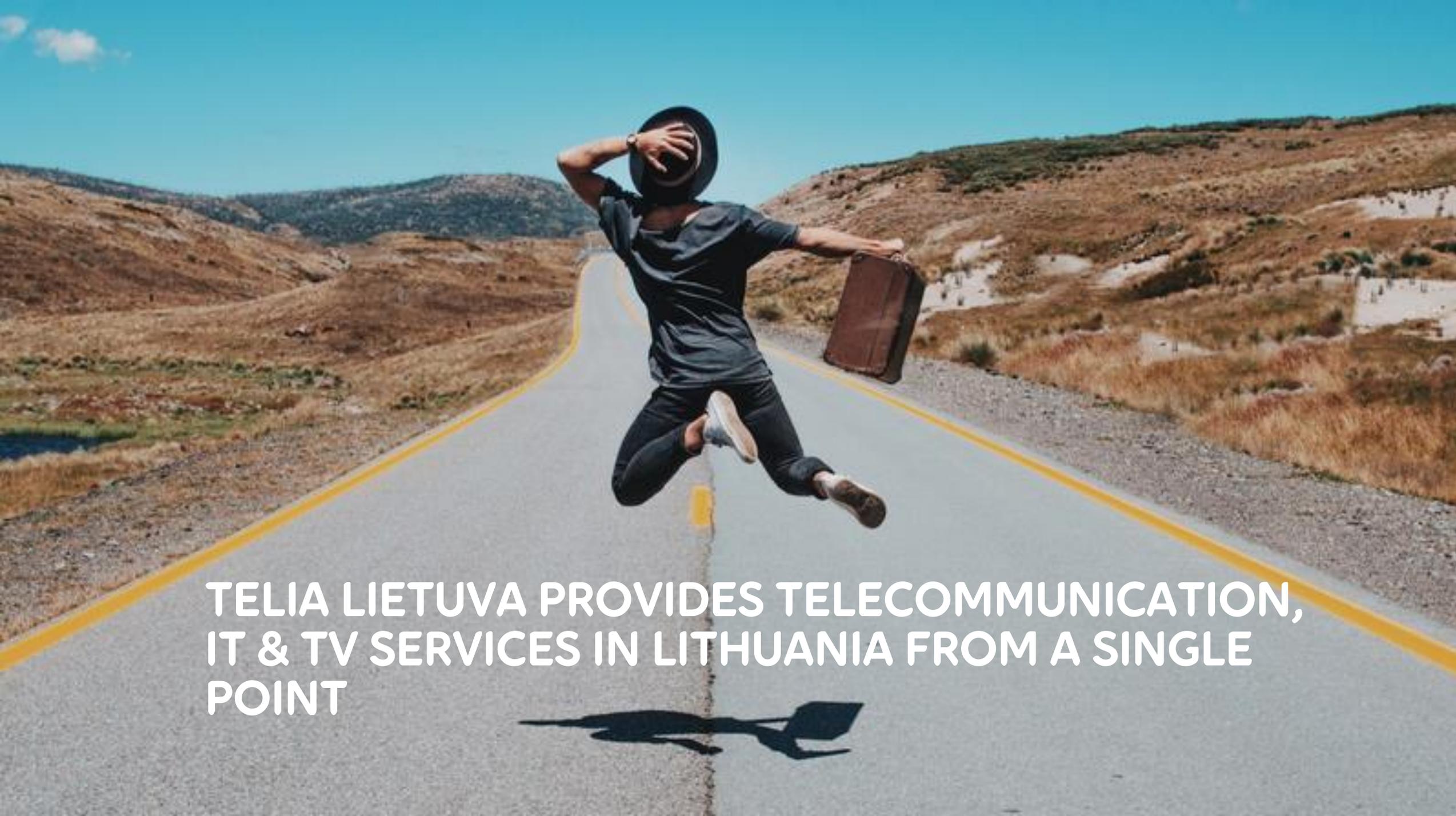




RESULTS FOR THE YEAR 2018

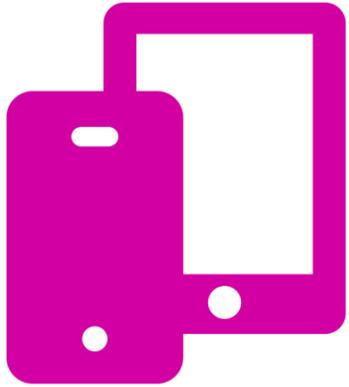
Telia Lietuva, AB Group



A man in a dark t-shirt and pants is running on a paved road, holding a hat and a suitcase. The background shows a dry, hilly landscape under a clear blue sky. The man is in mid-air, suggesting a sense of urgency or movement. The road has yellow lines on either side, and the surrounding terrain is arid with sparse vegetation.

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

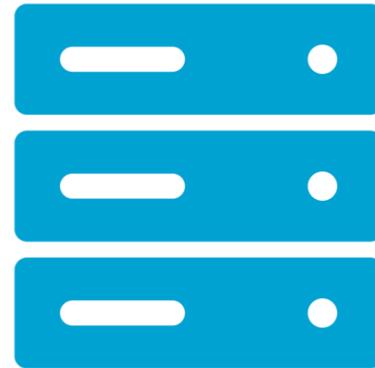
TELIA LIETUVA MEANS:



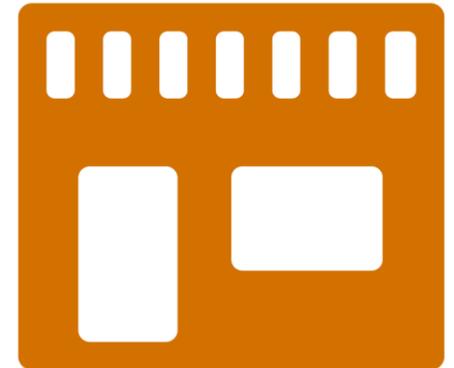
Wide range of
services



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



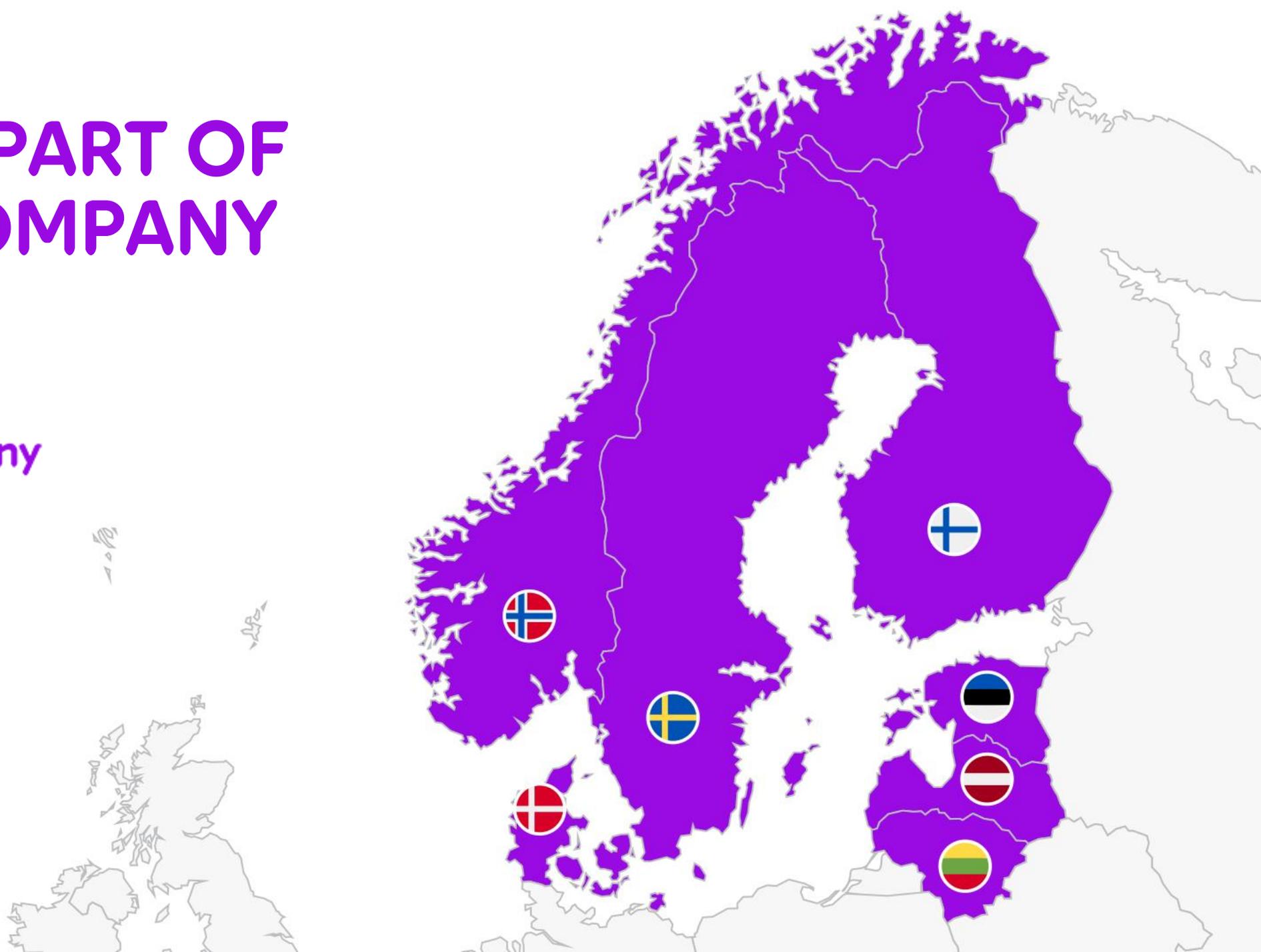
Team of almost
3,000 professionals



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 %
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)
- In 2018, the Company disposed the following subsidiaries: Telia Global Services Lithuania, UAB (Telia shared services centre) and UAB Verslo Investicijos (investment project)



HIGHLIGHTS OF THE YEAR 2018

#1

LAUNCH OF
S-VDSL WITH
SPEED UP TO
250 Mb/s

#2

LAUNCH OF
IPTV OVER
LTE 4G

#3

B2B
ACHIEVEMENTS:
SAP, MICROSOFT

#4

PRE-LAUNCH OF
MOBILE INSTANT
PAYMENT
PLATFORM MOQ
(by Bitè, Telia & Tele2)

#5

HBO AT
TELIA IPTV

#6

INVESTMENTS
IN NETWORK

#7

28 THOUSAND
NEW CONVERGED
OFFER „TELIA
ONE“ USERS

#8

LAUNCH OF
5G MOBILE
NETWORK WITH
1.8 Gb/s SPEED
RECORD



OPERATING FIGURES



2.7%

1,389

thousand of
mobile service users



1.5%

414

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



9.0%

230

thousand of
IPTV service users



14.9%

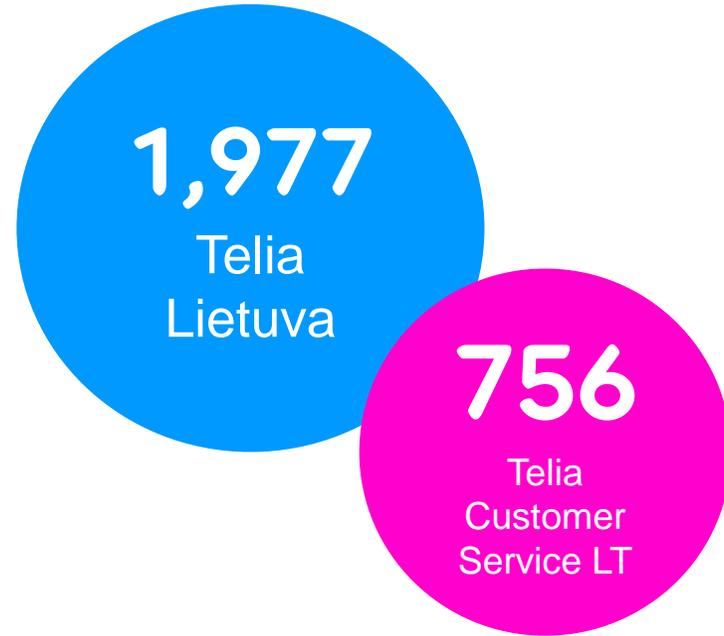
354

thousand of
fixed telephone lines
in service

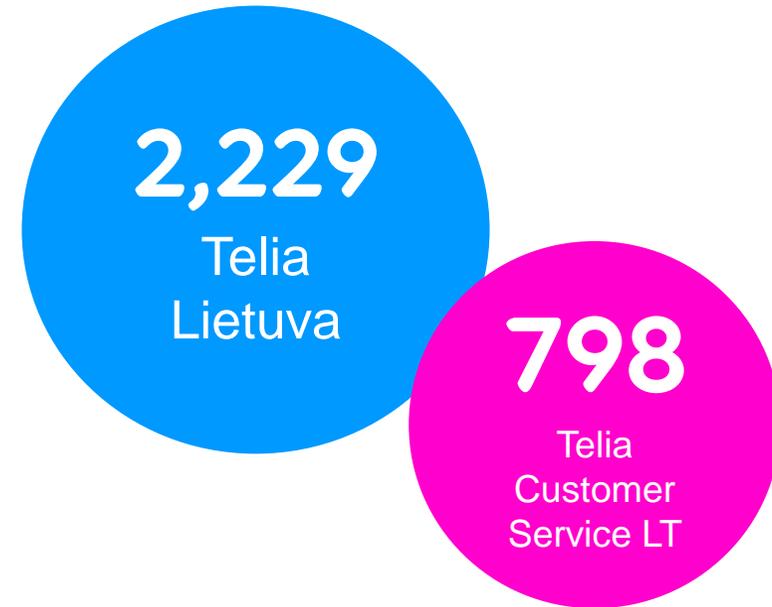
Data as of 31-12-2018 & change (y-o-y)



NUMBER OF EMPLOYEES



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

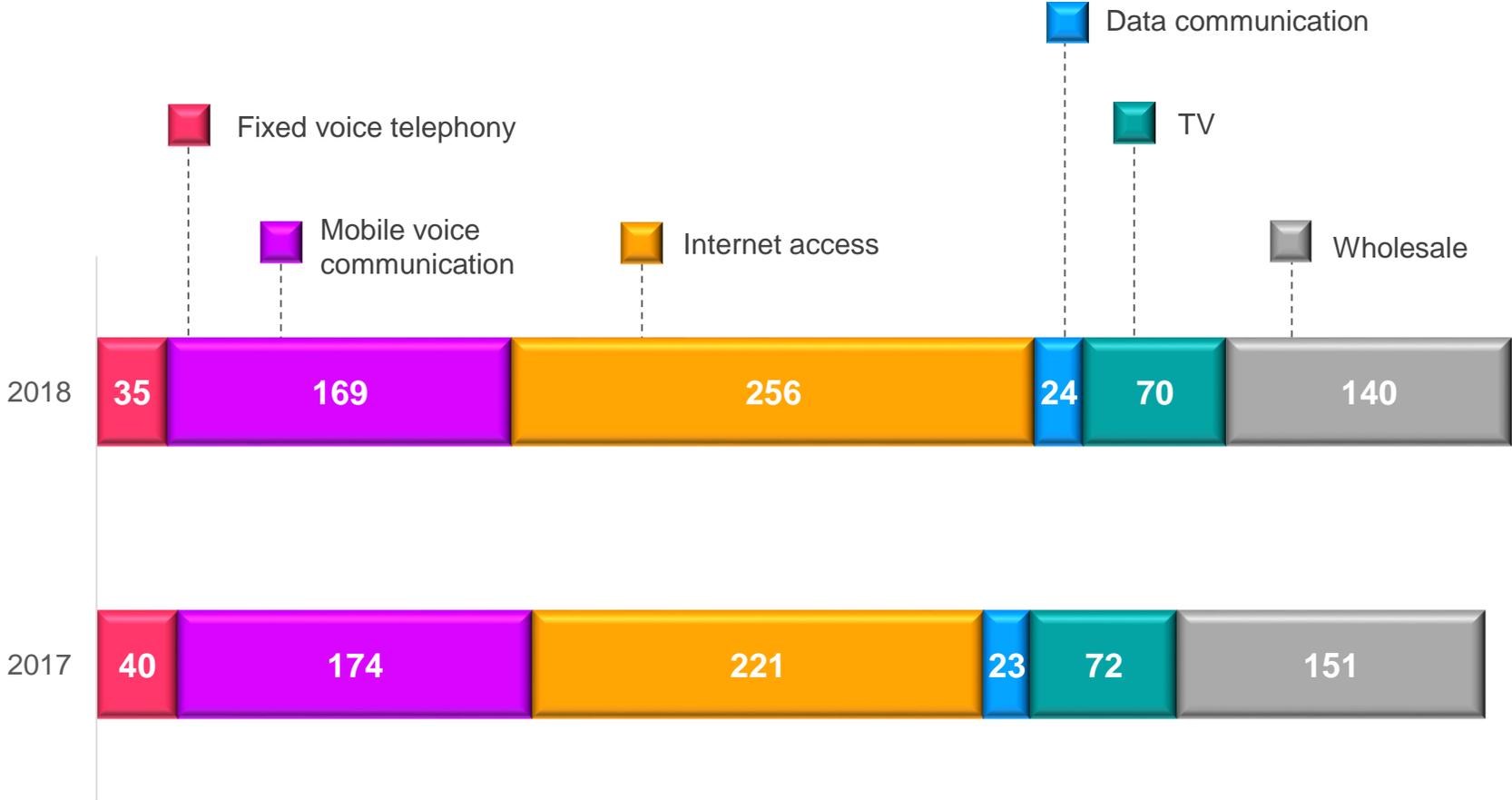


In total **3,027** (31-12-2017)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET (EUR million)

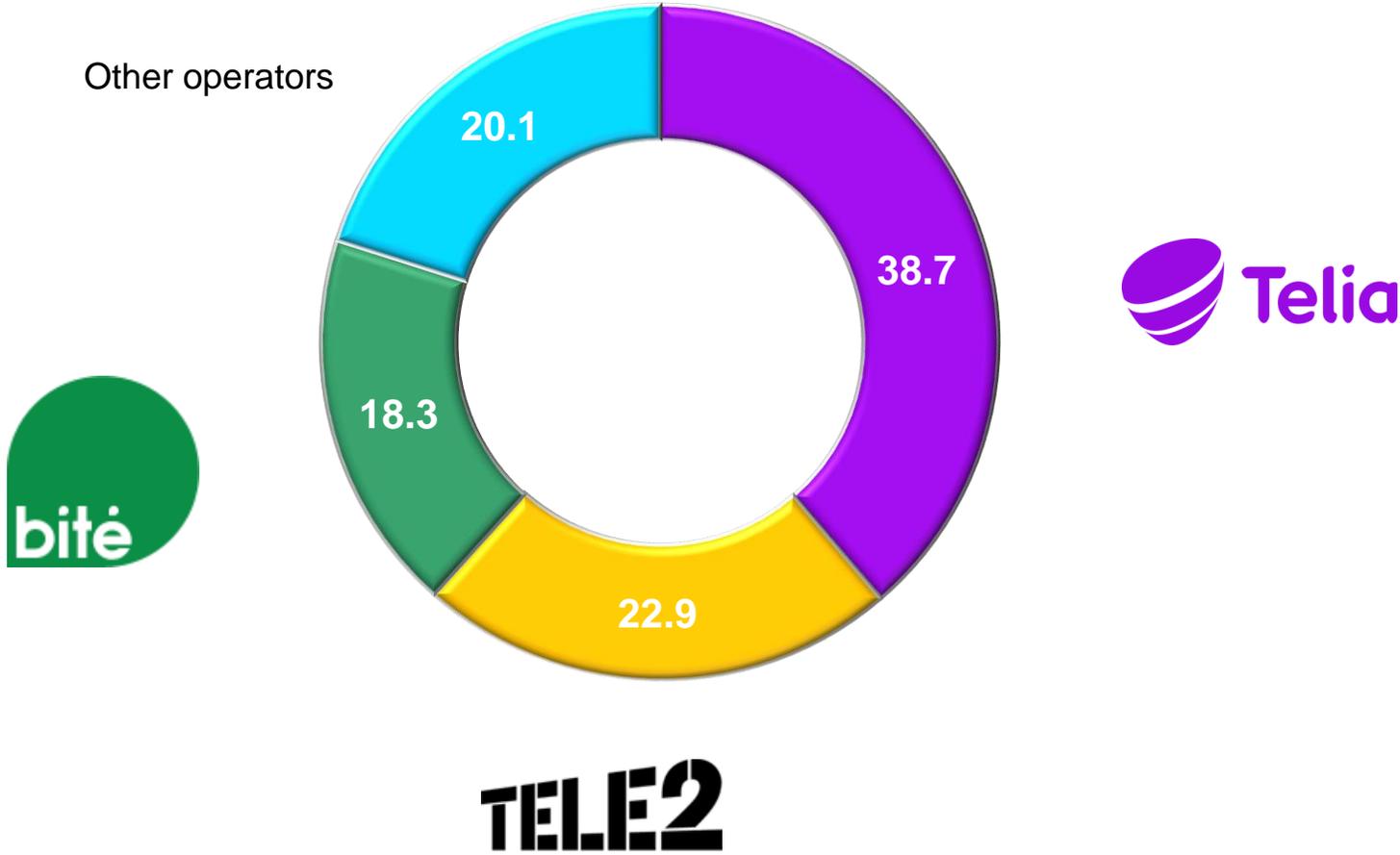


+1.9%

Source: Report of the Communications Regulatory Authority



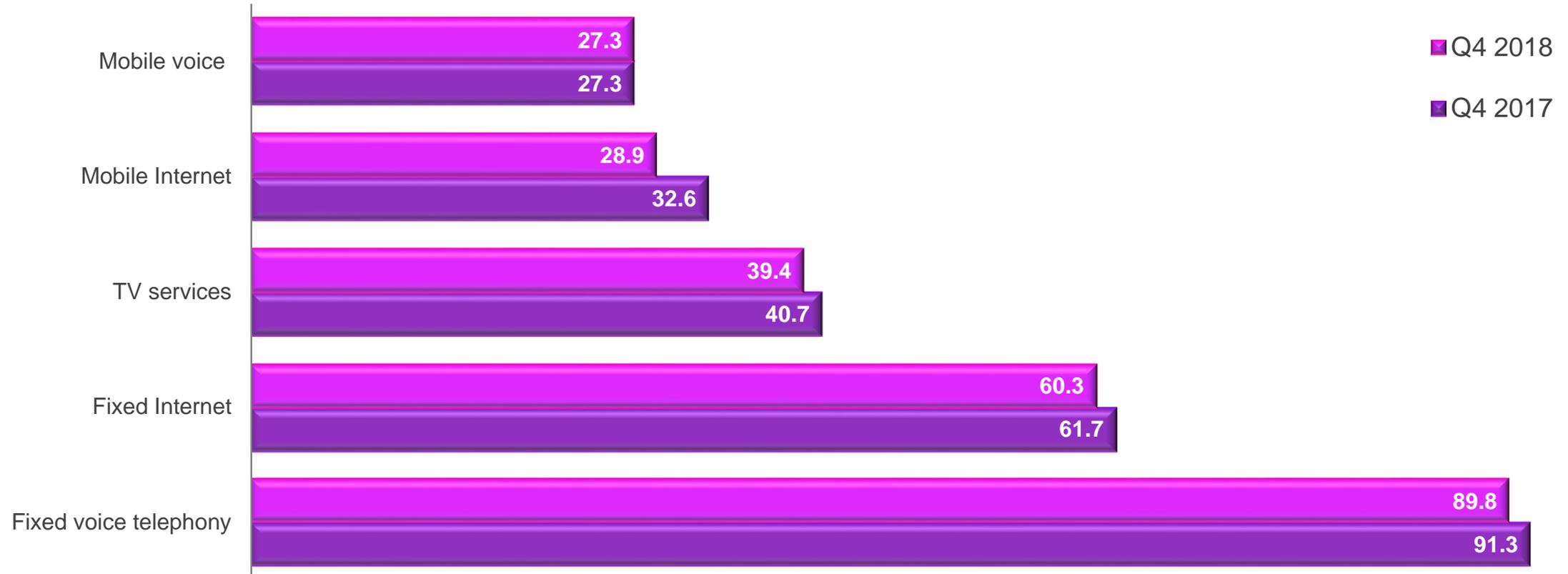
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2018 (%)



Source: Report of the Communications Regulatory Authority



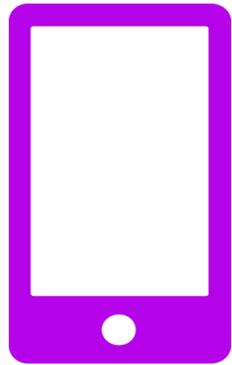
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



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

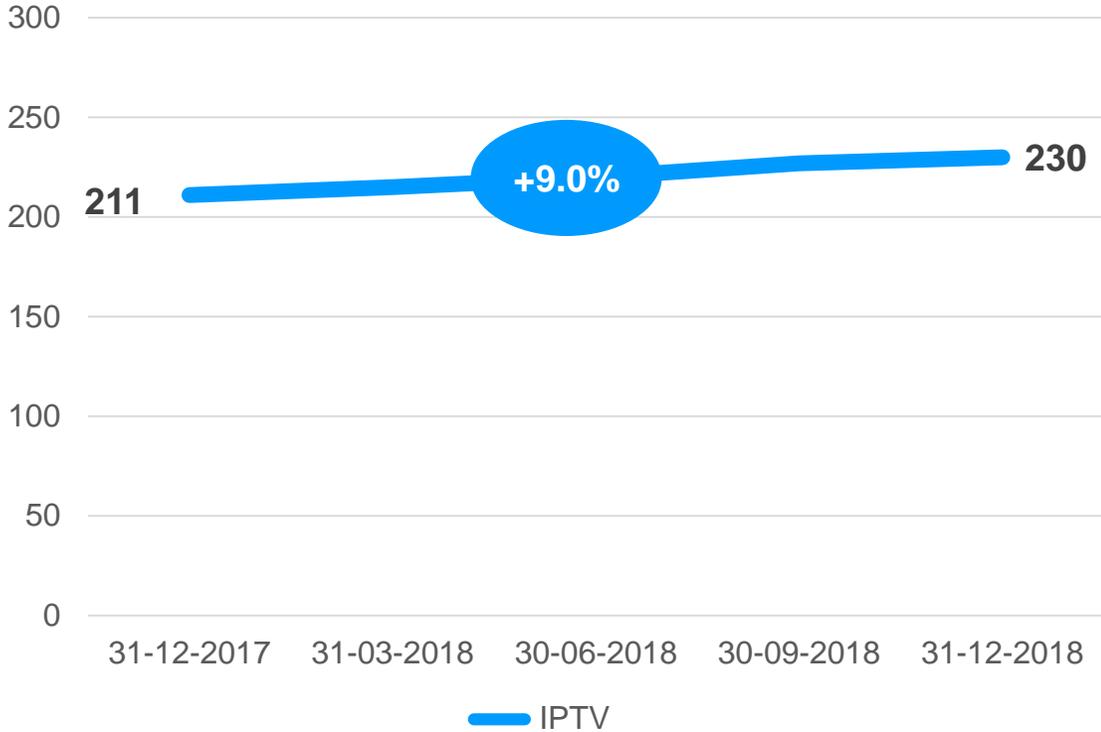
pay-TV subscribers
(households)



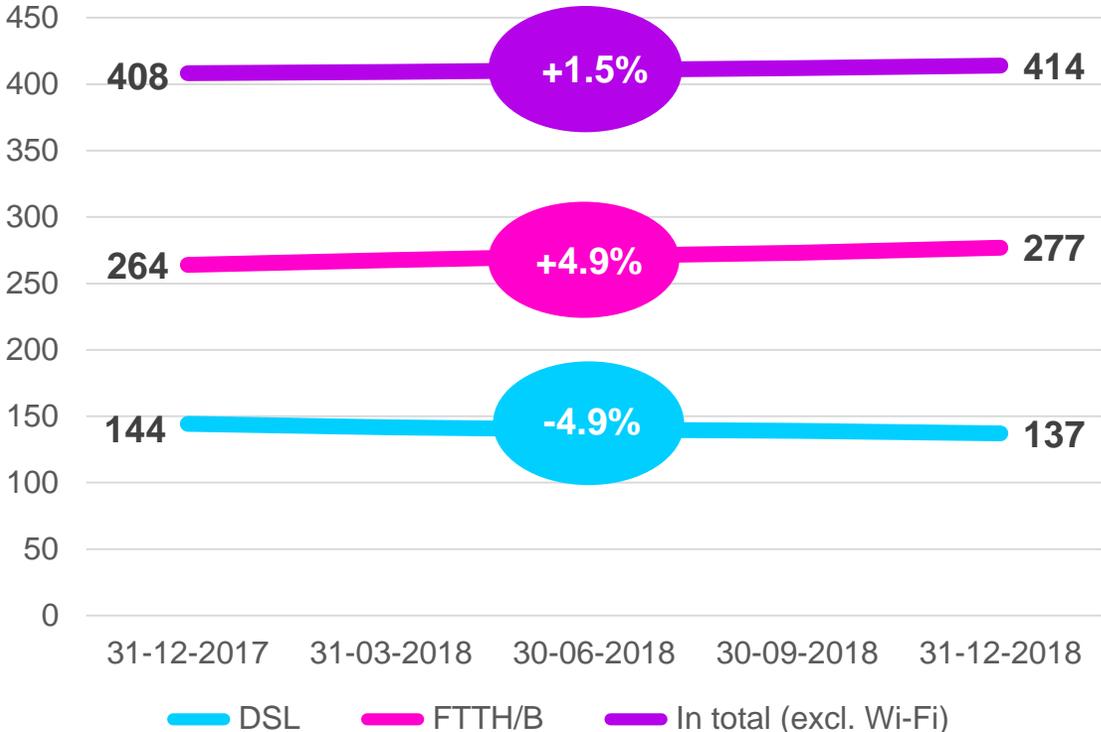
OPERATING AND FINANCIAL RESULTS

CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS

Number of TV service users (thousands)

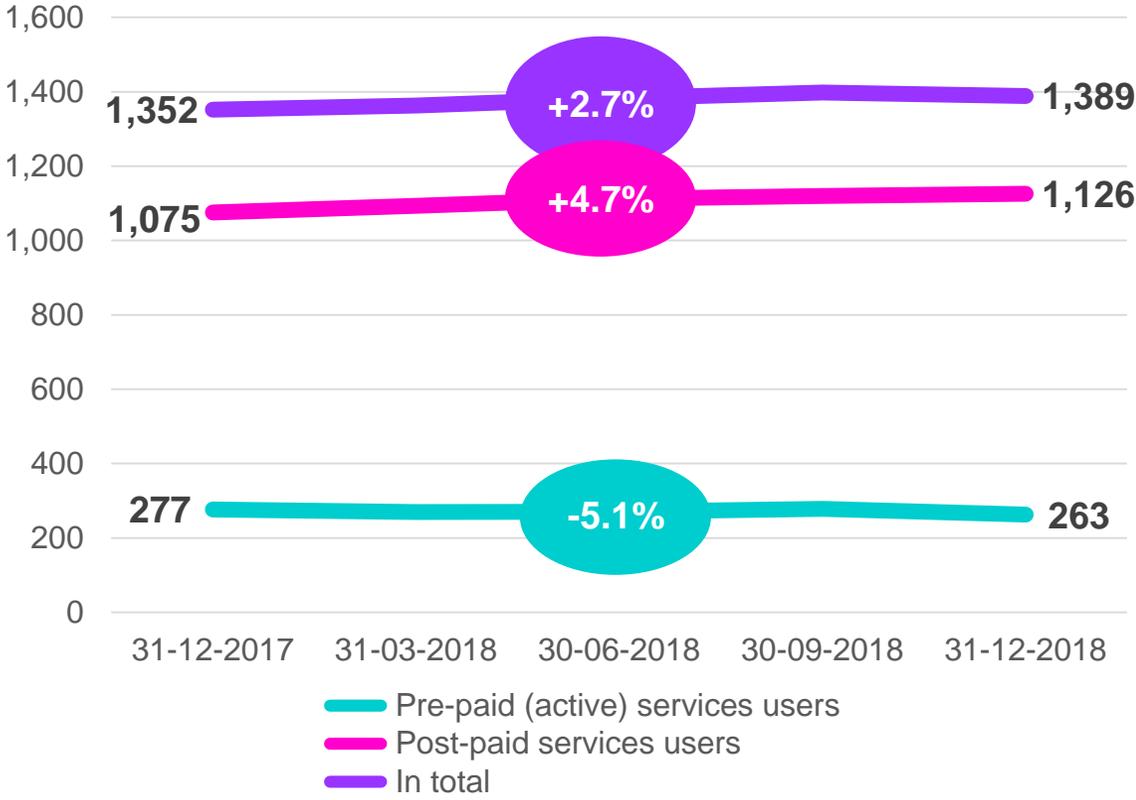


Number of broadband Internet users (thousands)

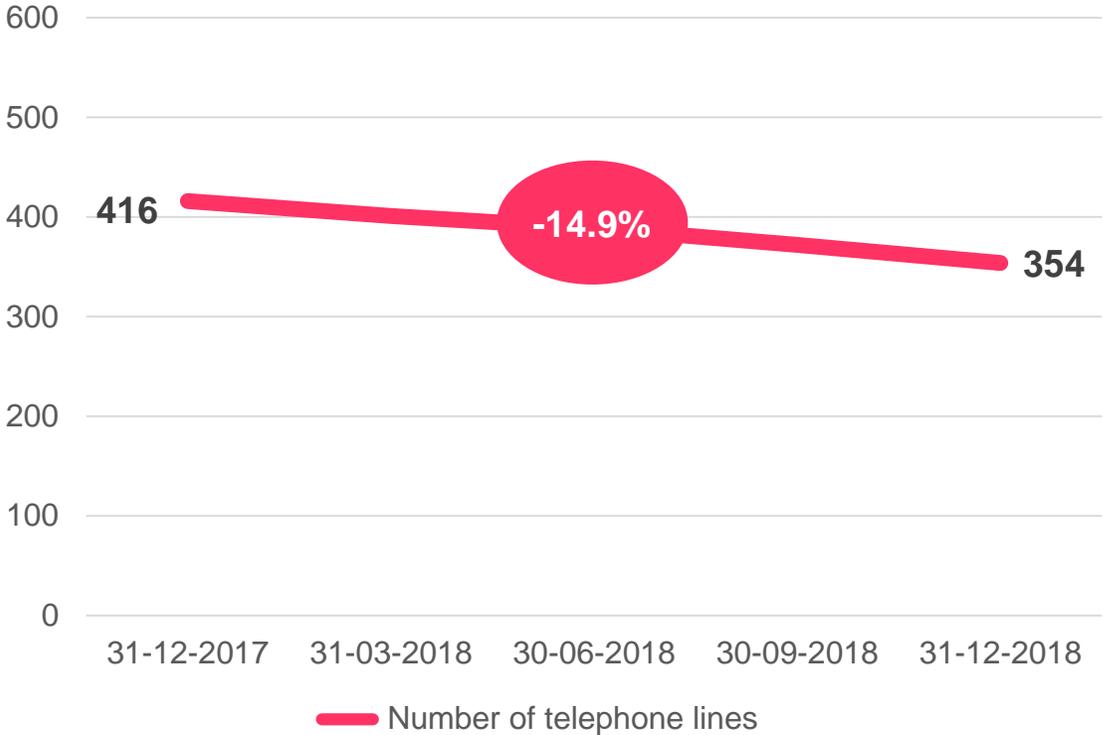


NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING

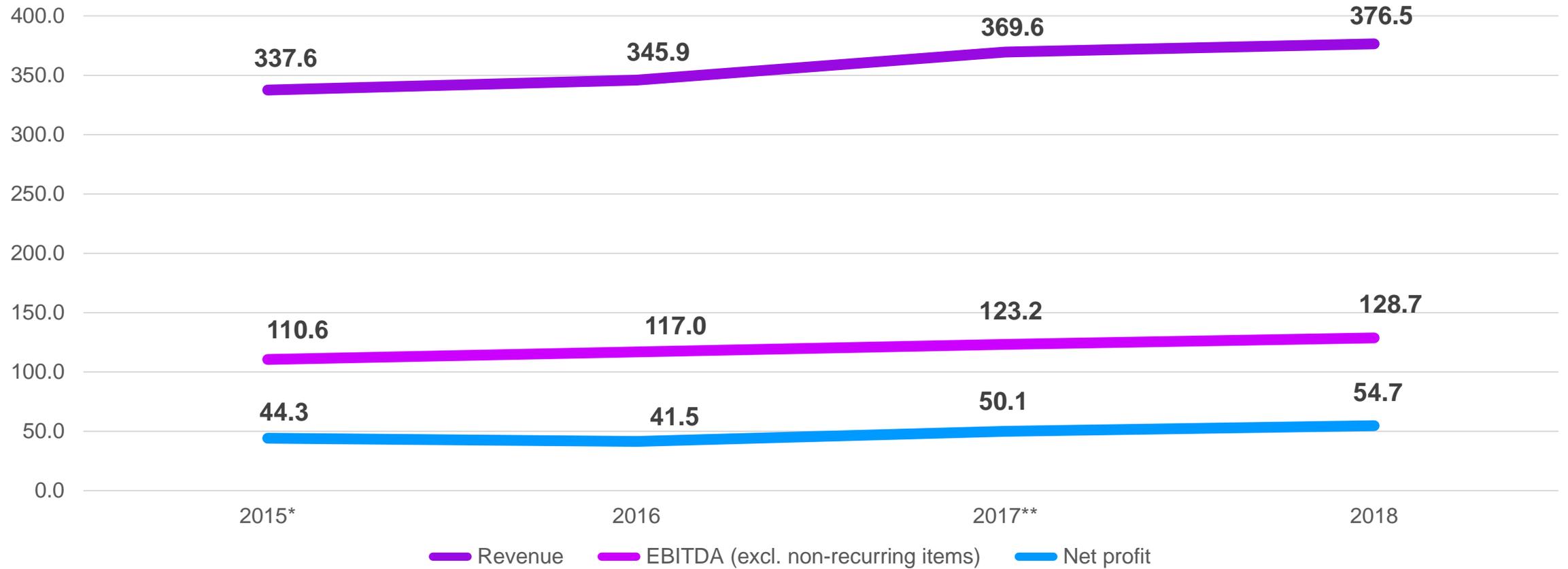
Mobile communication users (thousands)



Number of fixed telephone lines (thousands)



REVENUE, EBITDA & NET PROFIT (EUR million)



NOTES:

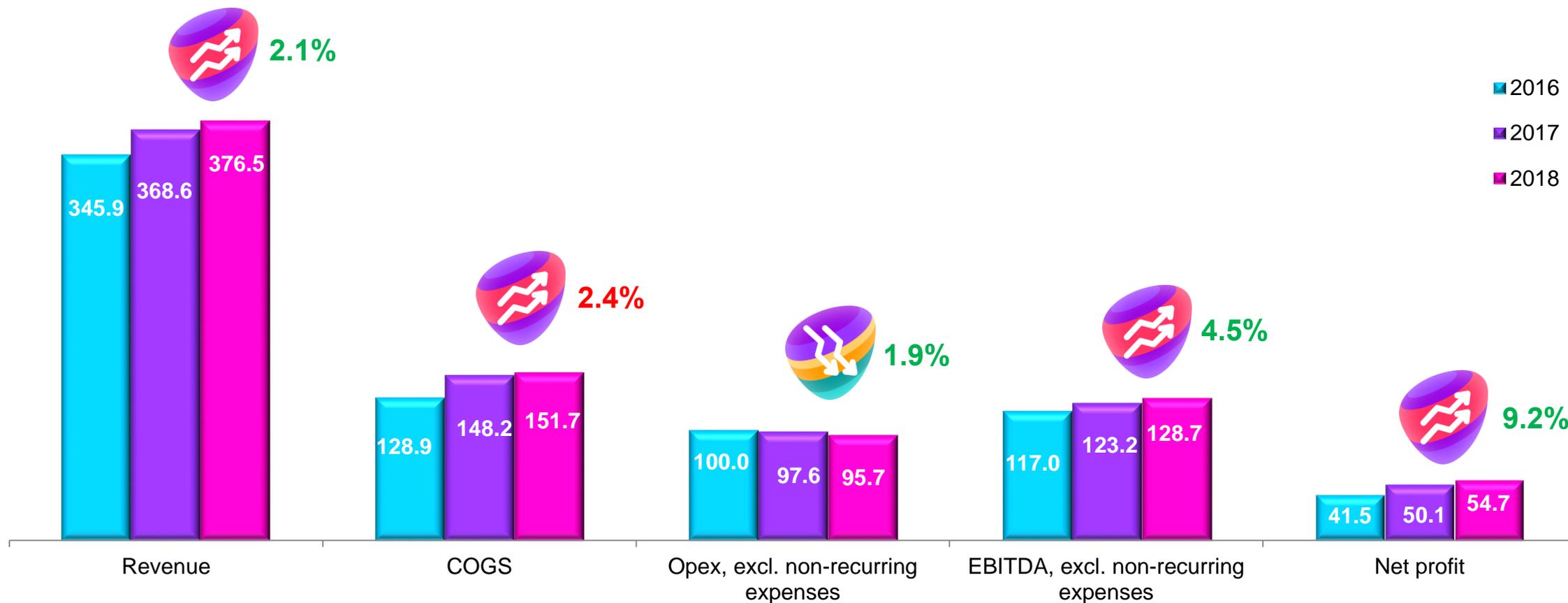
* Comparable combined including Omnitel

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



DYNAMICS OF MAIN FINANCIAL INDICATORS

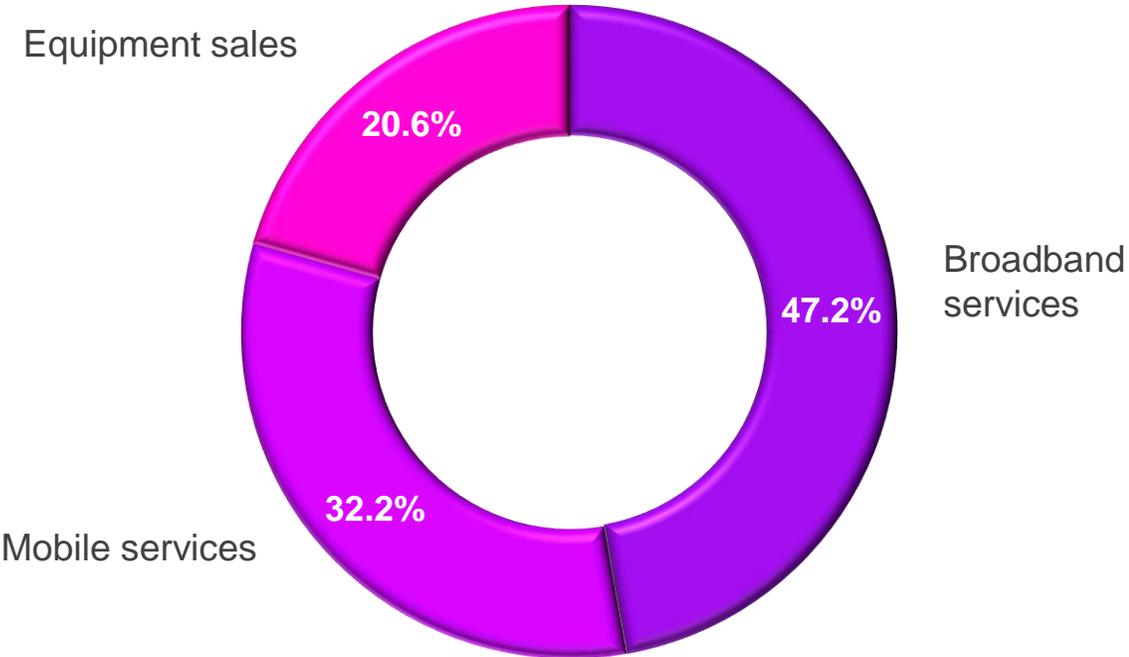
(EUR million)



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



2018 REVENUE BREAKDOWN



B2B

41.2%



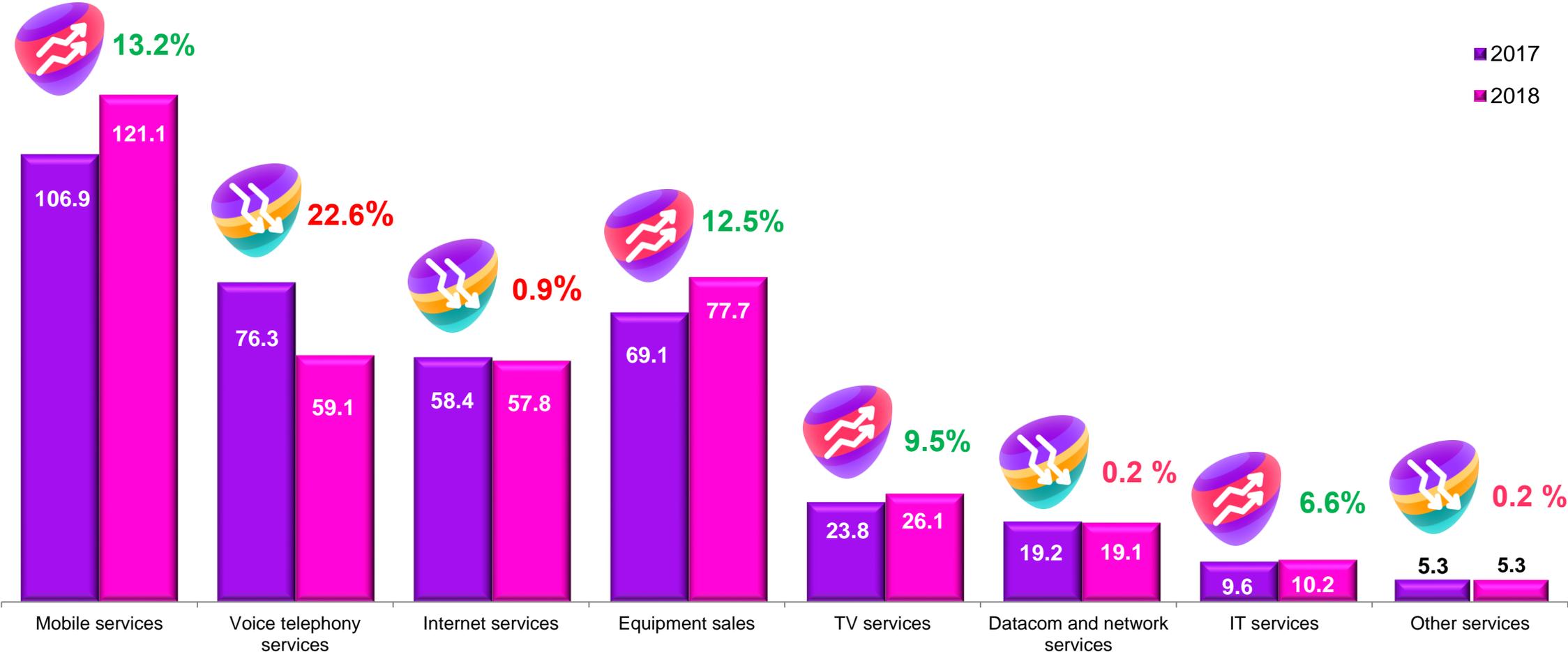
B2C

58%



REVENUE BY SERVICES

(EUR million)

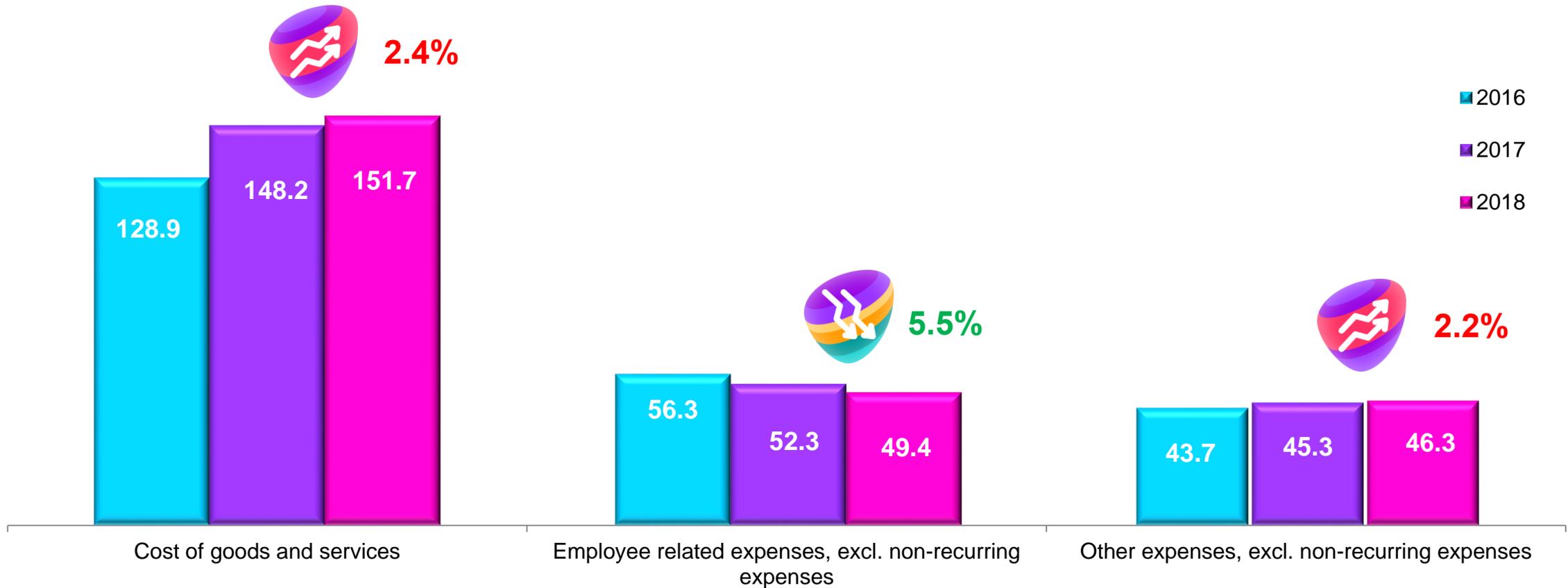


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



OPERATING EXPENSES

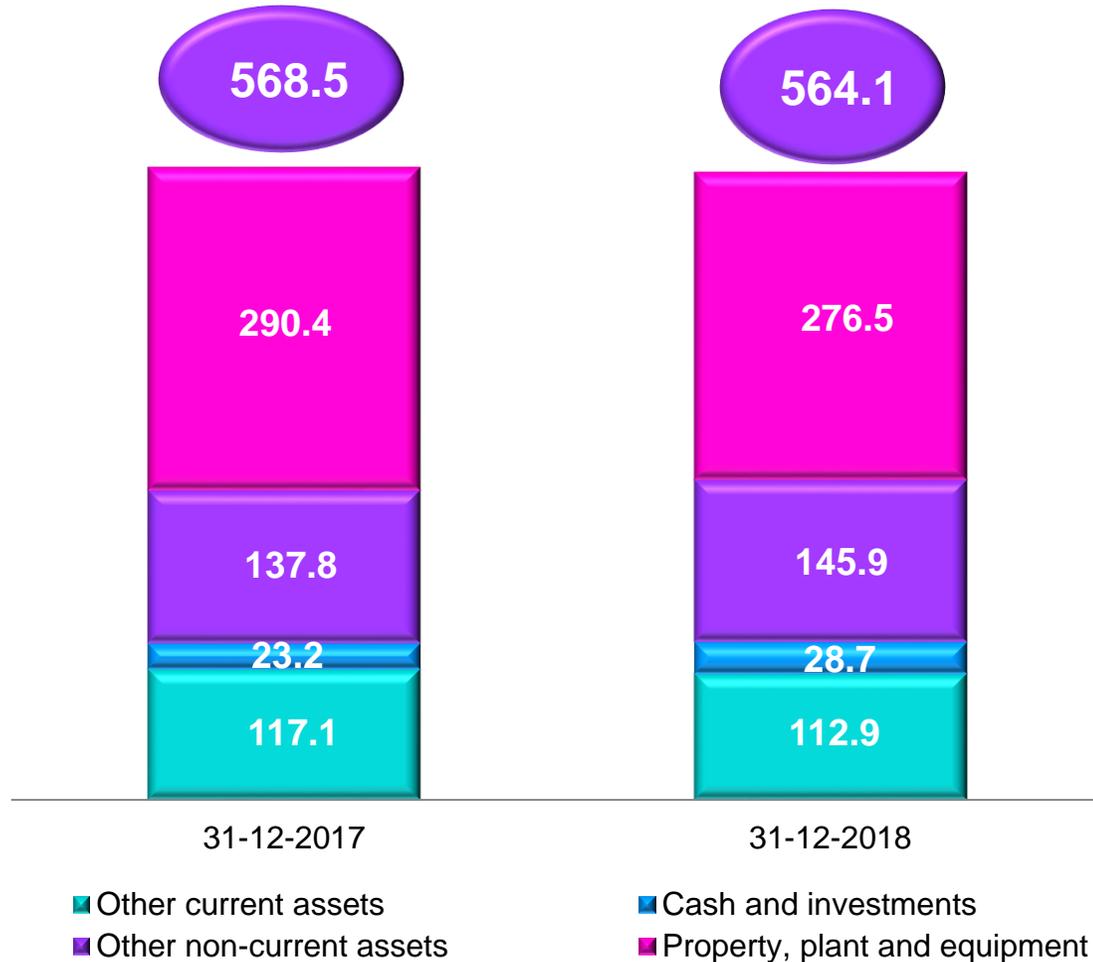
(EUR million)



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



ASSETS (EUR million)



- During 2018, **total assets** decreased by 0.8%
- **Non-current assets** amounted to 74.9% of total assets (31-12-2018)
- **Cash** alone amounted to 5.1%
- **Return on capital employed:** 13.8%
- **Return on average assets:** 11.3%

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



EQUITY AND LIABILITIES (EUR million)



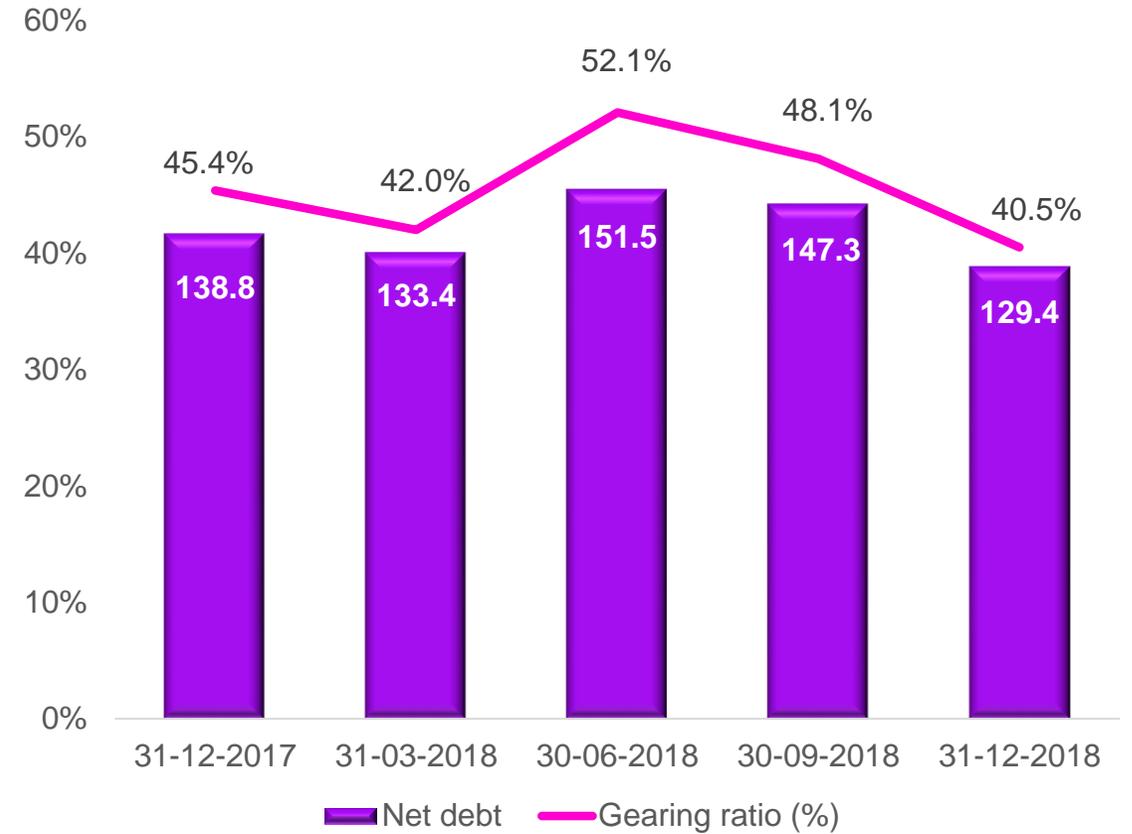
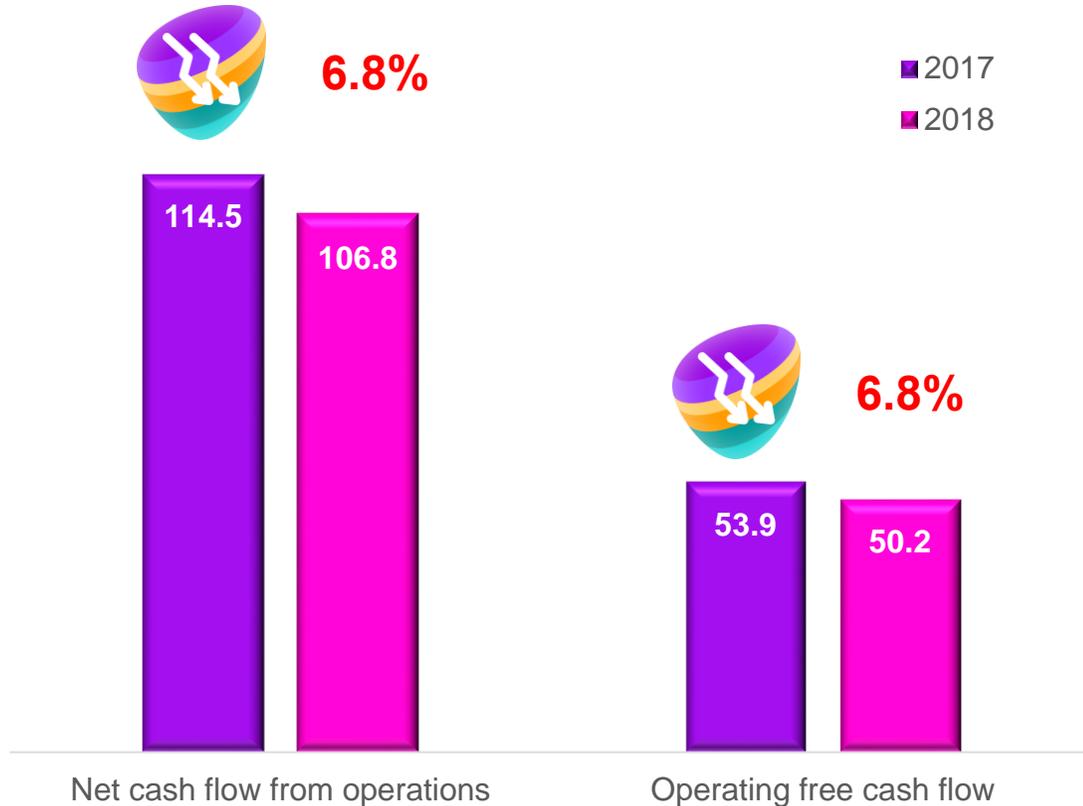
- Shareholders' **equity** amounted to 56.7% of the total assets (31-12-2018)
- Total **borrowings** (31-12-2018) amounted to EUR 158.1 million: EUR 127.5 million – bank loans, EUR 10 million – internal Group loan, EUR 17,5 million – vendor financing and EUR 3.1 – financial lease.
- **Gearing ratio**: 40.5%
- **Debt to equity**: 49.4%
- **Return on equity**: 17.7%

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



CASH FLOW & NET DEBT

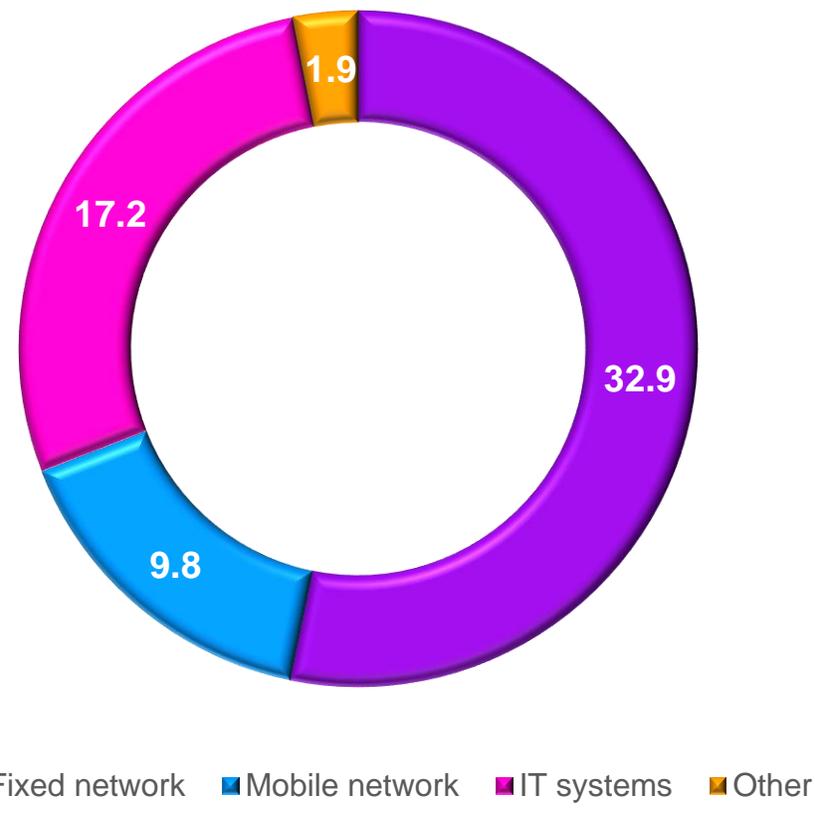
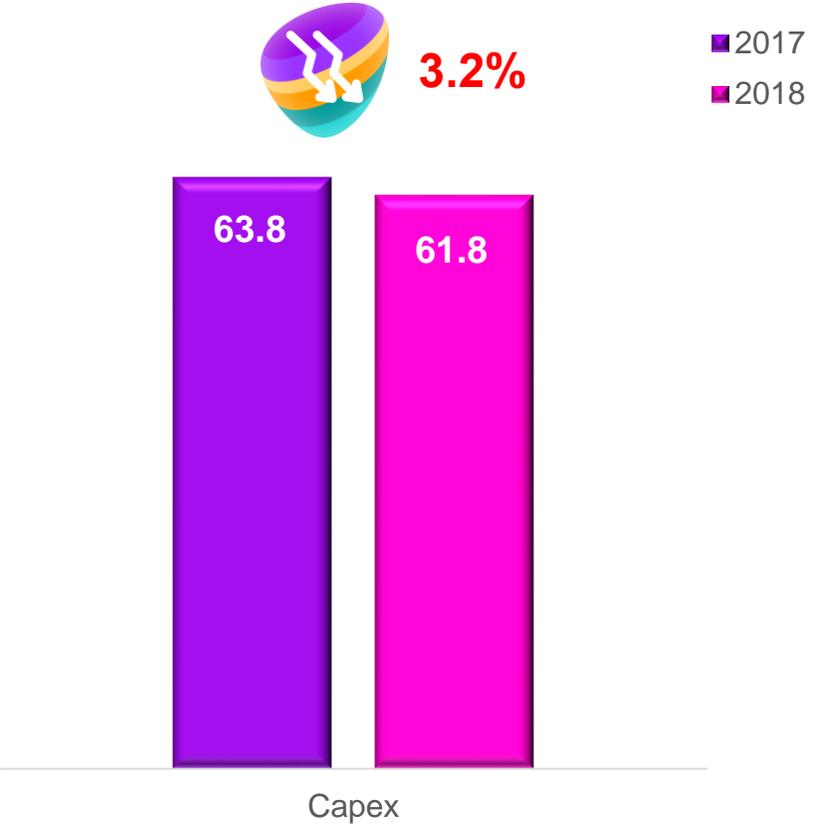
(EUR million)



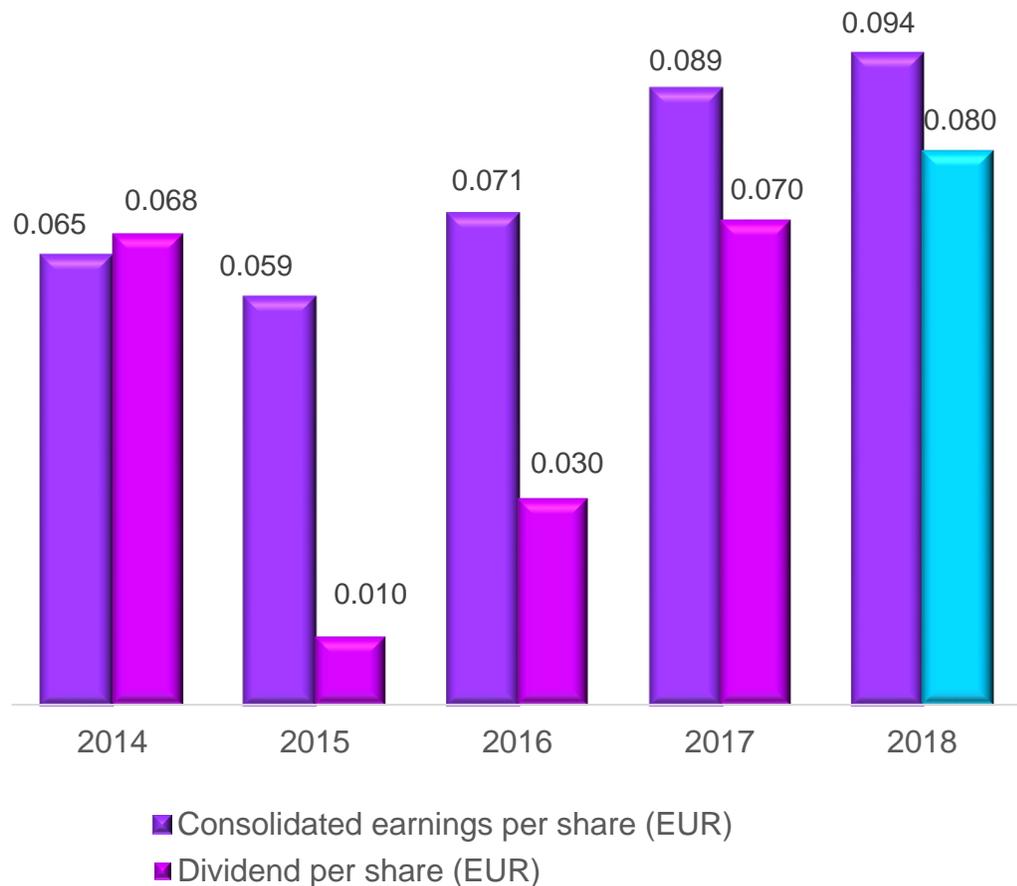
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



CAPEX & CAPEX BREAKDOWN FOR THE YEAR 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 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 31-12-2018

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

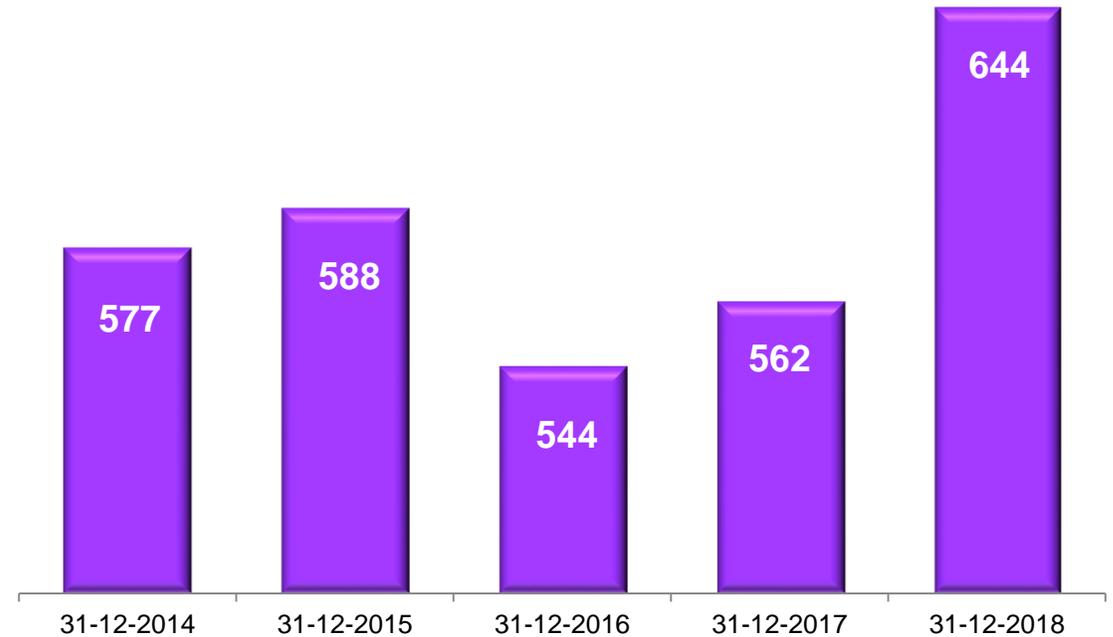


SHARES

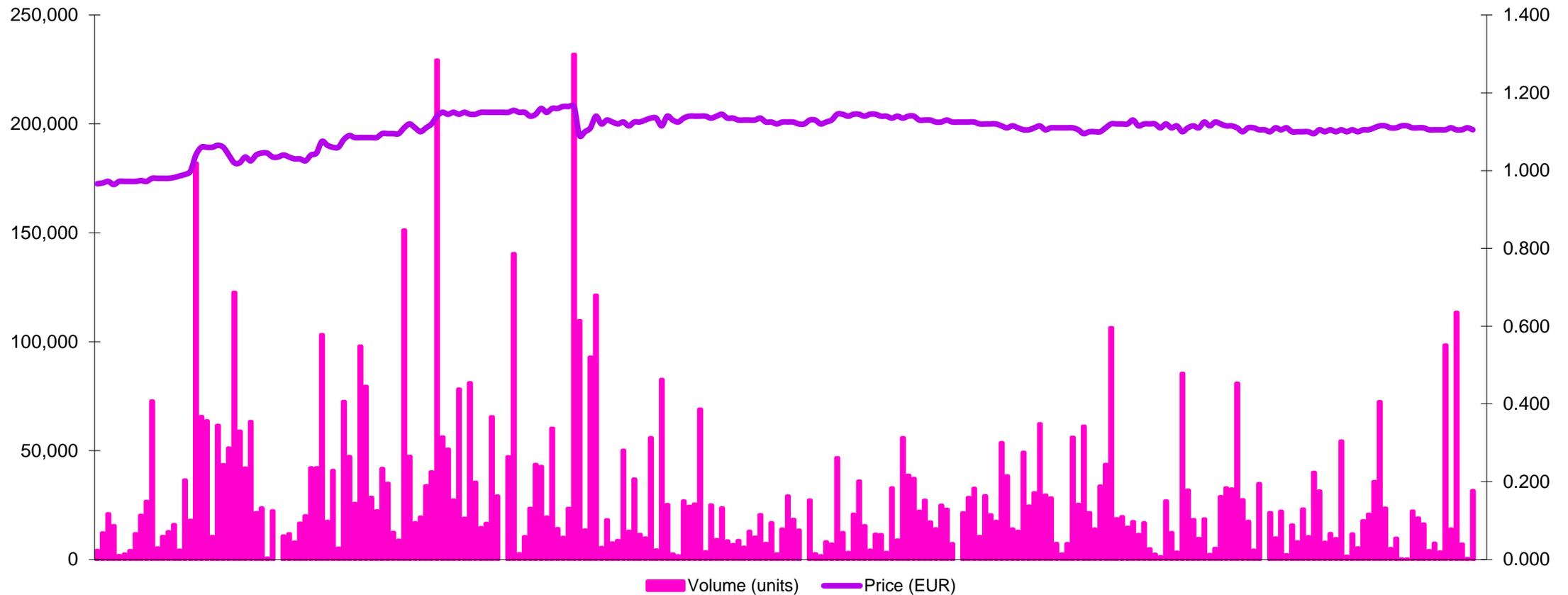
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-December of 2018: 7.4 million of shares or EUR 8.2 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.170
Low	0.956
31-12-2018	1.105

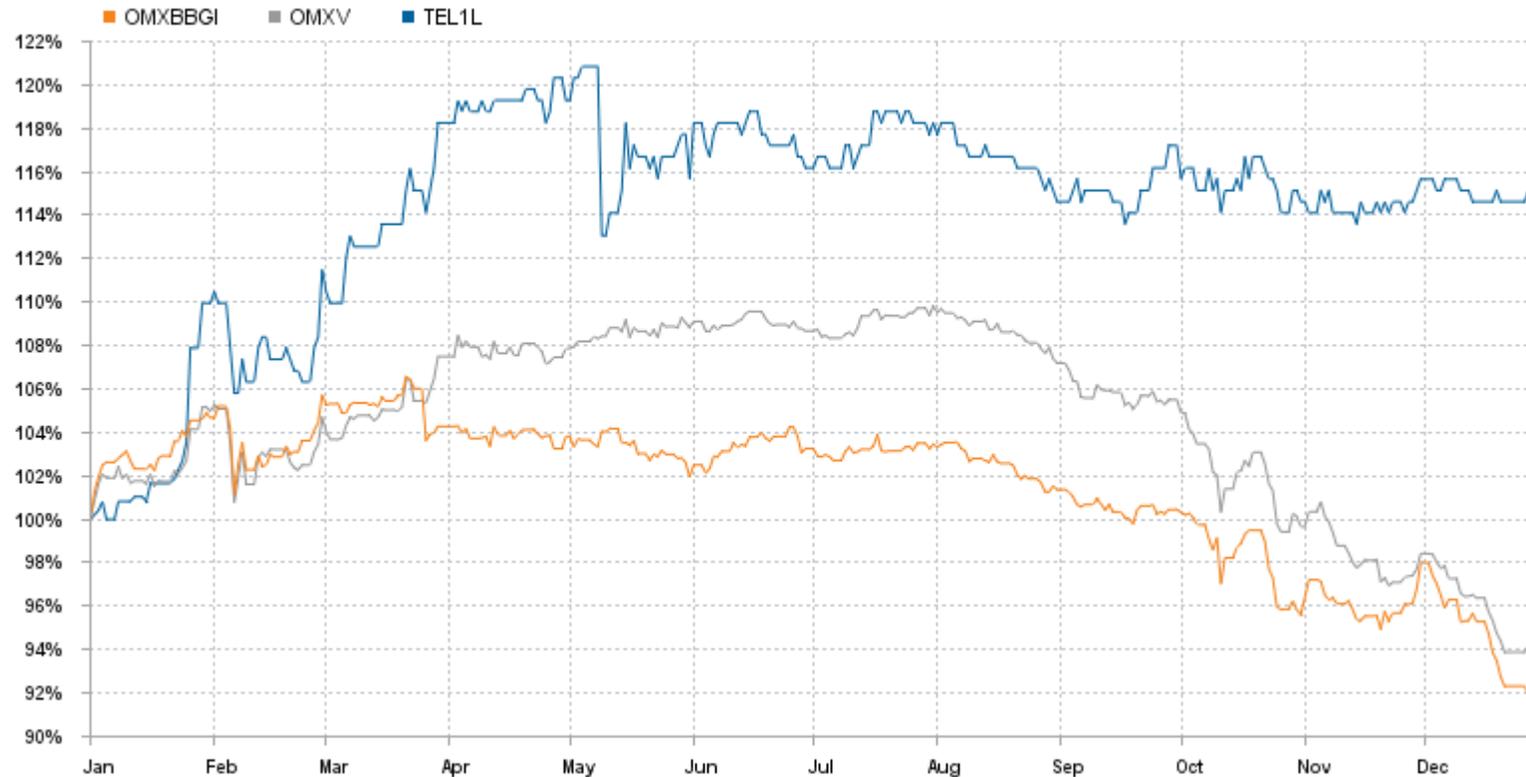
Market capitalization (EUR million)



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 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 **AGM** 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 **resigned** from the Board as of 8 November 2018, and Emil Nilsson was **elected** 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



Emil Nilsson (born in 1971),
Chairman of the Board, represents
Telia Company AB, Chairman 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



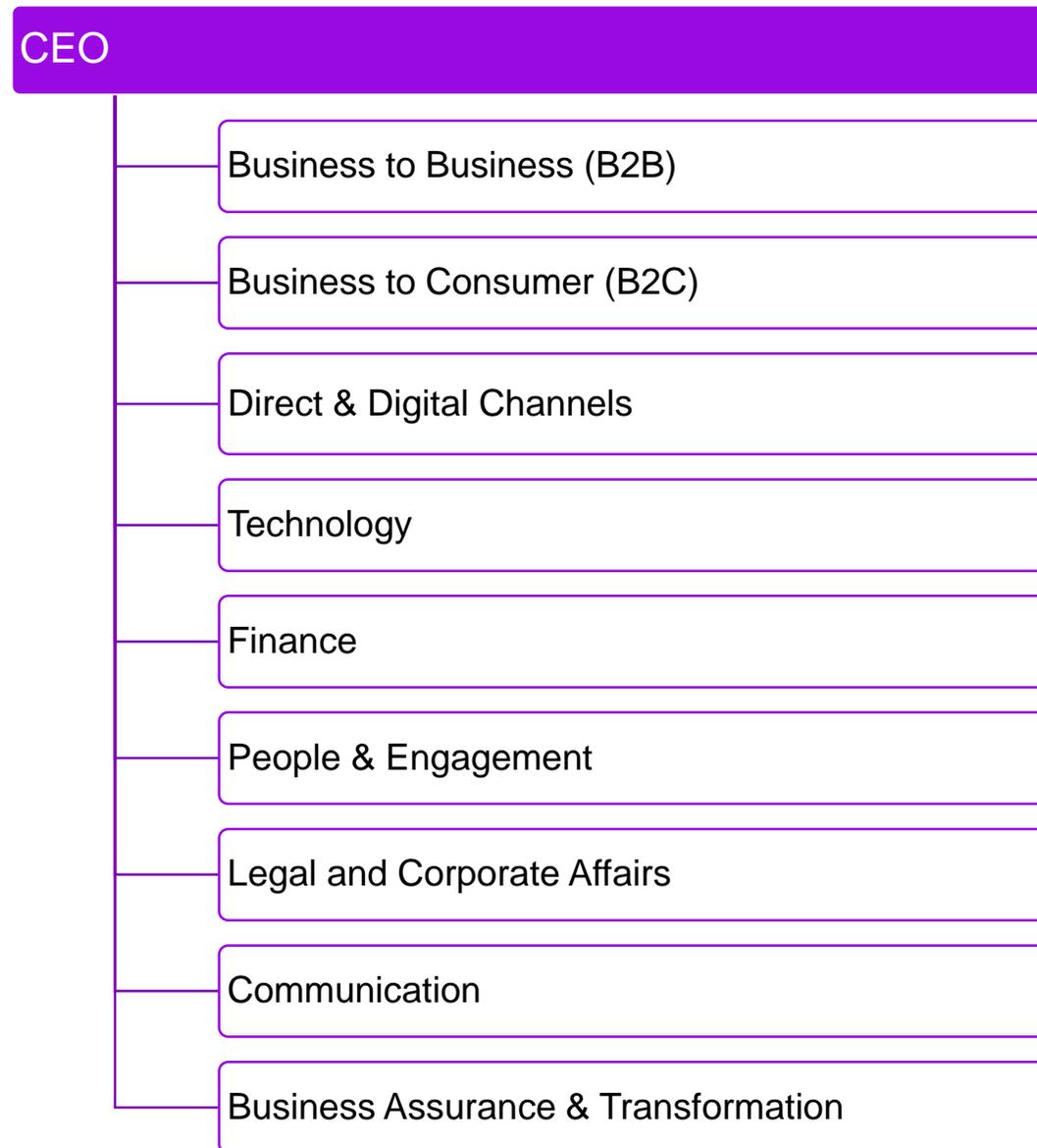
Mindaugas Glodas (born in 1972),
Independent member of the Board,
Member of the Audit and
Remuneration Committees

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



GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2019



MANAGEMENT TEAM



Dan Strömberg,
CEO



Mindaugas Ubartas,
Head of B2B,
acting Head of B2C



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



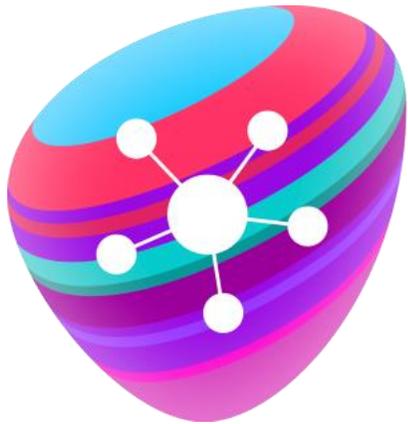
Environmental responsibility



Children safety online



ALL IN APPROACH



Connecting the unconnected



A healthy and safe society



Education for all



Digital entrepreneurship and innovation





Telio

#VISAKOTINKLAS