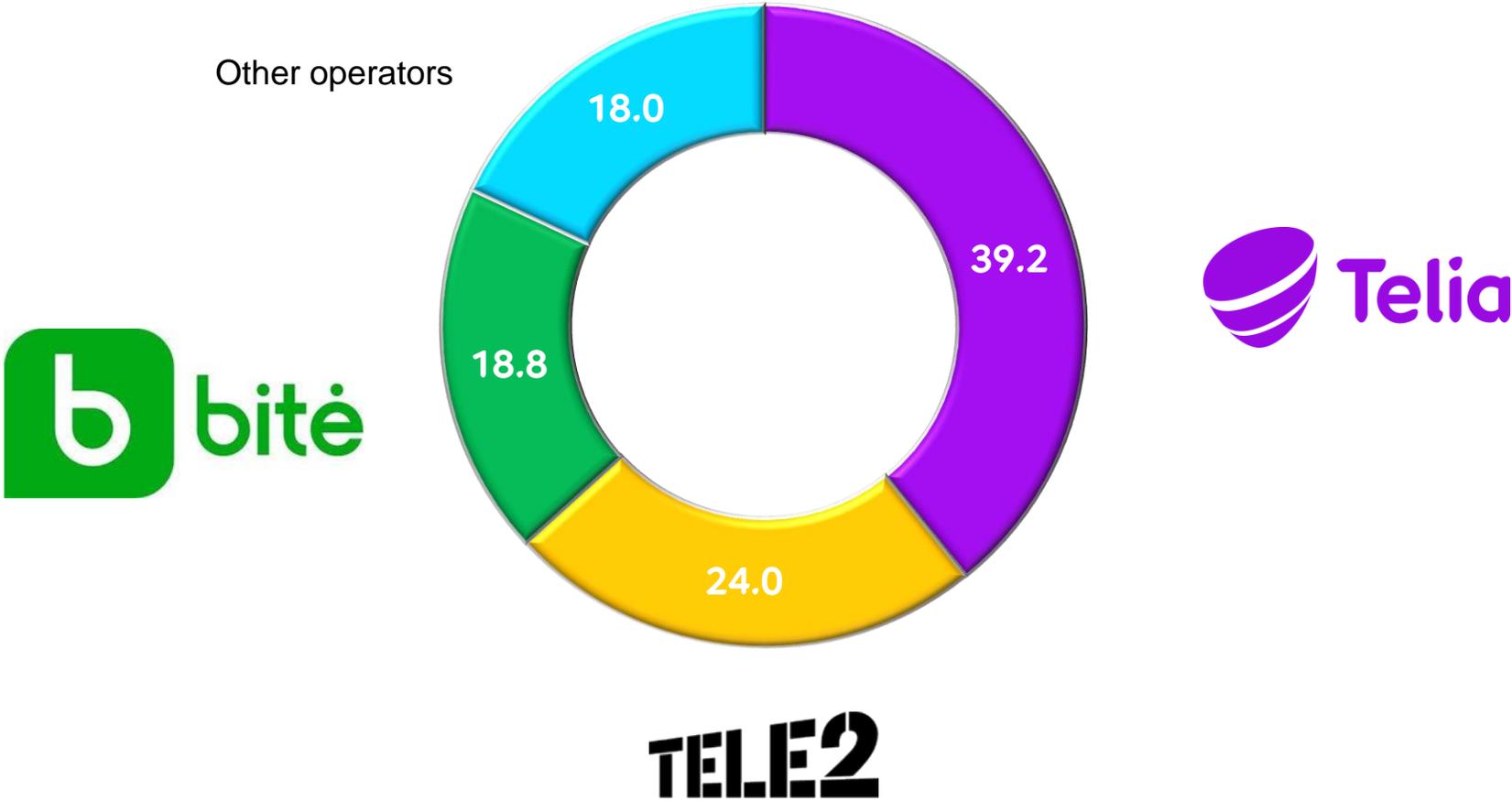


+ 2.9%

Source: Report of the Communications Regulatory Authority



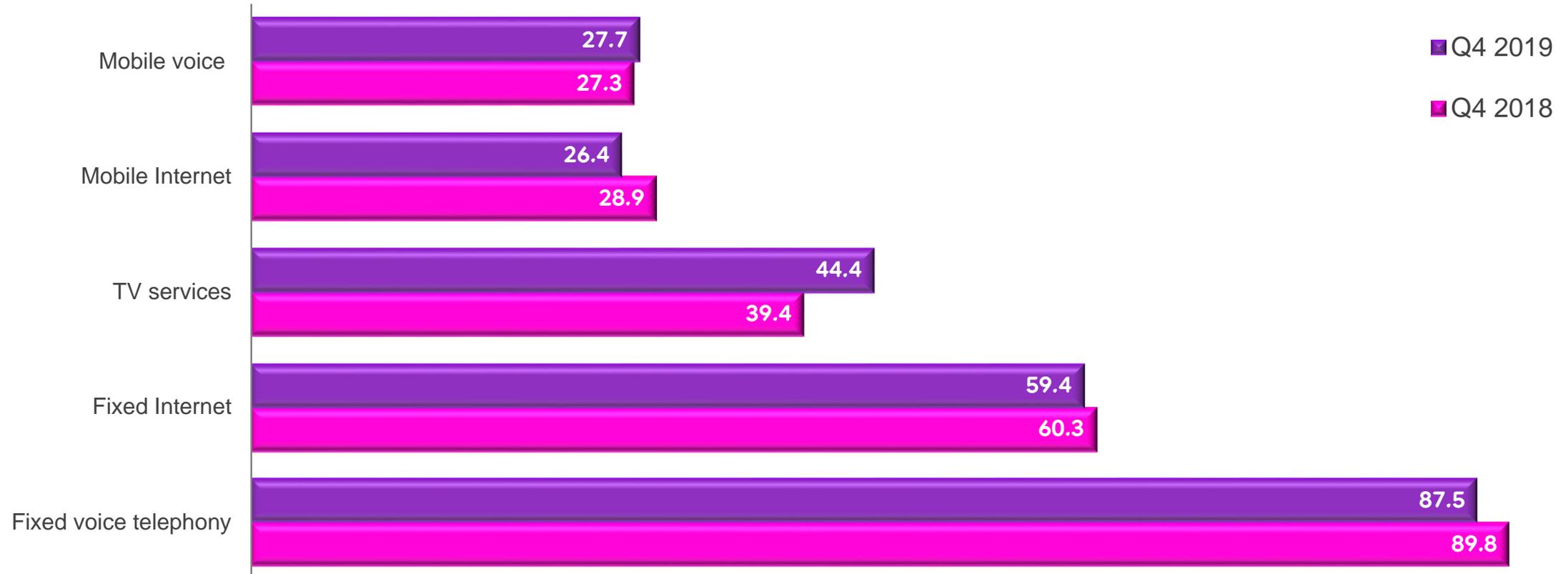
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2019 (%)



Source: Report of the Communications Regulatory Authority



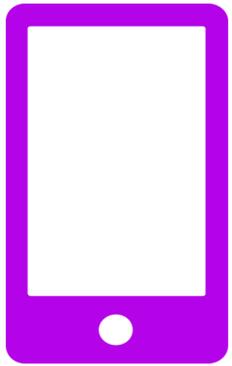
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



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

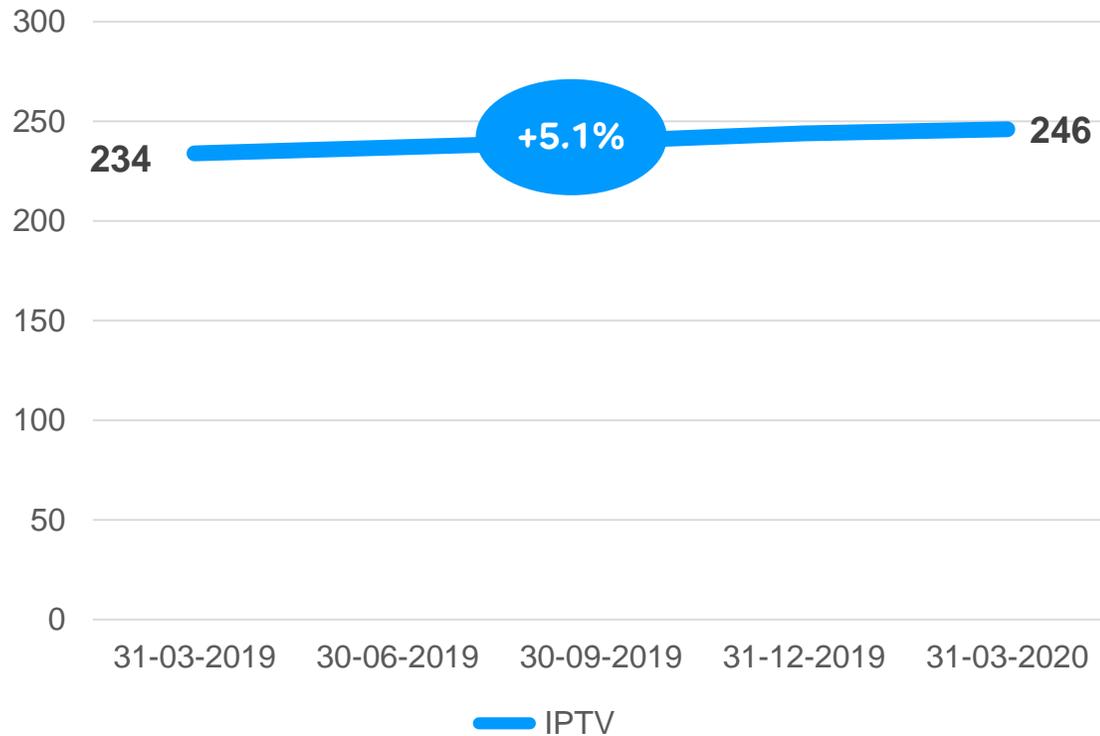
pay-TV subscribers
(per 100 households)



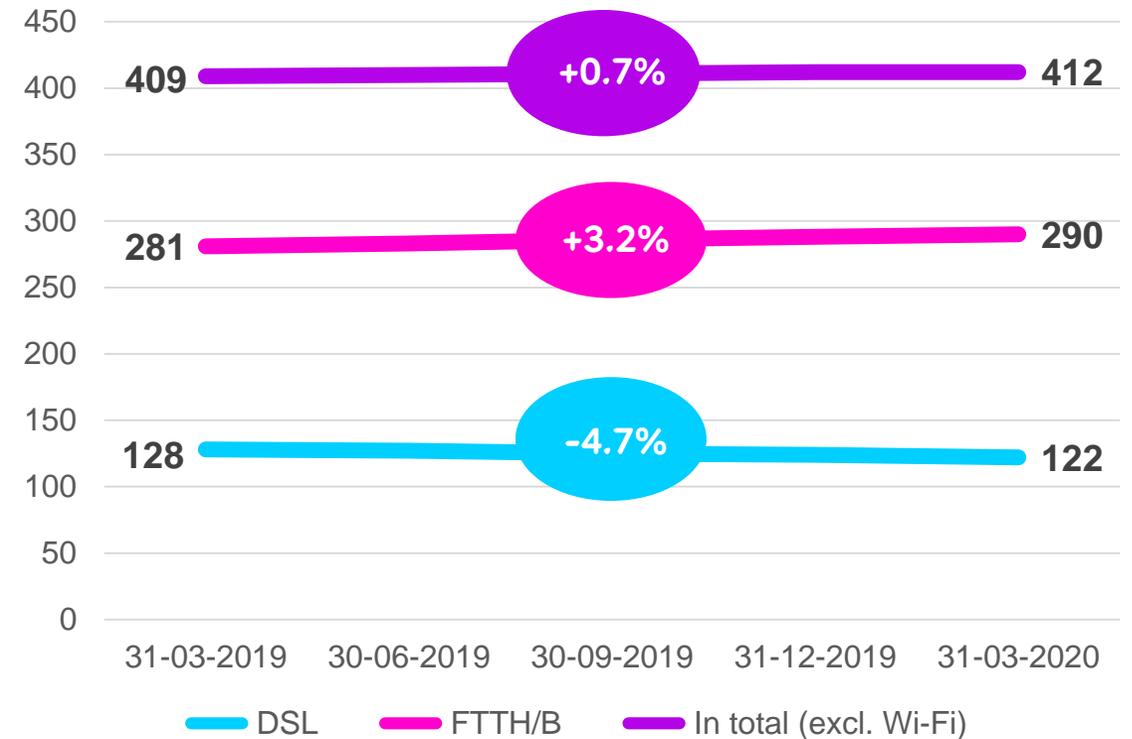
OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

Number of TV service users (thousands)

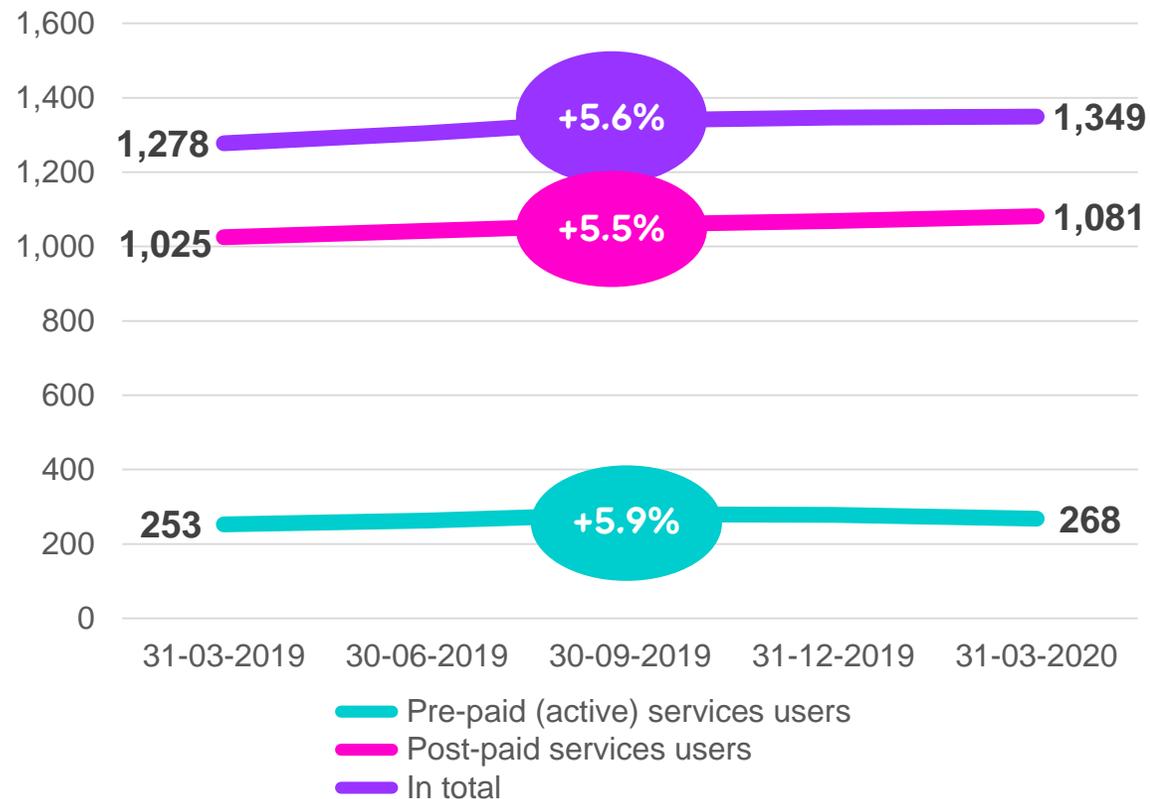


Number of broadband Internet users (thousands)

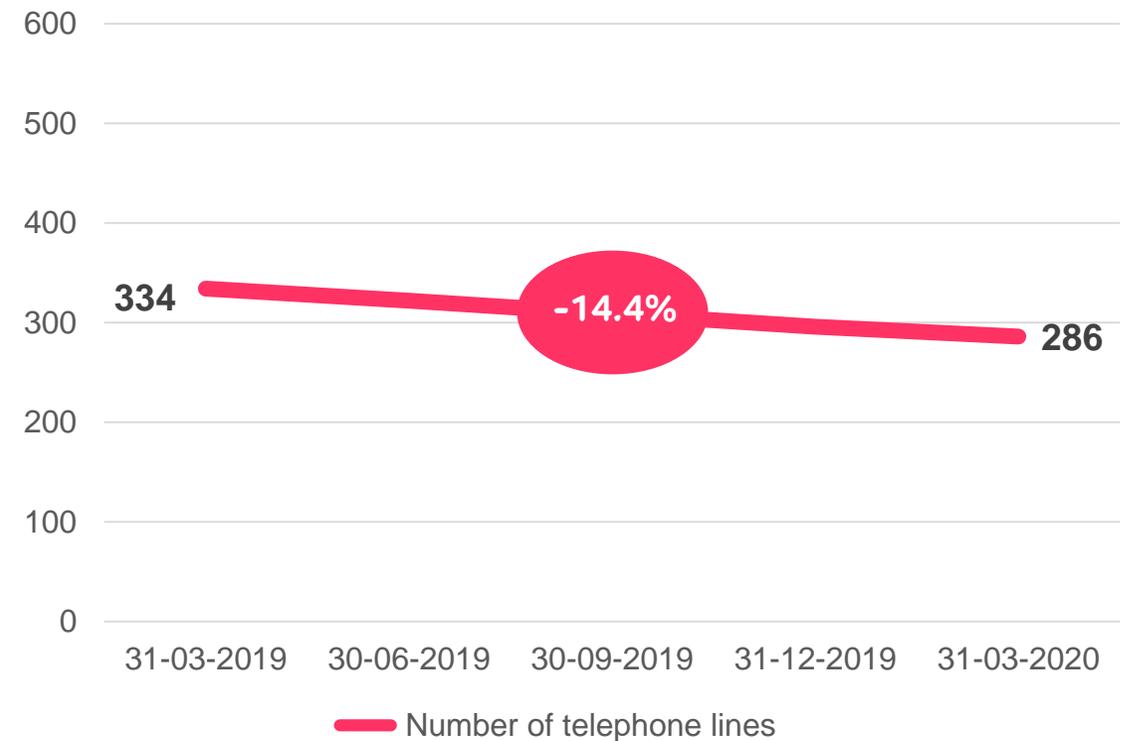


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users (thousands)

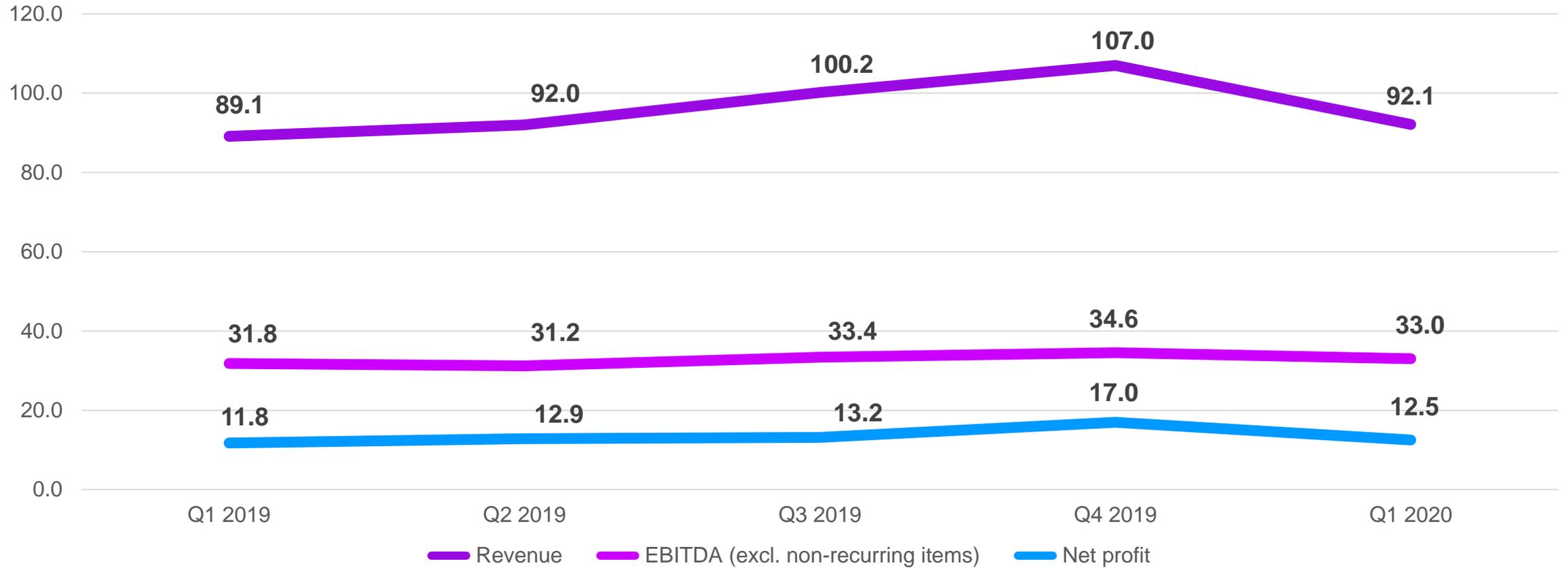


Number of fixed telephone lines (thousands)



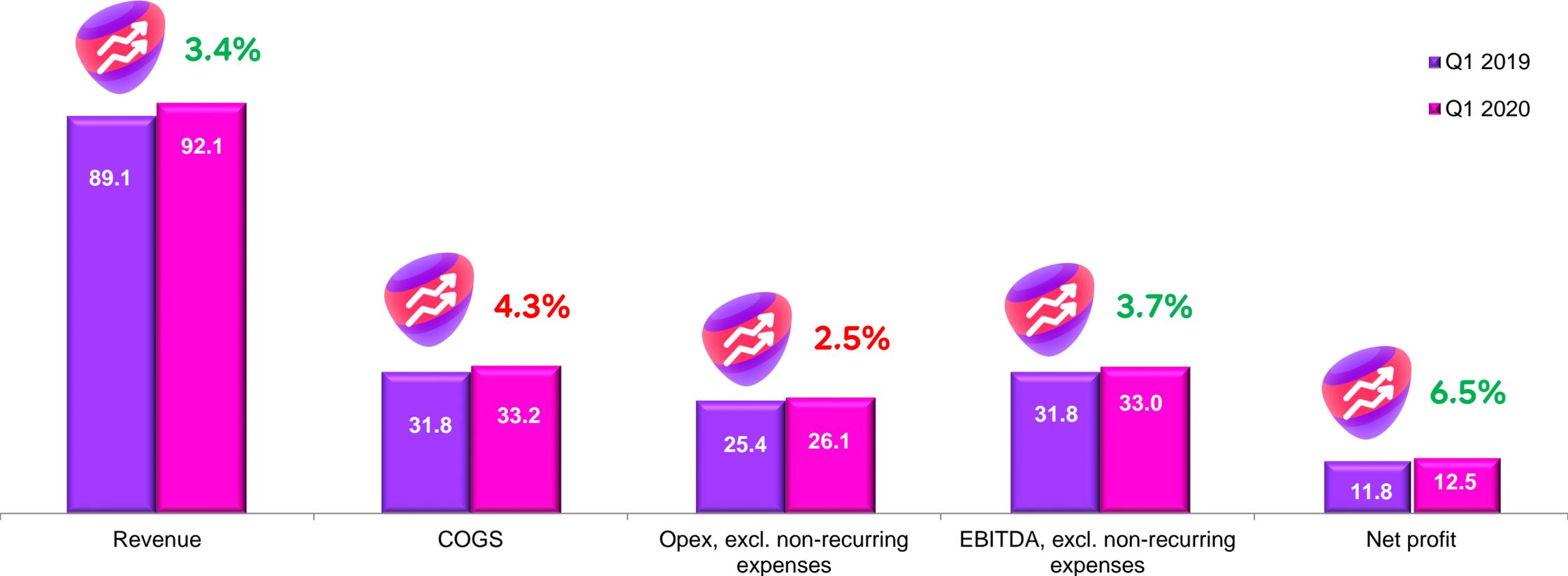
REVENUE, EBITDA & NET PROFIT

(EUR million)

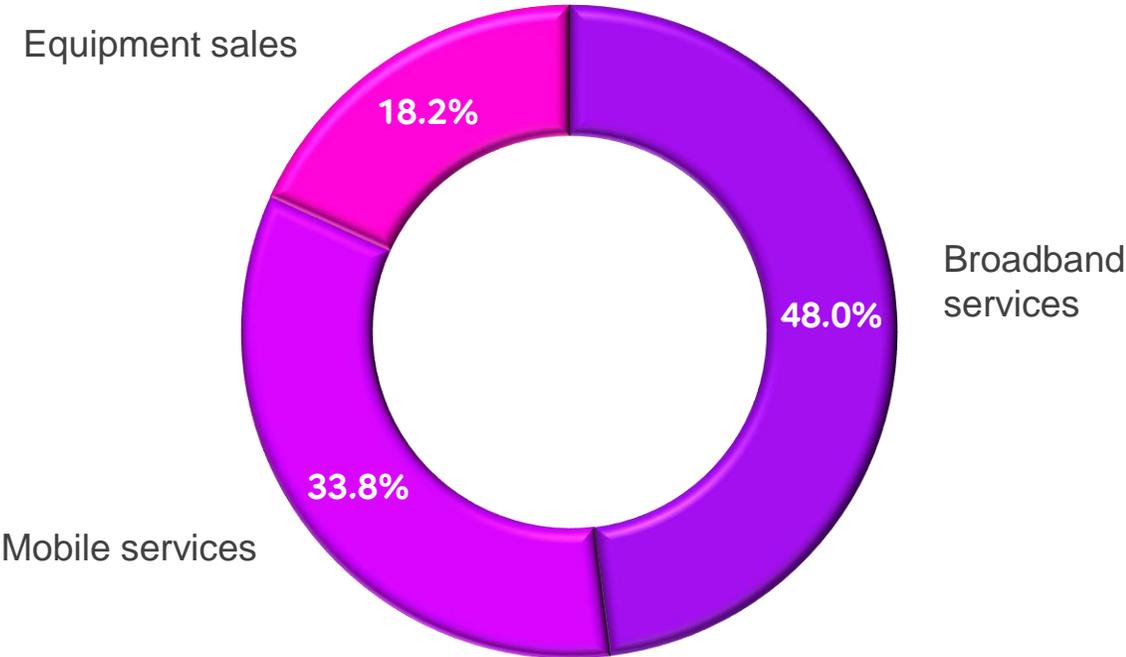


DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



3 MONTHS OF 2020 REVENUE BREAKDOWN



B2B

41%



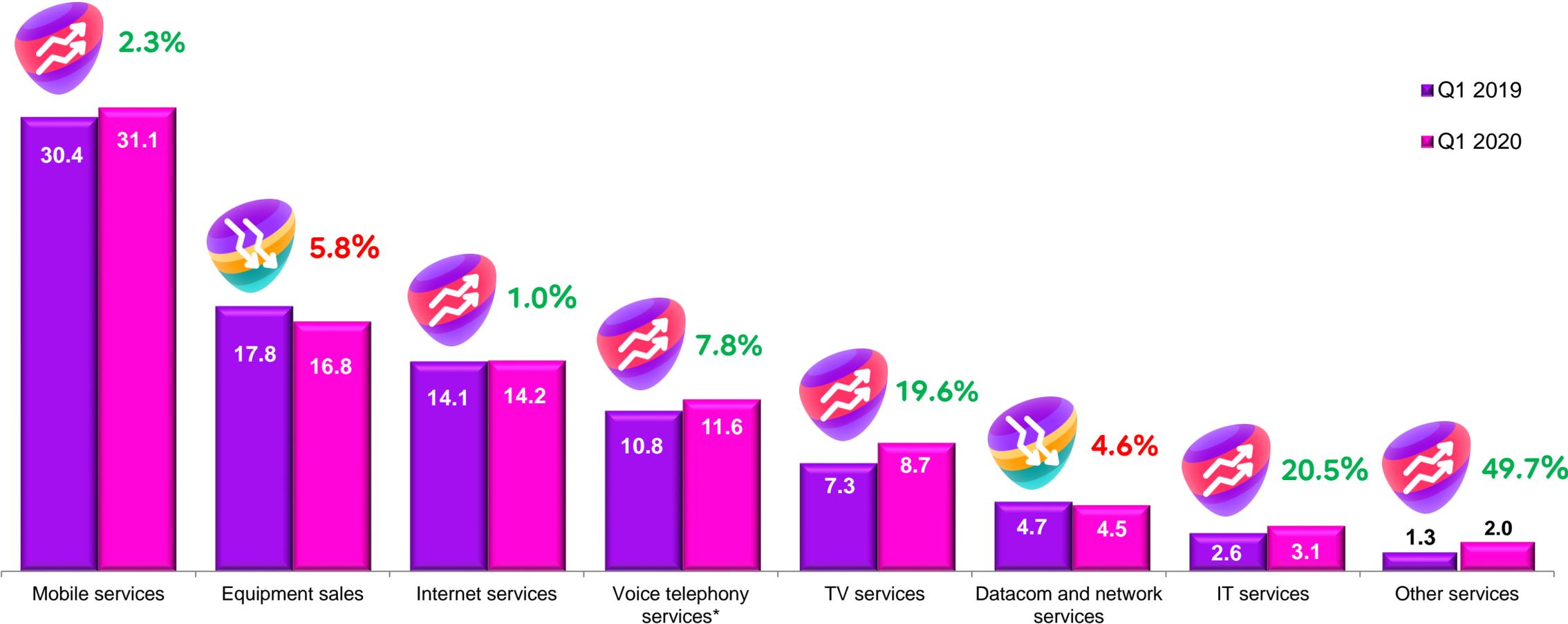
B2C

59%



REVENUE BY SERVICES

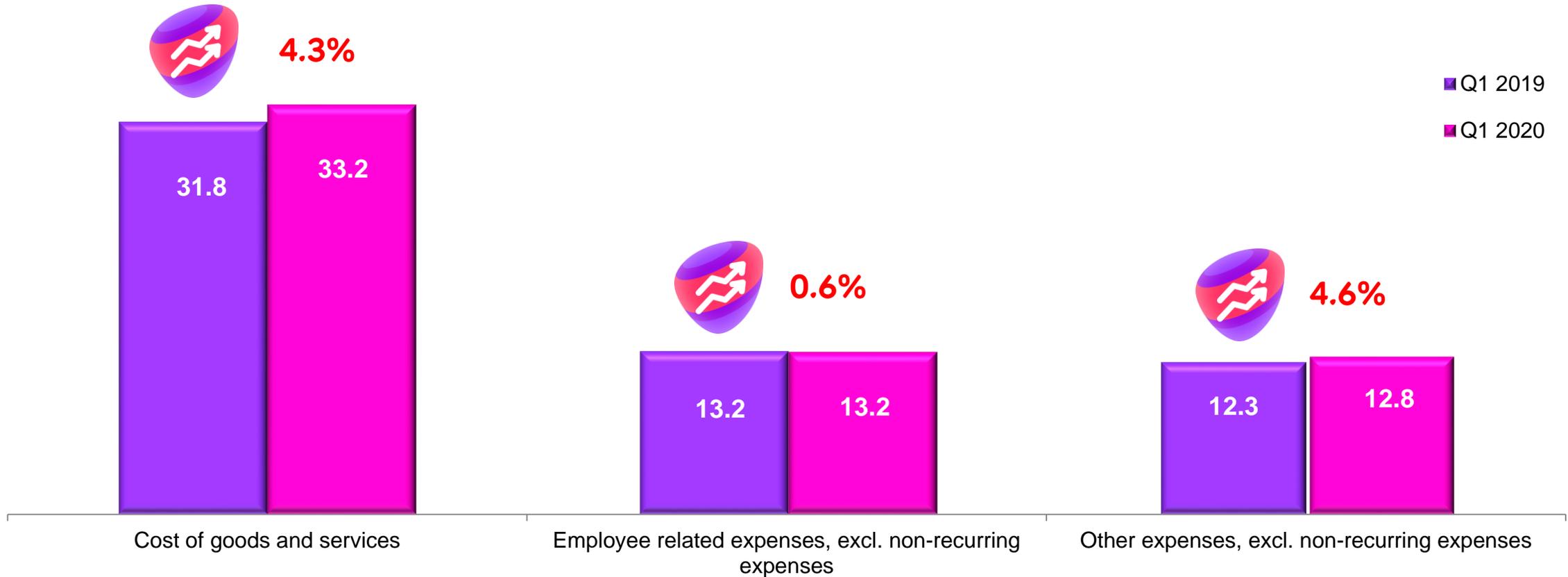
(EUR million)



NOTE. Voice telephony revenue excl. networks' interconnection services were down by 17.6%



OPERATING EXPENSES (EUR million)



ASSETS (EUR million)



- During January-March 2020, **total assets** decreased by 1,1%
- **Non-current assets** amounted to 75.2% of total assets (31-03-2020)
- **Cash** alone amounted to 9.1%
- **Return on capital employed:** 13.7%
- **Return on average assets:** 10.1%



EQUITY AND LIABILITIES (EUR million)

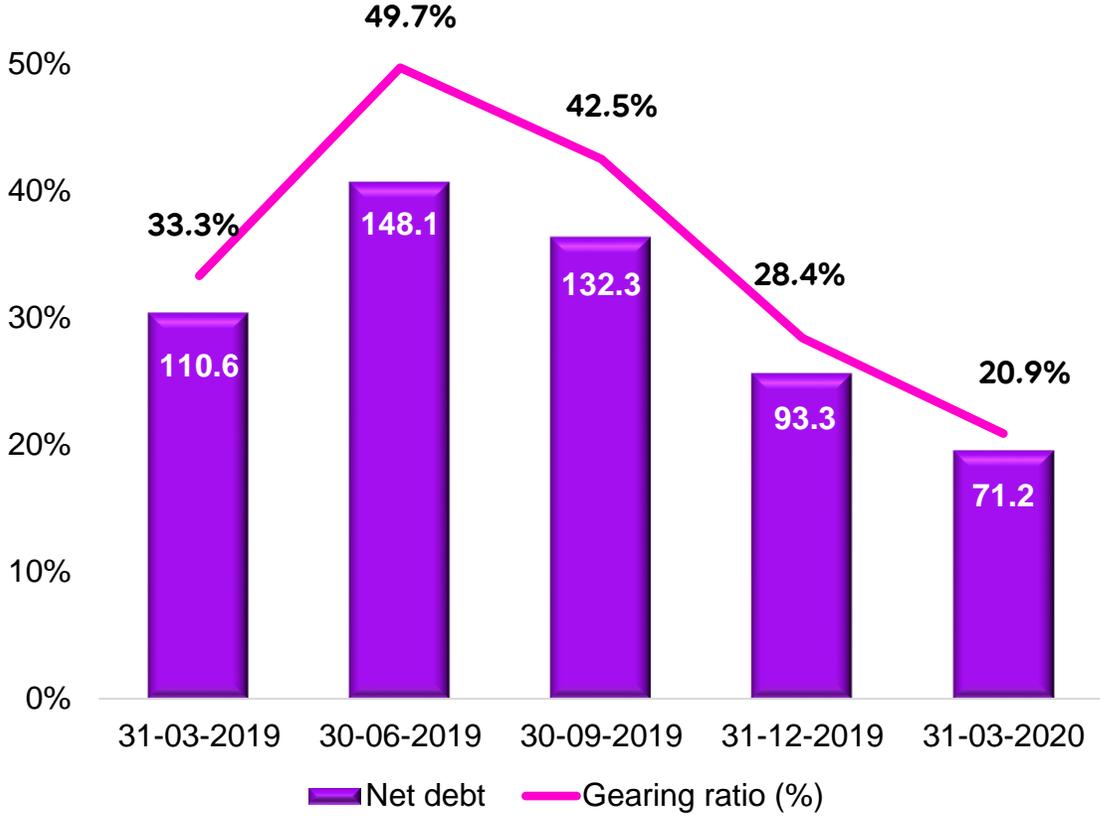
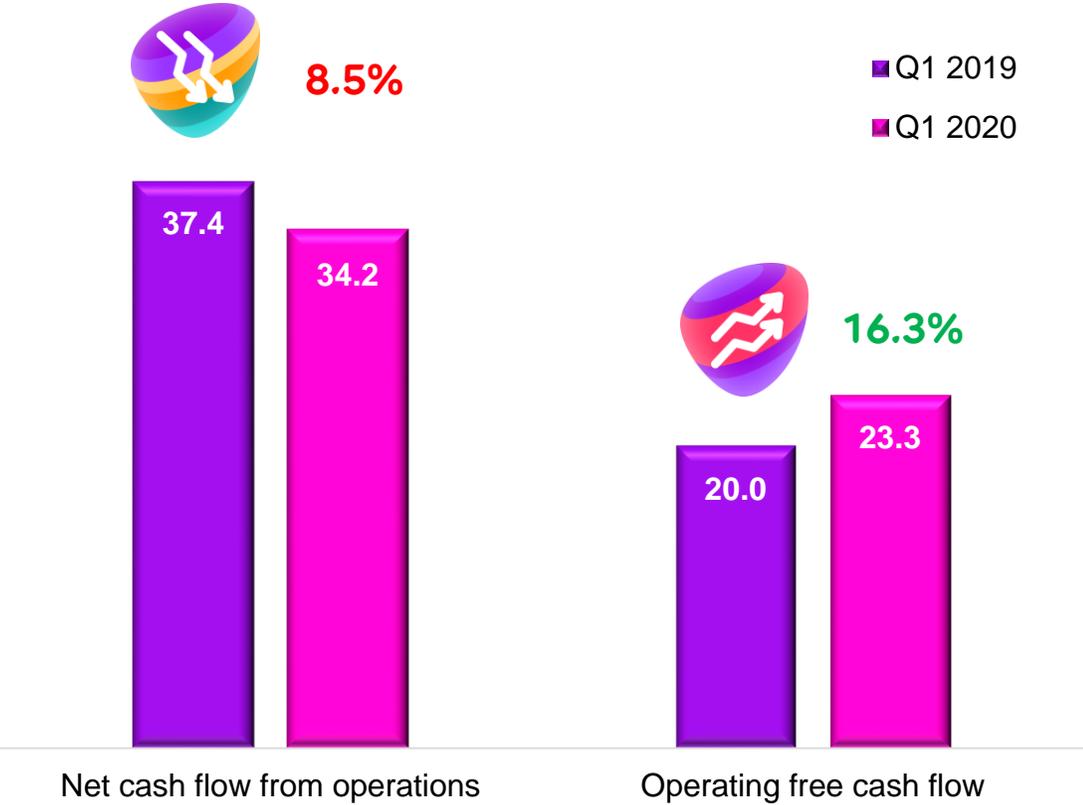


- During Q1 2020 shareholders' **equity** increased by 3.8% and amounted to 56.1% of the total assets (31-03-2020)
- Total **borrowings** (31-03-2020) amounted to EUR 126.3 million: EUR 90 million – bank loans, EUR 34.2 million – vendor financing and EUR 2.1 – financial lease.
- **Gearing ratio**: 20.9%
- **Debt to equity**: 37.1%
- **Return on equity**: 17.4%



CASH FLOW & NET DEBT

(EUR million)



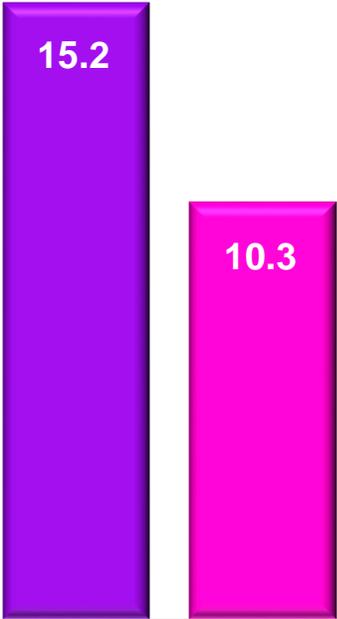
CAPEX & CAPEX BREAKDOWN FOR Q1 2020

(EUR million)

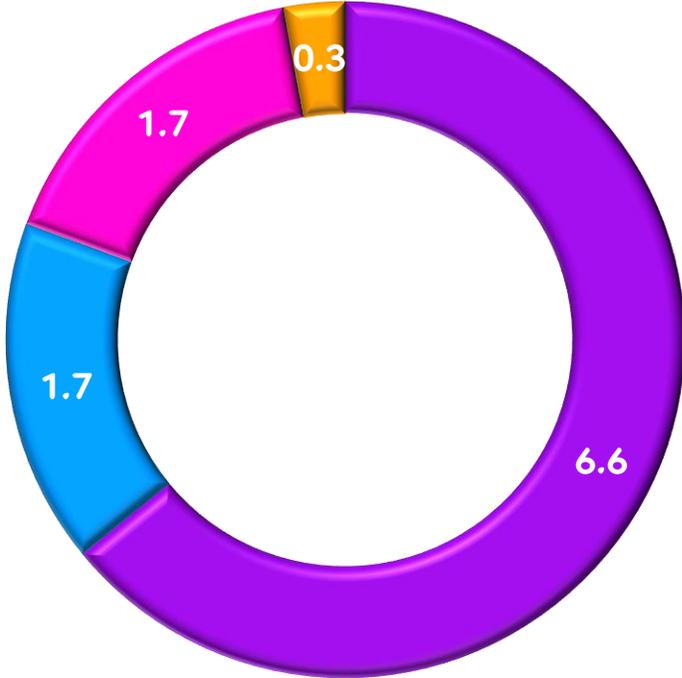


32.2%

■ Q1 2019
■ Q1 2020



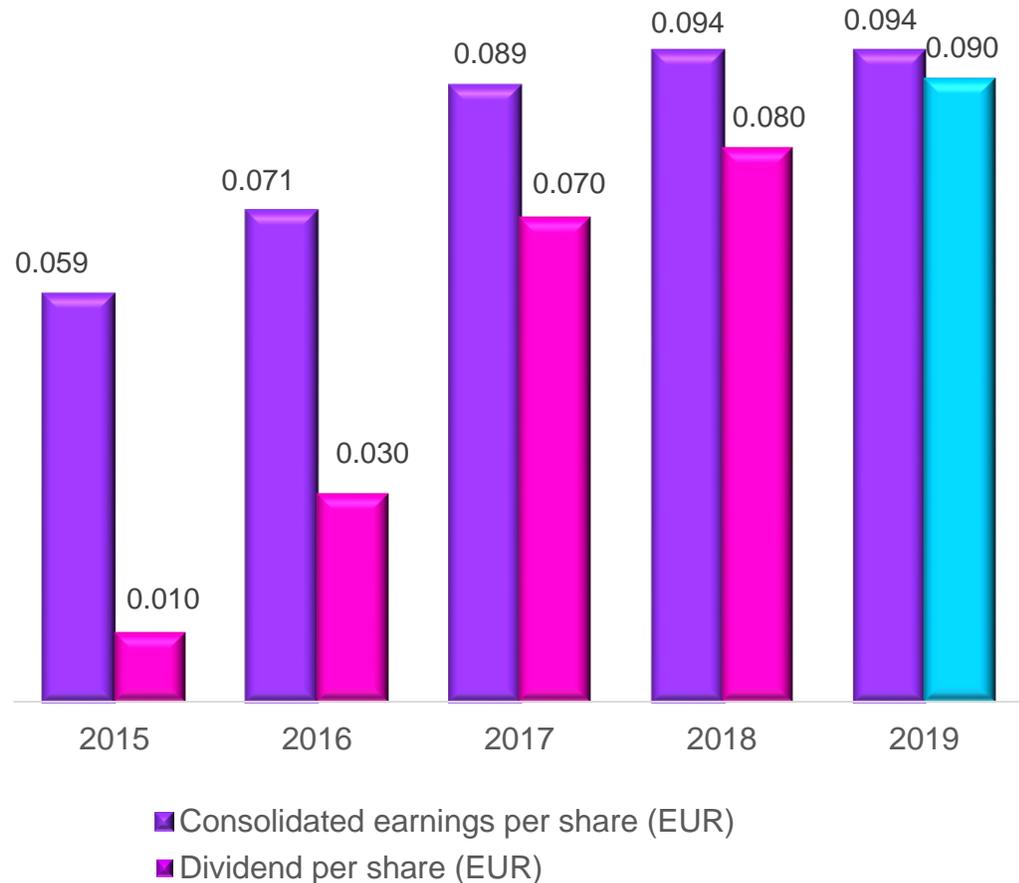
Capex



■ Fixed network ■ Mobile network ■ IT systems ■ Other



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**
- The Board proposed to the Annual General Meeting of Shareholders to be held on 28 April 2020 to pay-out **EUR 0.09 dividend** per share for the year 2019



SHARES AND SHAREHOLDERS

The background features a series of diagonal stripes in vibrant colors: red, purple, and yellow, creating a dynamic and modern aesthetic.

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 31-03-2020

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

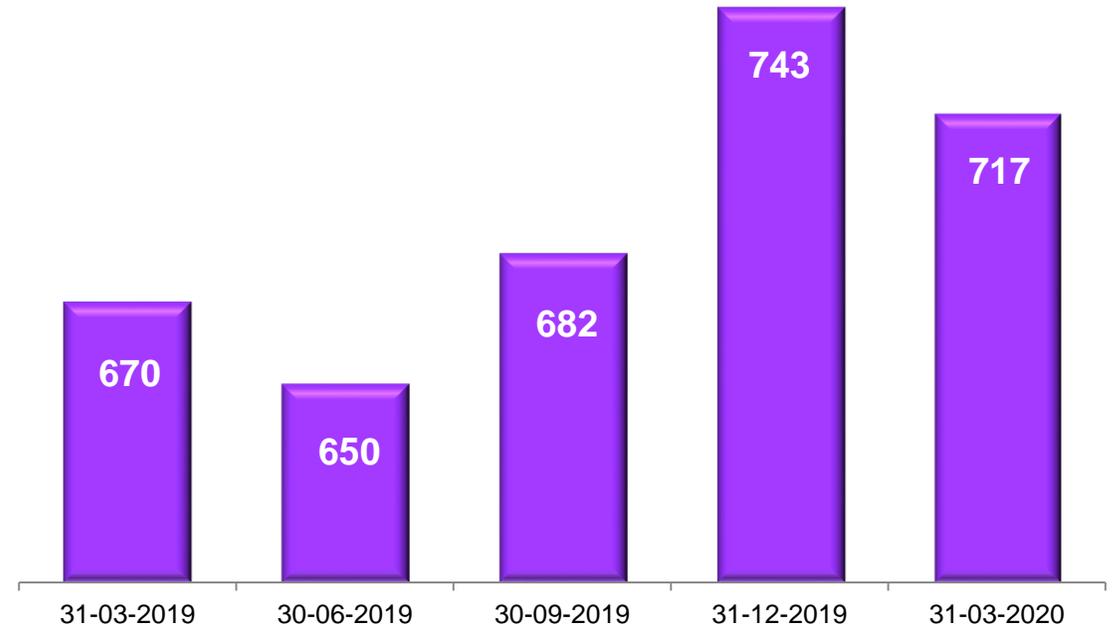


SHARES

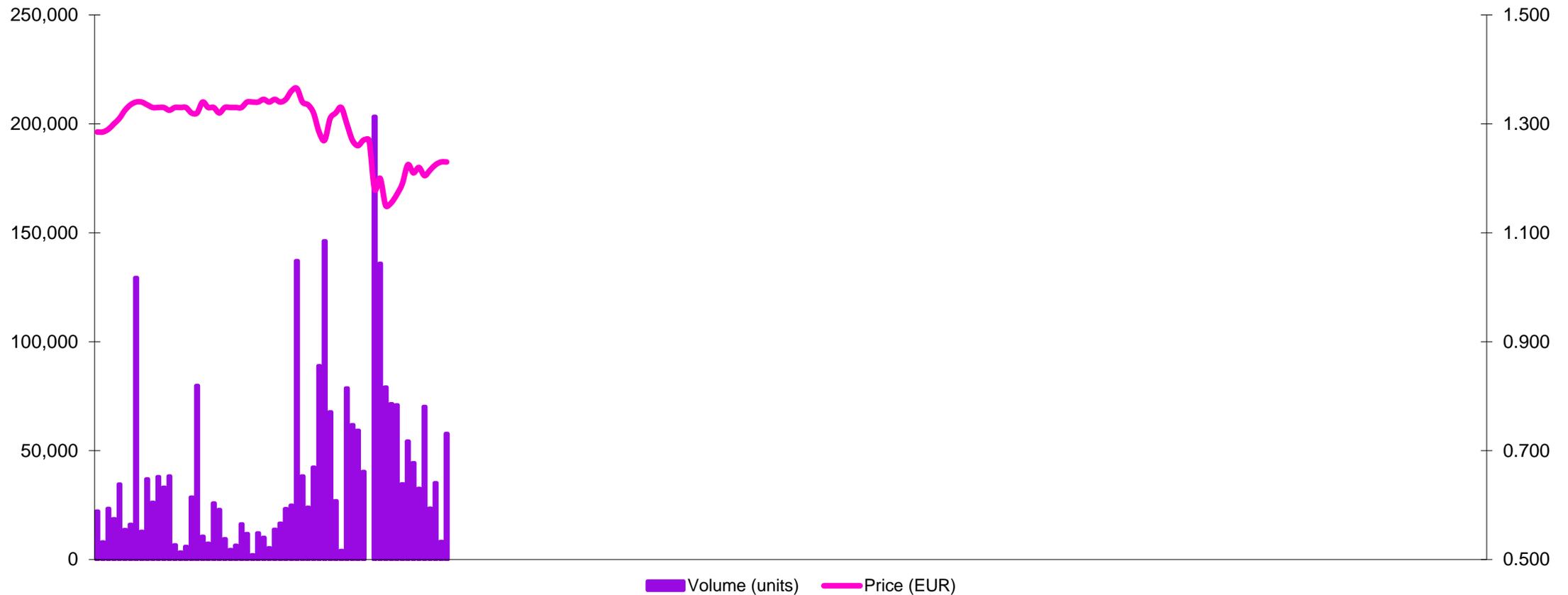
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-March 2020: 2.5 million of shares or EUR 3.2 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2020	1.275
High	1.365
Low	1.135
31-03-2020	1.230

Market capitalization (EUR million)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2020



THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



INDEX EQUITY	OPENING VALUE	CLOSING VALUE	CHANGE %
OMX Baltic Benchmark GI	992.83	777.91	-21.65
OMX Vilnius	712.14	604.56	-15.11
TEL1L - Telia Lietuva	1.27	1.23	-3.53

Source: Nasdaq Vilnius



CORPORATE GOVERNANCE

The background features a series of overlapping, wavy, diagonal bands of color. From top-left to bottom-right, the colors are: a dark purple band, a medium purple band, a light yellow band, a bright orange band, and a small teal band in the bottom right corner.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders will be 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** was the Company's independent auditor for the year 2018 and 2019.
- 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



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



ZERO
CO₂



ZERO
WASTE



100%
ACTION



Telia

