



RESULTS FOR THE 6 MONTHS OF 2020

Telia Lietuva, AB Group





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

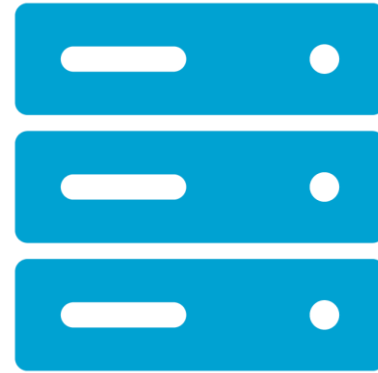
TELIA LIETUVA MEANS:



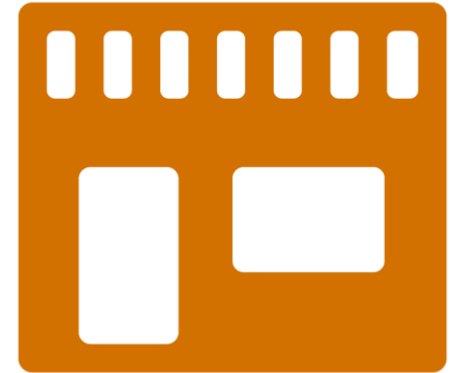
Wide range of
services



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



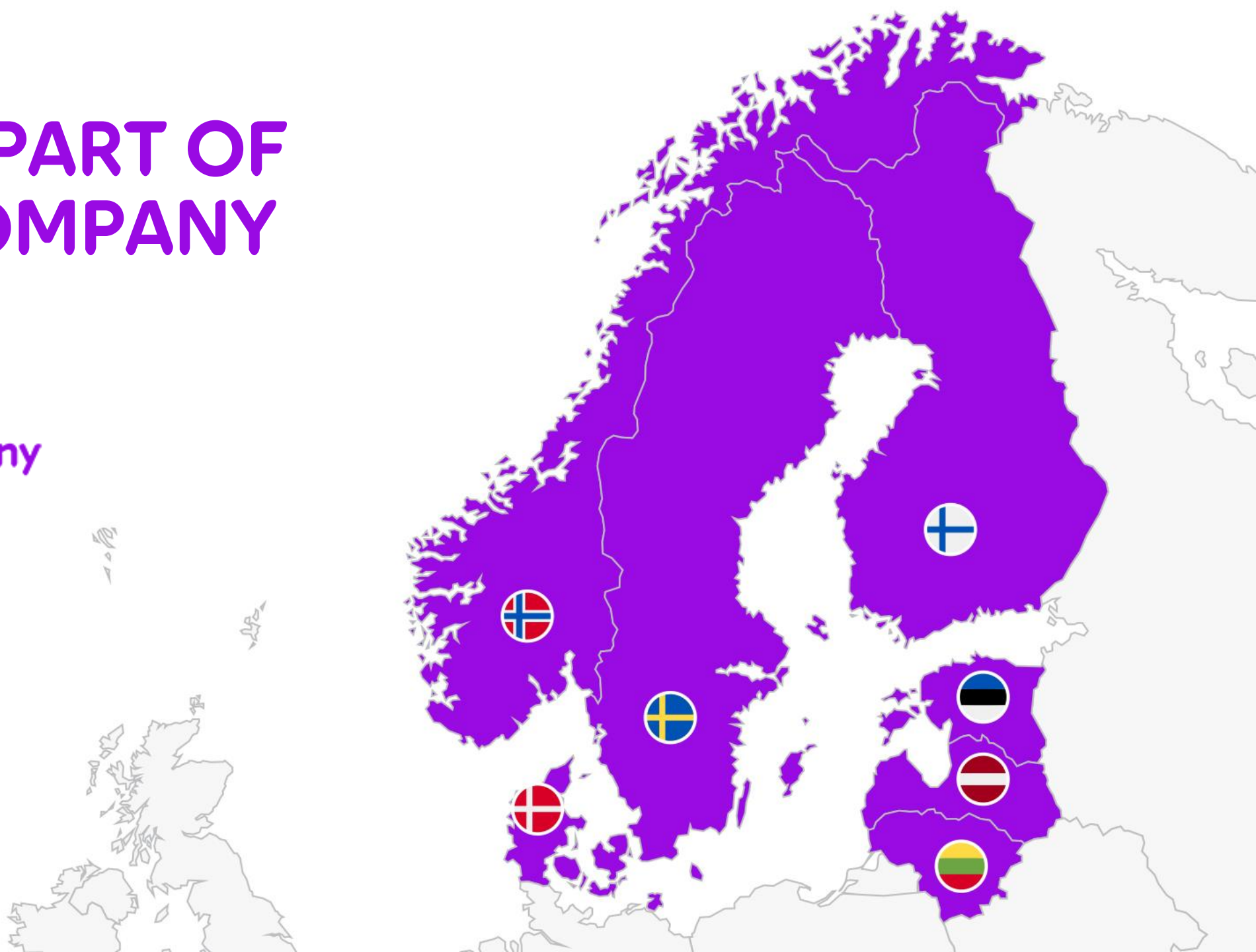
Team of 2,200
professionals



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 large, fluffy brown dog into a green wheelbarrow. A young child wearing a blue helmet and a red and white striped shirt is sitting in the wheelbarrow, arms outstretched, looking up with a joyful expression. The scene is set in a lush green garden with a wooden gazebo in the background and a large tree on the left. The overall atmosphere is warm 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 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT**, a Contact Centre that remotely served customers of Telia Lietuva and provided Directory Inquiry services 118, on 1 July 2020 was merged into Telia Lietuva
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- On 18 June 2020, the Company and other two shareholders (Tele2 and Bitė Lietuva) disposed their 33.3 per cent stakes in **UAB Mobilieji Mokėjimai**, a provider of mobile payment till 18 May 2020 under the brand *MoQ*



QUARANTINE IMPACT ON OUR ACTIVITIES IN Q2 2020

- The Covid-19 virus caused **quarantine** in Lithuania **was officially over** on 17 June 2020
- Telia Lietuva **shops were reopened** earlier in April
- **Employees were gradually returning** to the office starting from May
- For employees convenience we set up **the first outdoor office** at Telia Lietuva headquarters
- **Equipment sales** (including mobile devices) are **back** to pre-quarantine level
- Business customers **reordering suspended services**
- Restrictions on cross-boarder travel had a **negative** impact on revenue from **roaming charges**



MAJOR EVENTS DURING Q2 2020

- **AGM of shareholders** was held on 28 April 2020 by shareholders' voting in advance in writing
- Shareholders decided to **pay out EUR 0.09 dividend** per share for the year 2019
- On 16 June 2020, the Company celebrated **20th anniversary of listing** on Nasdaq stock exchange
- On 18 June 2020, the Company **disposed a 33.3 per cent** stake in loss generating UAB Mobilieji Mokėjimai
- On 1 July 2020, the Company's subsidiary **Telia Customer Service LT was merged** into Telia Lietuva
- **5 flagships shops** were **refurbished** during the quarantine
- The Company signed agreement for implement of **national cloud computing** services infrastructure

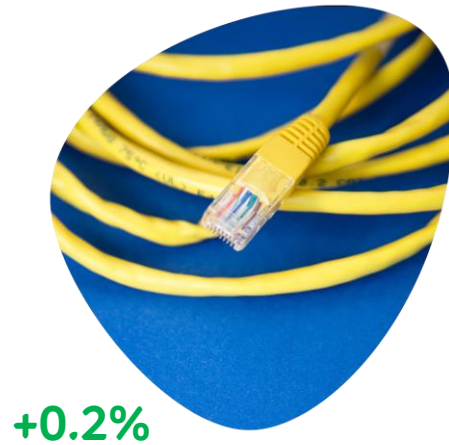


NUMBER OF CUSTOMERS



1,355

thousand of
mobile service users



414

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



249

thousand of
IPTV service users

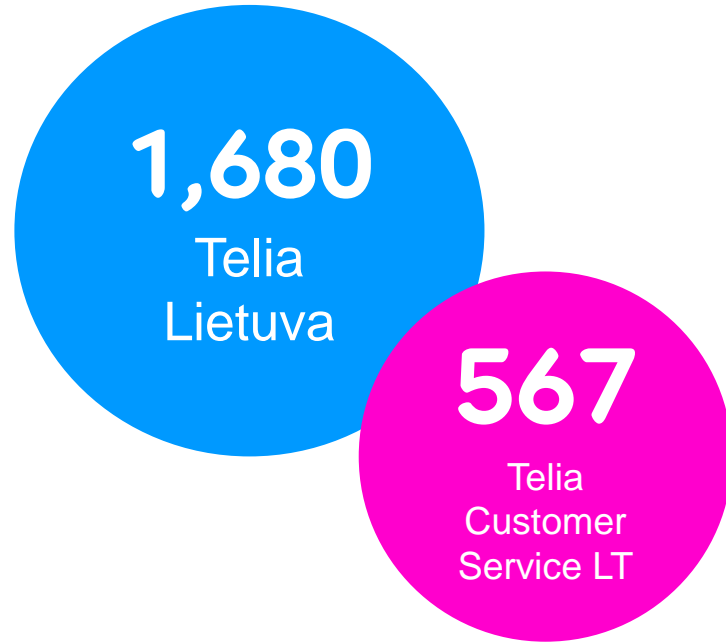


277

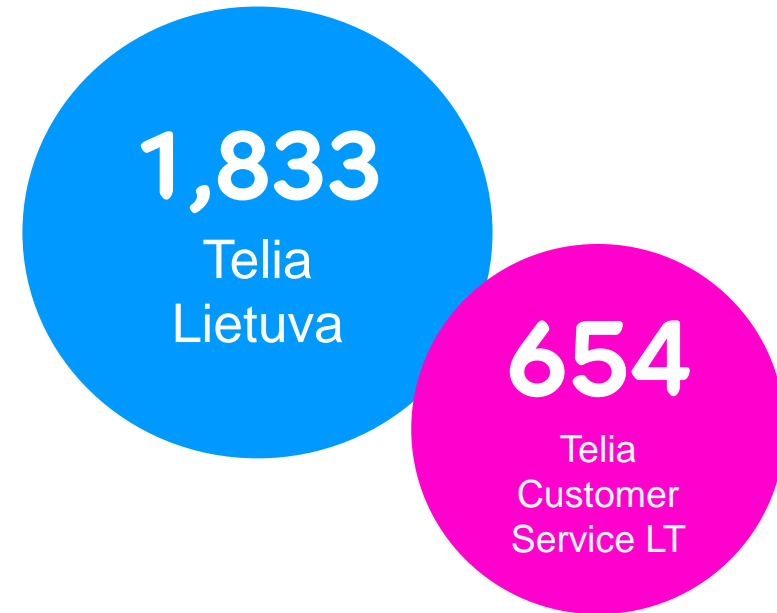
thousand of
fixed telephone lines
in service



NUMBER OF EMPLOYEES



In total **2,247** (30-06-2020)



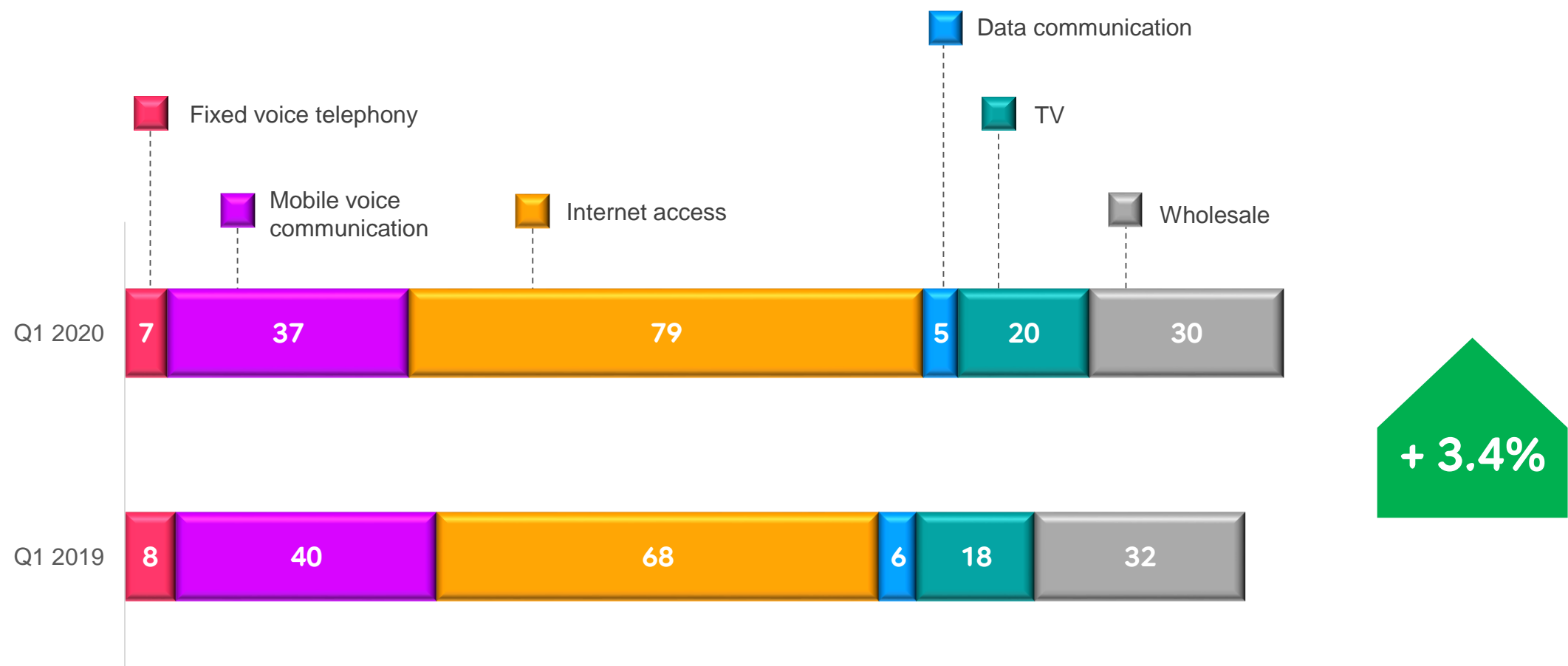
In total **2,487** (30-06-2019)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

INTERNET & PAY TV DRIVE TELCO MARKET GROWTH

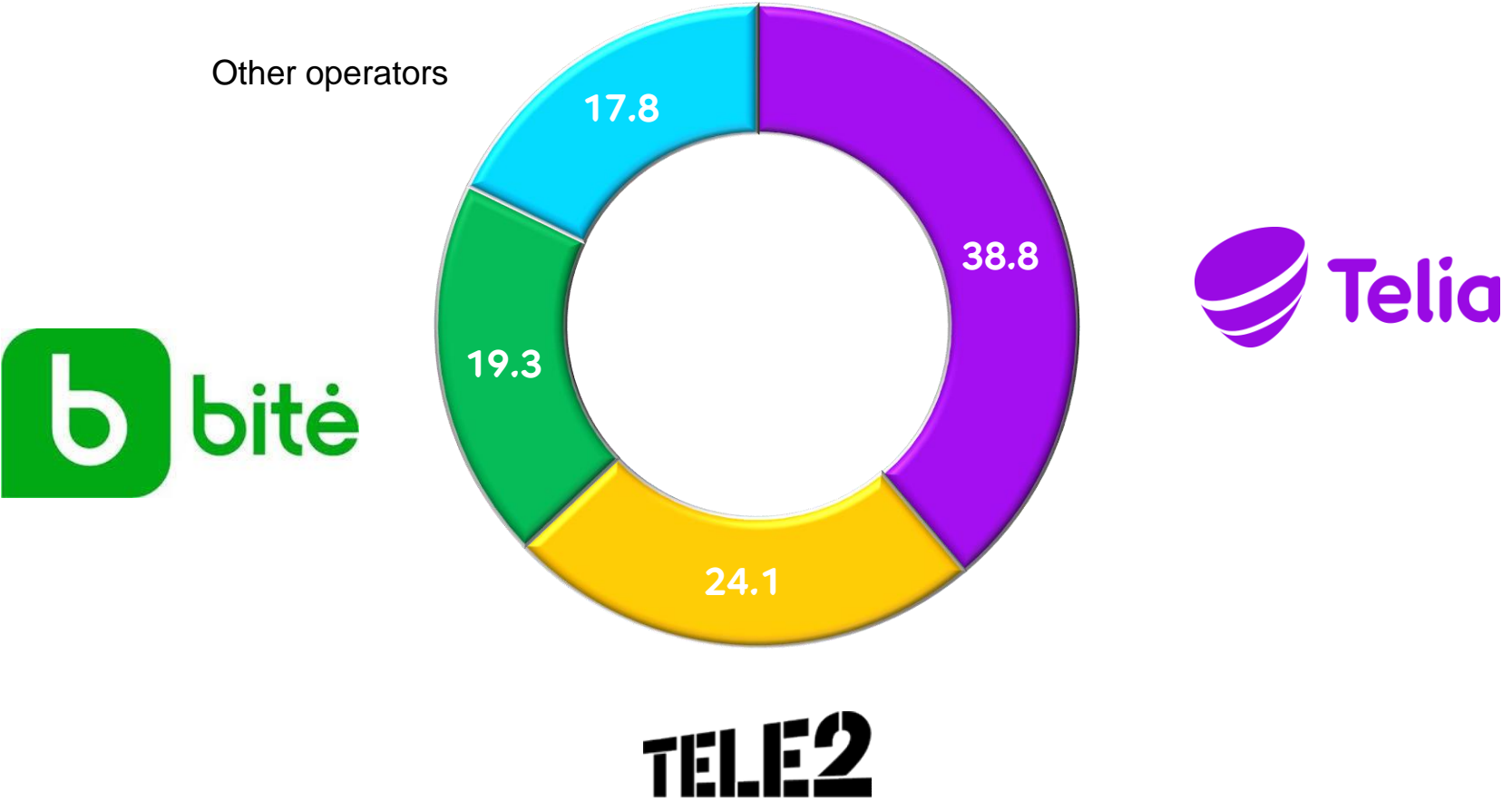
(EUR million)



Source: Report of the Communications Regulatory Authority



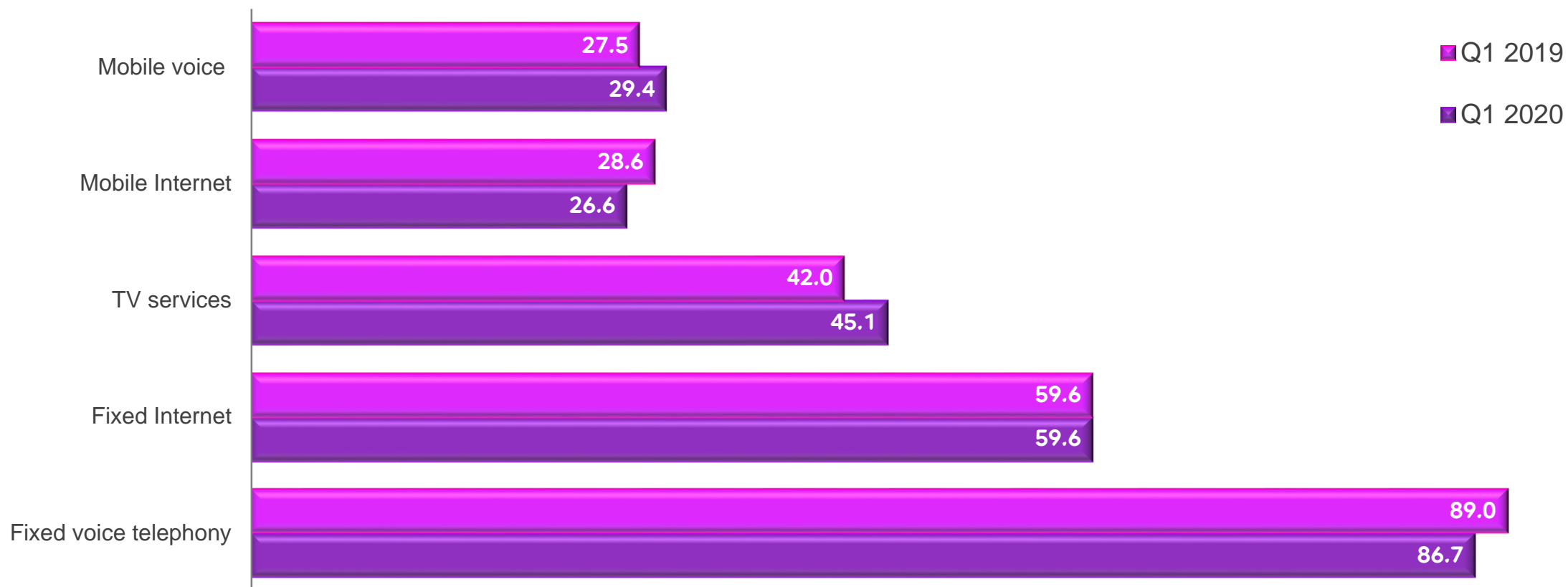
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q1 2020 (%)



Source: Report of the Communications Regulatory Authority



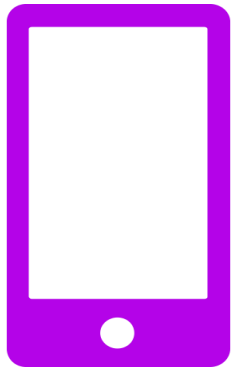
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



62.9%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
161,298 million MB
of data per quarter)



1.7%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **75.4%** of all
fixed Internet connections)



9.7%
(y-o-y)

Growing number of
IPTV users

(accounts for **43%** of all
pay-TV service users)



MARKET PENETRATION



131.6

mobile communications
subscribers
(per 100 inhabitants)



26.1

fixed telephony lines
(per 100 households)



51.1

broadband **Internet**
access
(per 100 inhabitants)



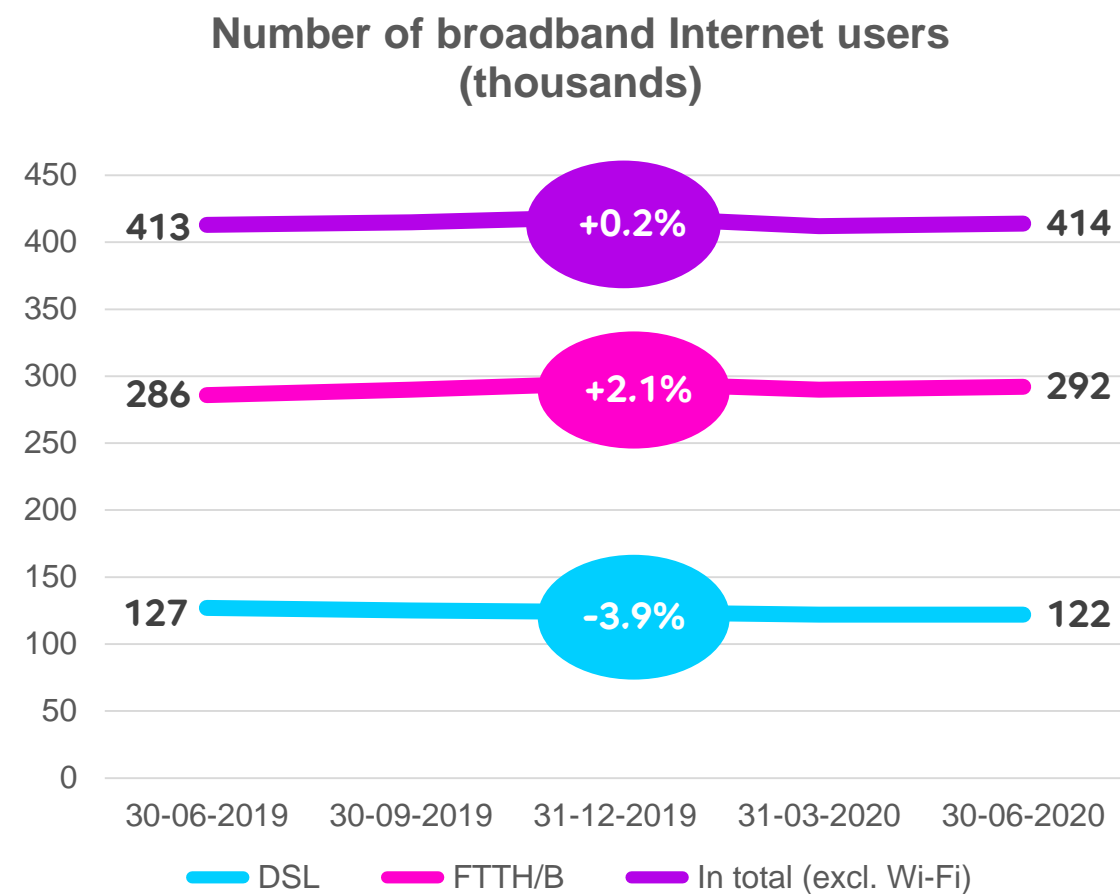
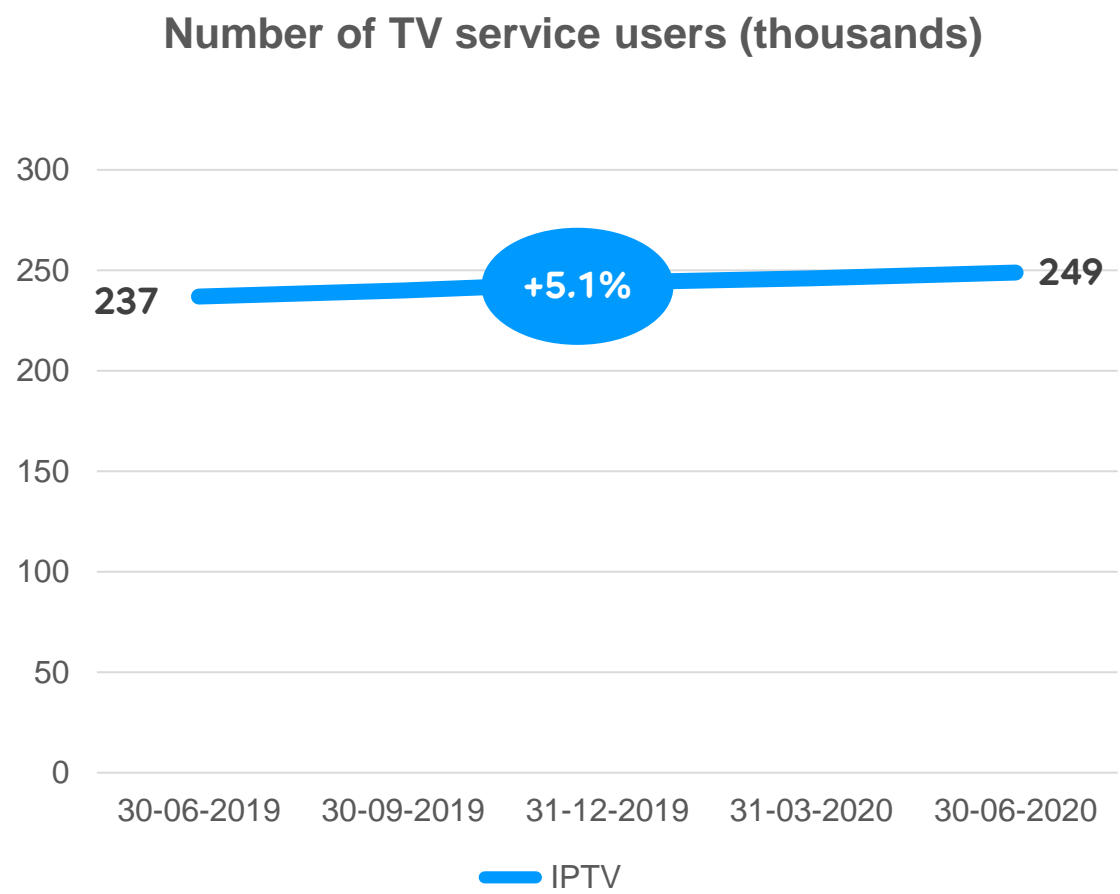
51.7

pay-TV subscribers
(per 100 households)

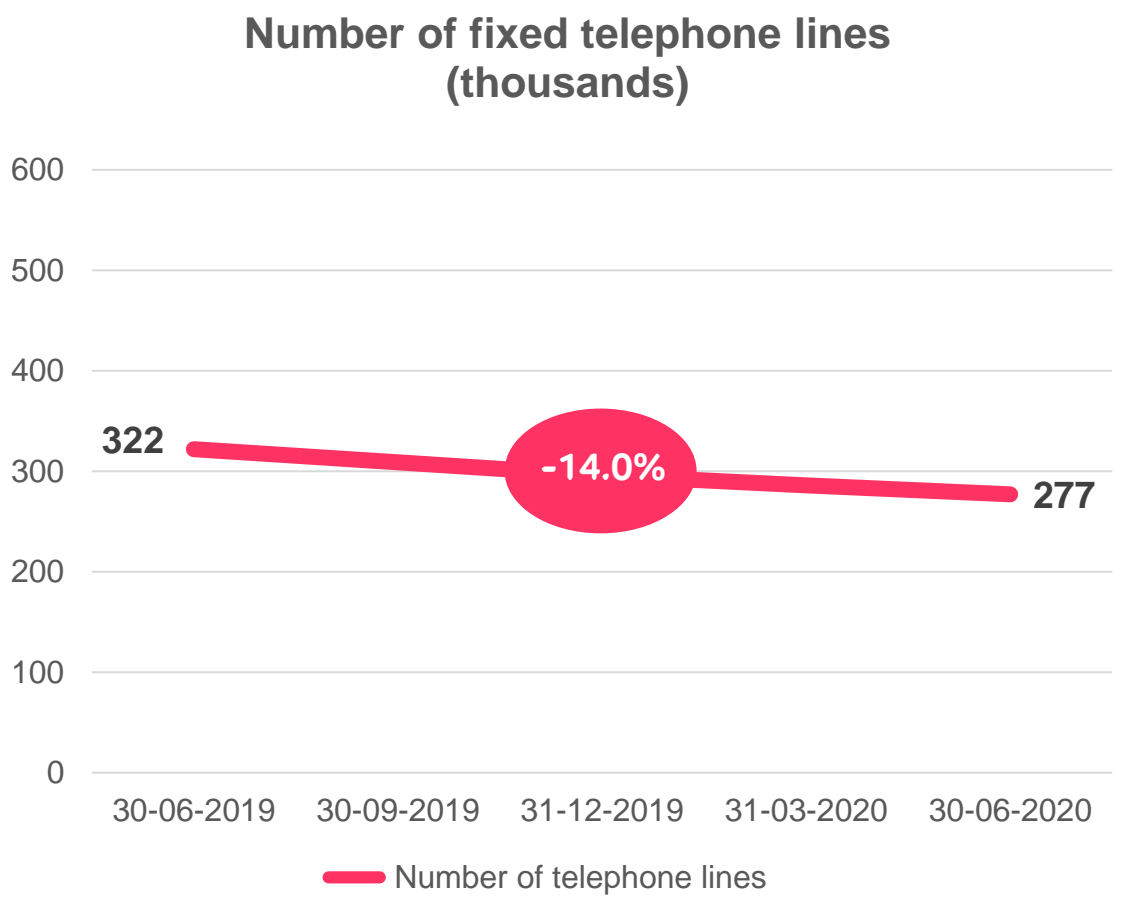
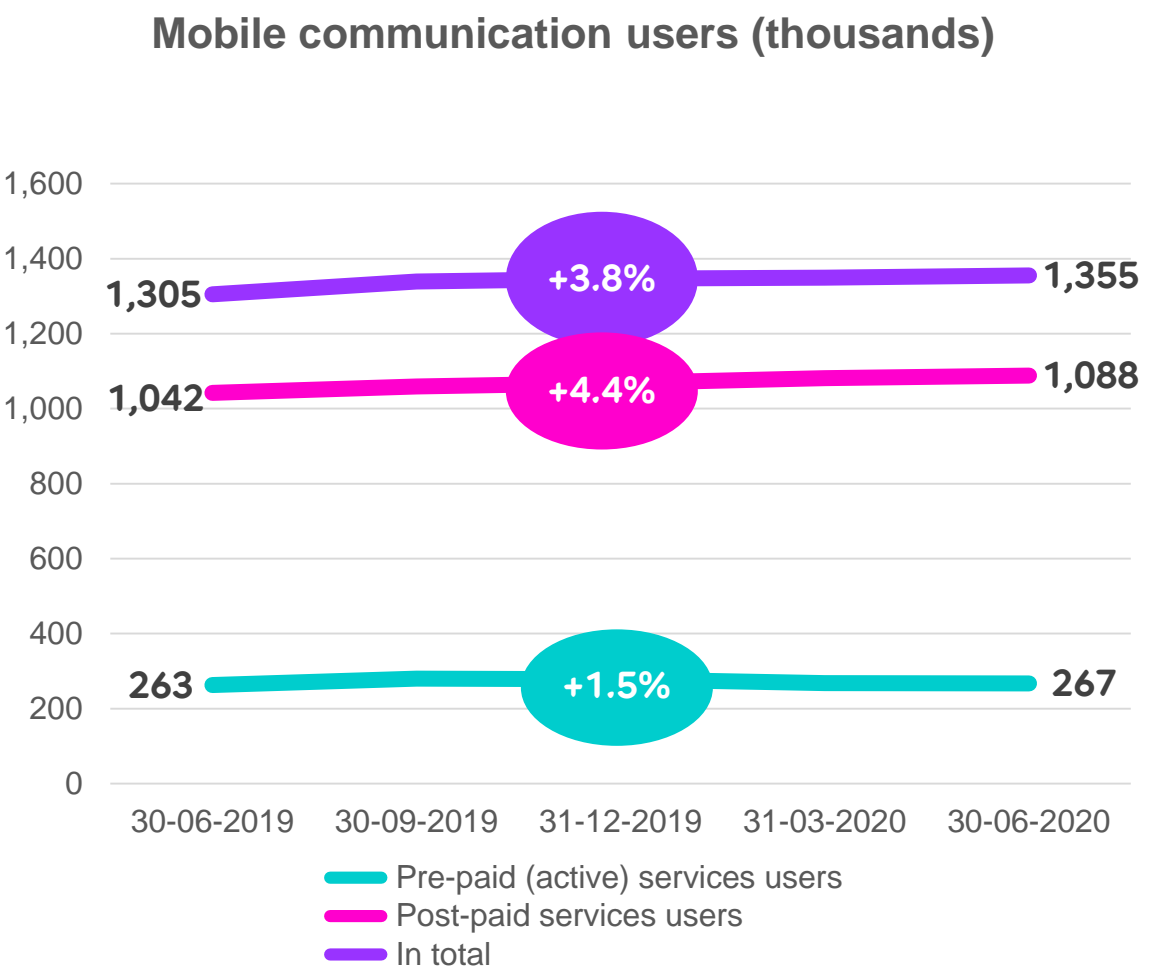


OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

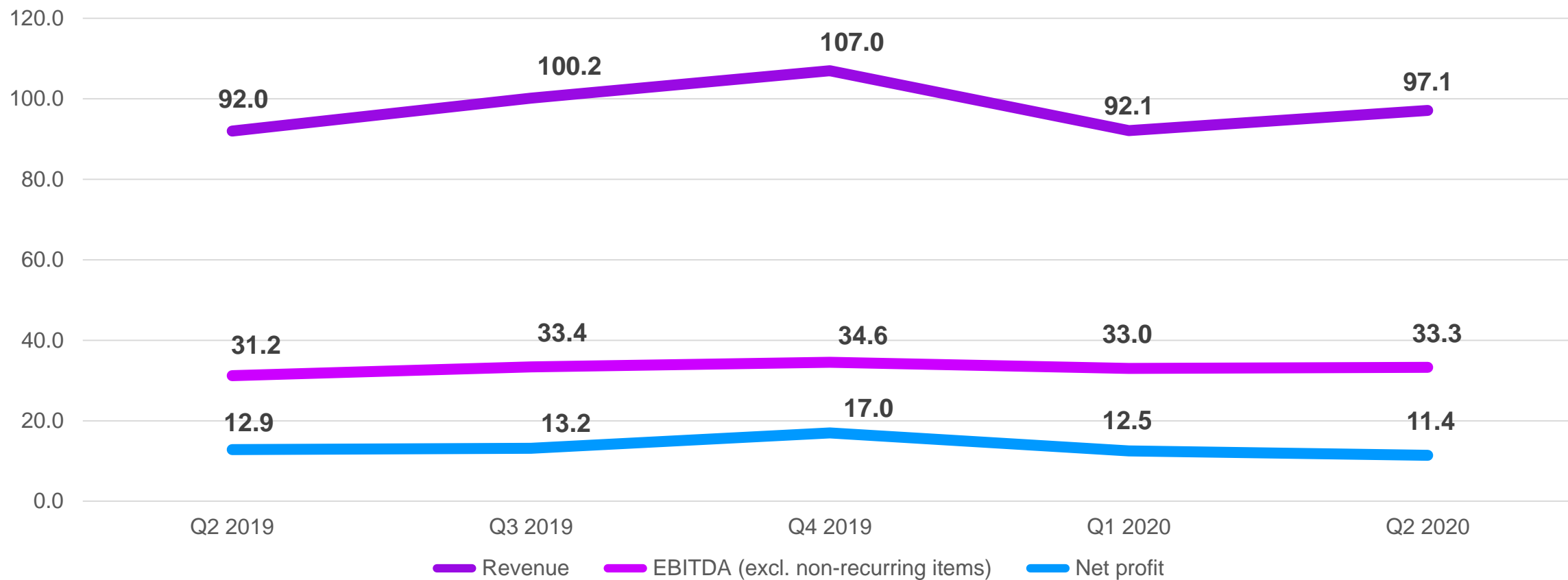


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS



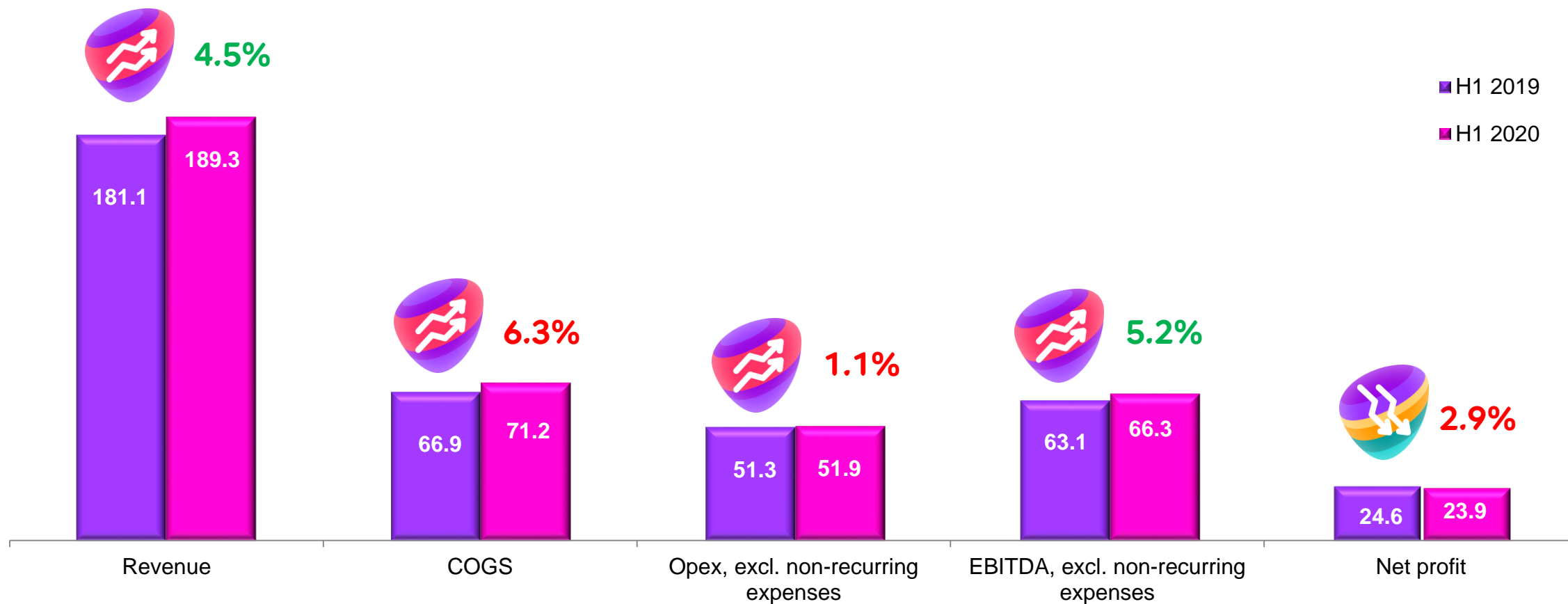
REVENUE, EBITDA & NET PROFIT

(EUR million)

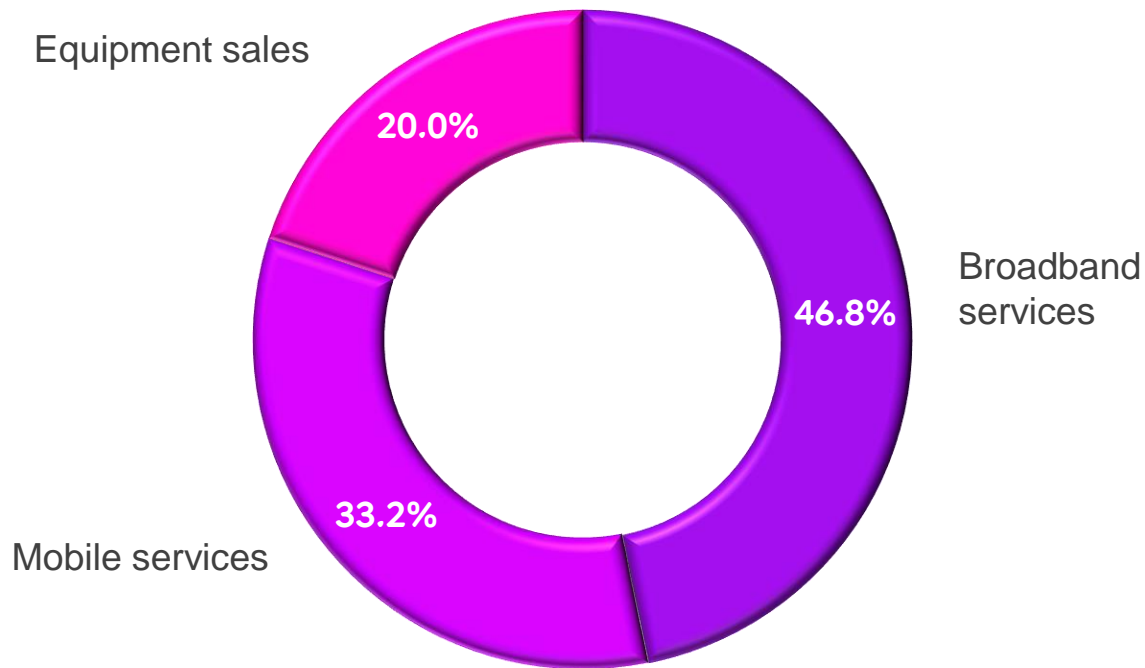


DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



6 MONTHS OF 2020 REVENUE BREAKDOWN



Enterprises

39.1%



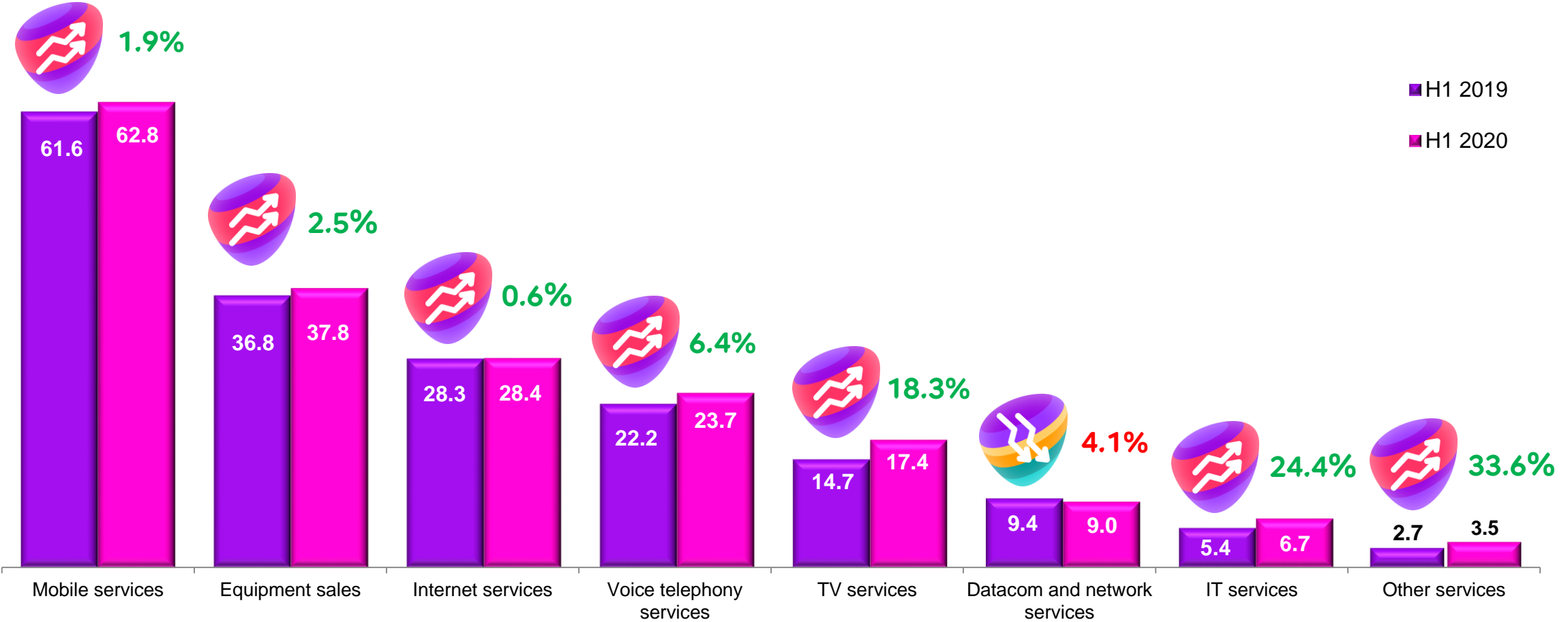
Consumers

60.1%



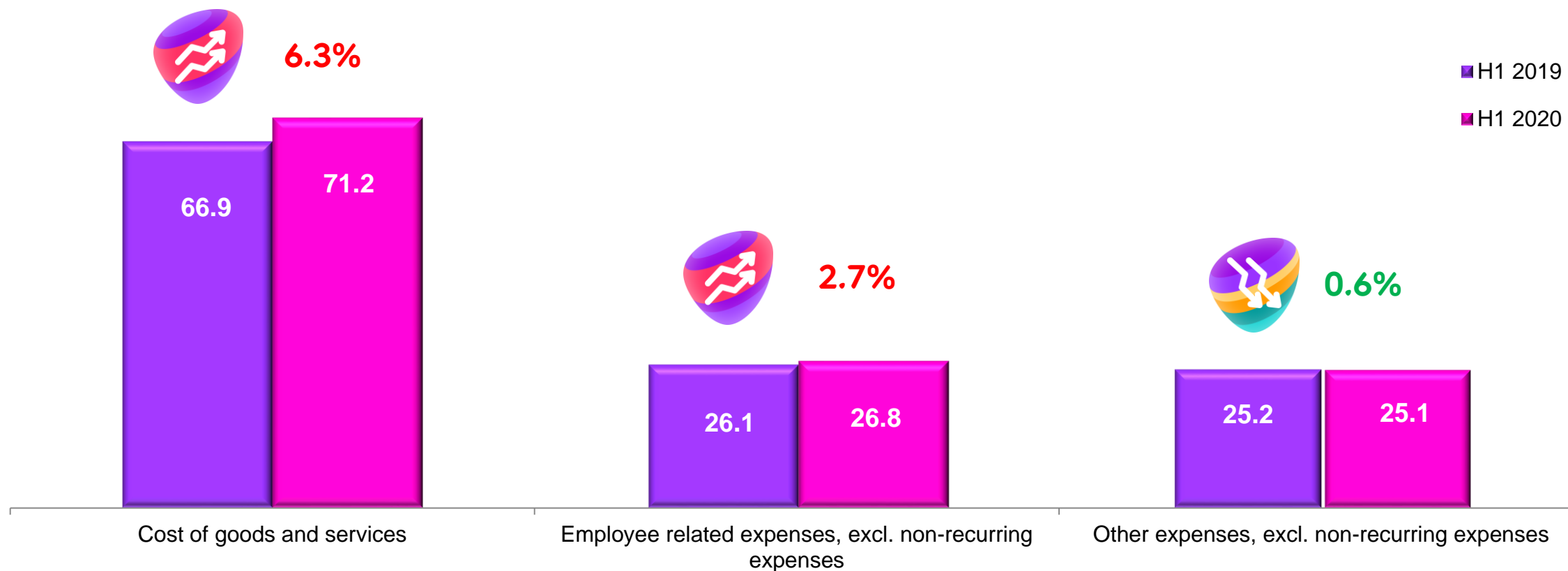
REVENUE BY SERVICES

(EUR million)



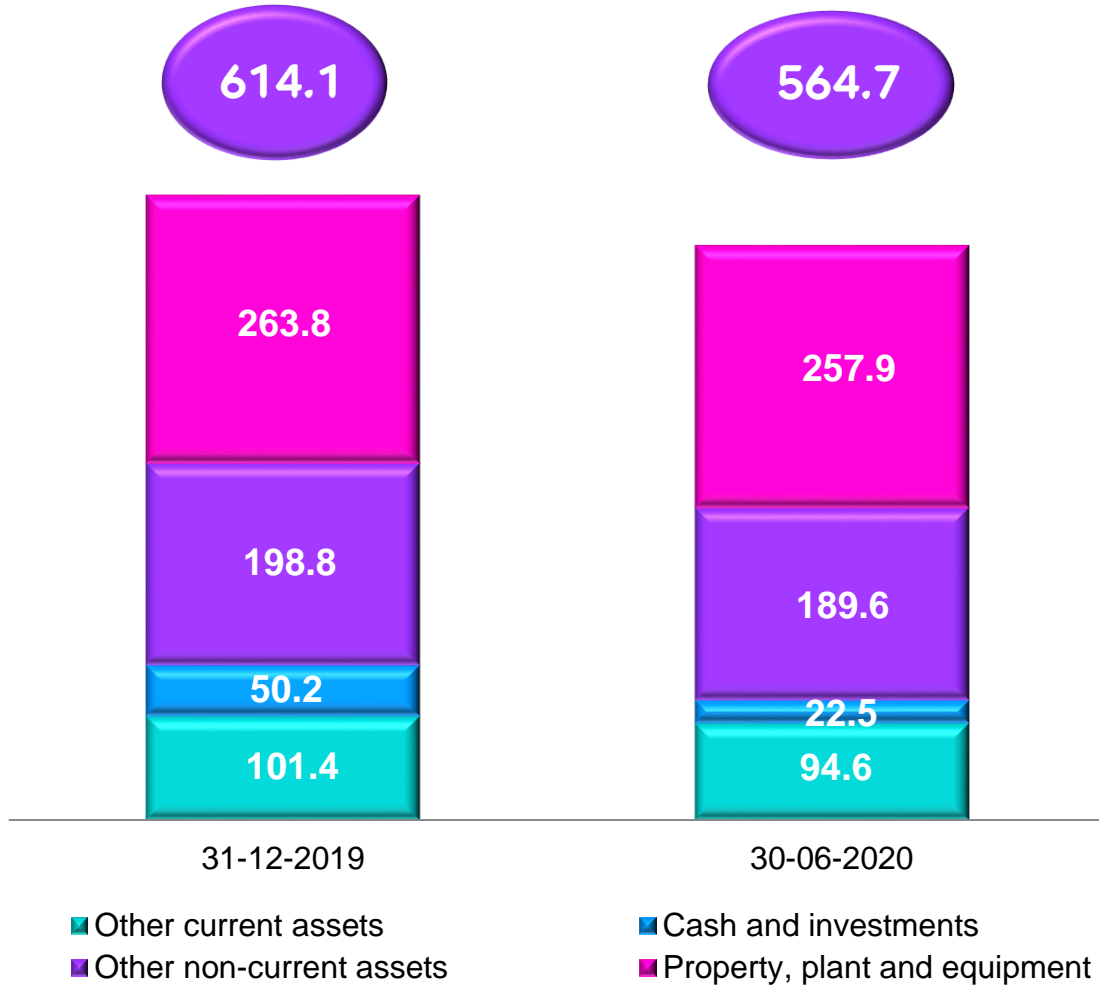
OPERATING EXPENSES

(EUR million)



ASSETS

(EUR million)



- During January-June 2020, **total assets** decreased by 8%
- **Non-current assets** amounted to 79.3% of total assets (30-06-2020)
- **Cash** alone amounted to 4%
- **Return on capital employed:** 14.2%
- **Return on average assets:** 10.4%



EQUITY AND LIABILITIES

(EUR million)

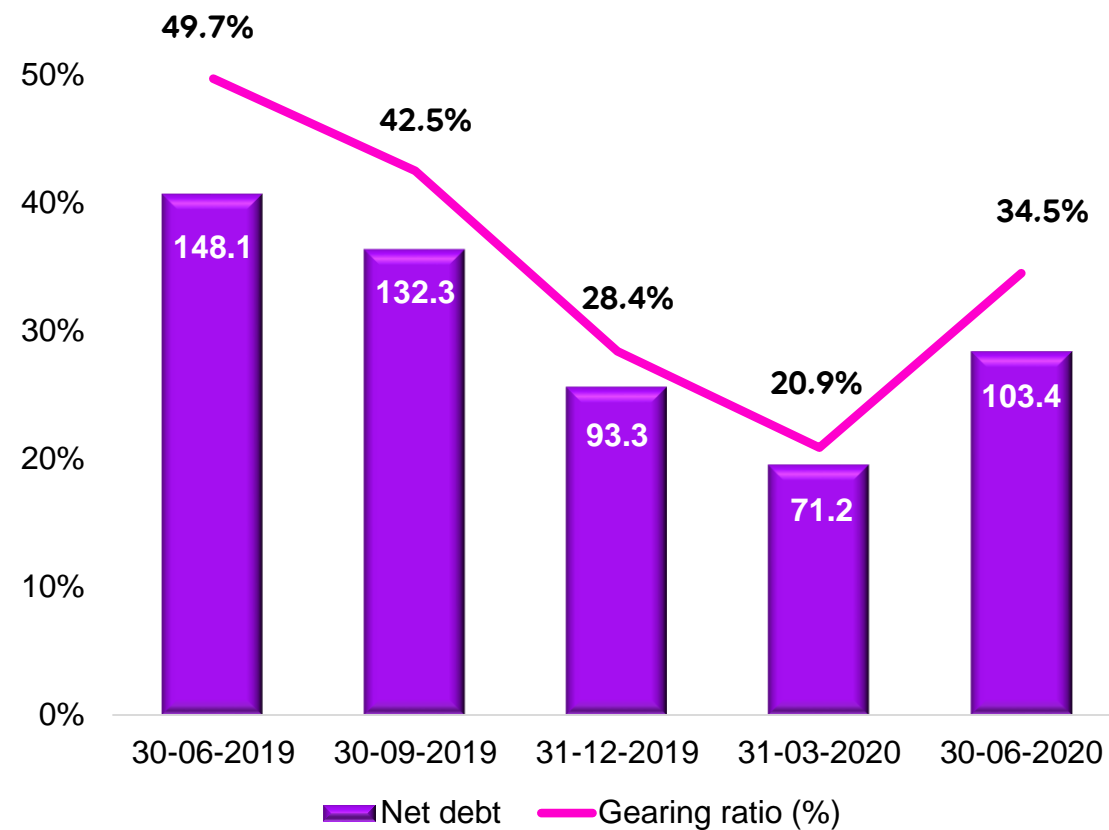
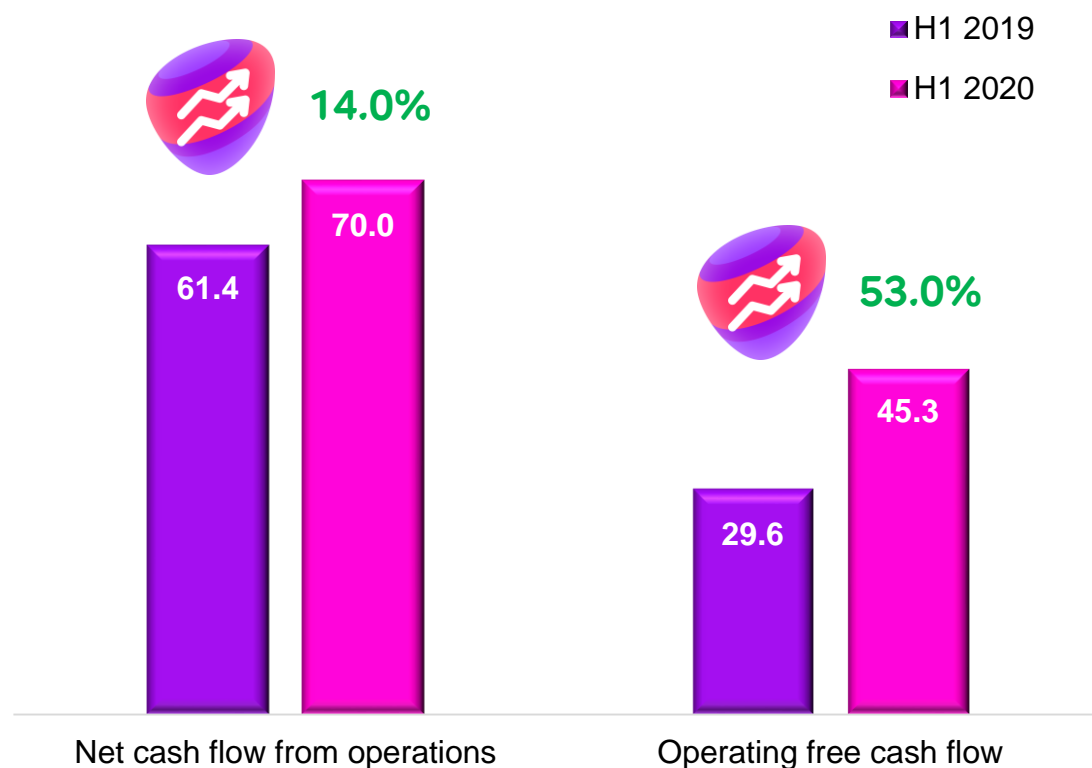


- During H1 2020 shareholders' **equity** decreased by 8.7% due dividend payout and amounted to 53% of the total assets (30-06-2020)
- Total **borrowings** (30-06-2020) amounted to EUR 125.9 million: EUR 82.5 million – bank loans, EUR 8 million – loan from Telia Company, EUR 33.6 million – vendor financing and EUR 1.8 – financial lease.
- **Gearing ration**: 34.5%
- **Debt to equity**: 42%
- **Return on equity**: 16.9%



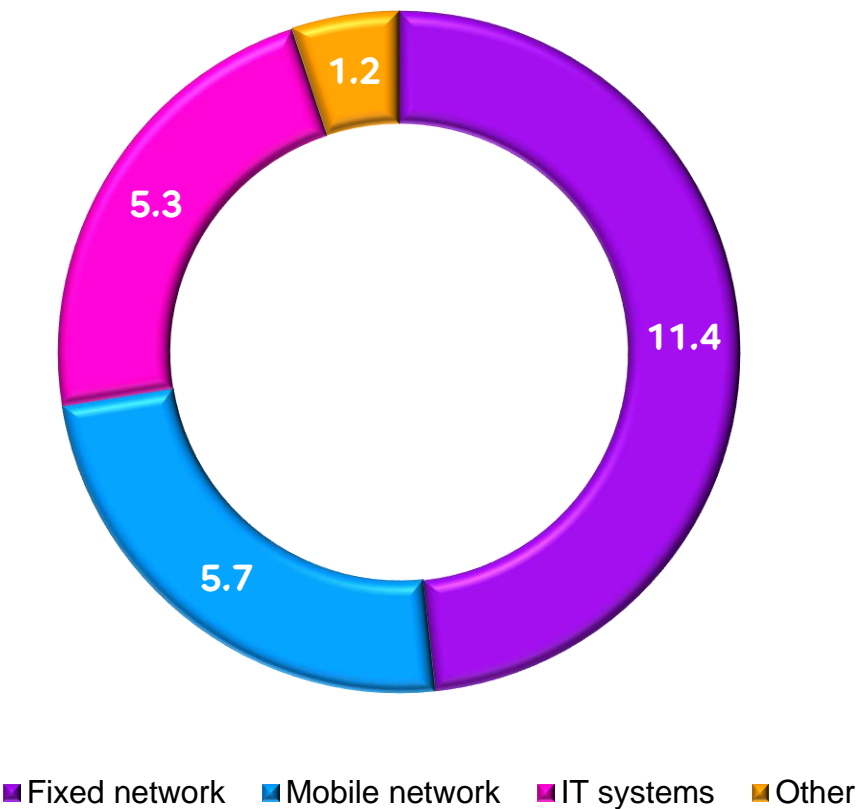
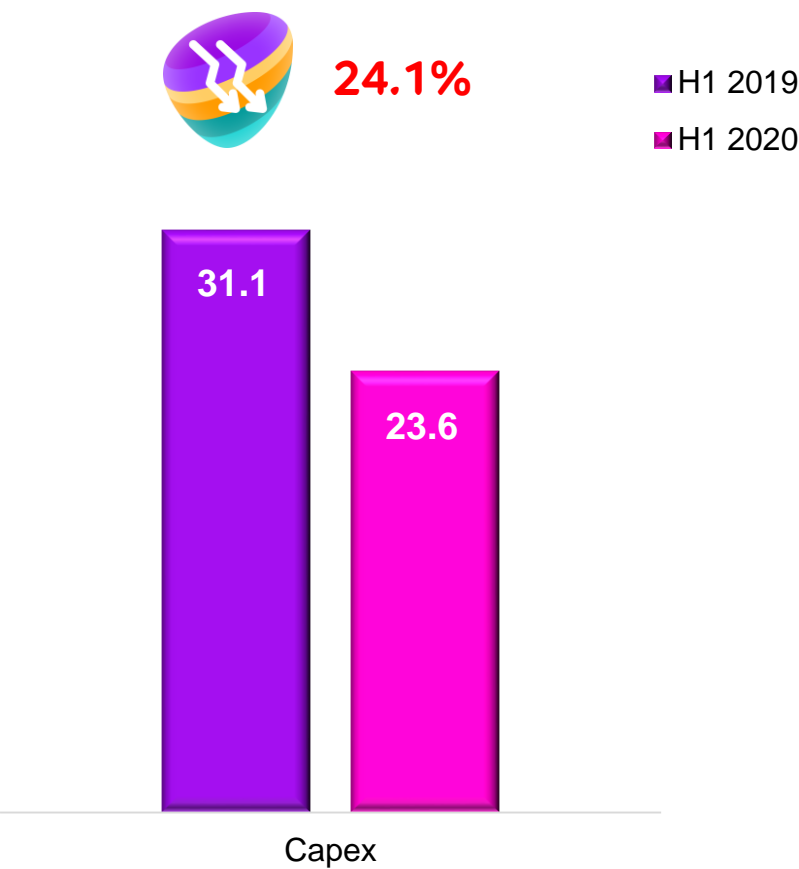
CASH FLOW & NET DEBT

(EUR million)



CAPEX & CAPEX BREAKDOWN FOR H1 2020

(EUR million)



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



SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes. The top-left stripe is a vibrant red. Below it is a wide stripe of deep purple. Further down is a thinner stripe of a lighter, lavender purple. The bottom-right corner features a bright 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 more than **11 thousand**

Shareholders as of 30-06-2020

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

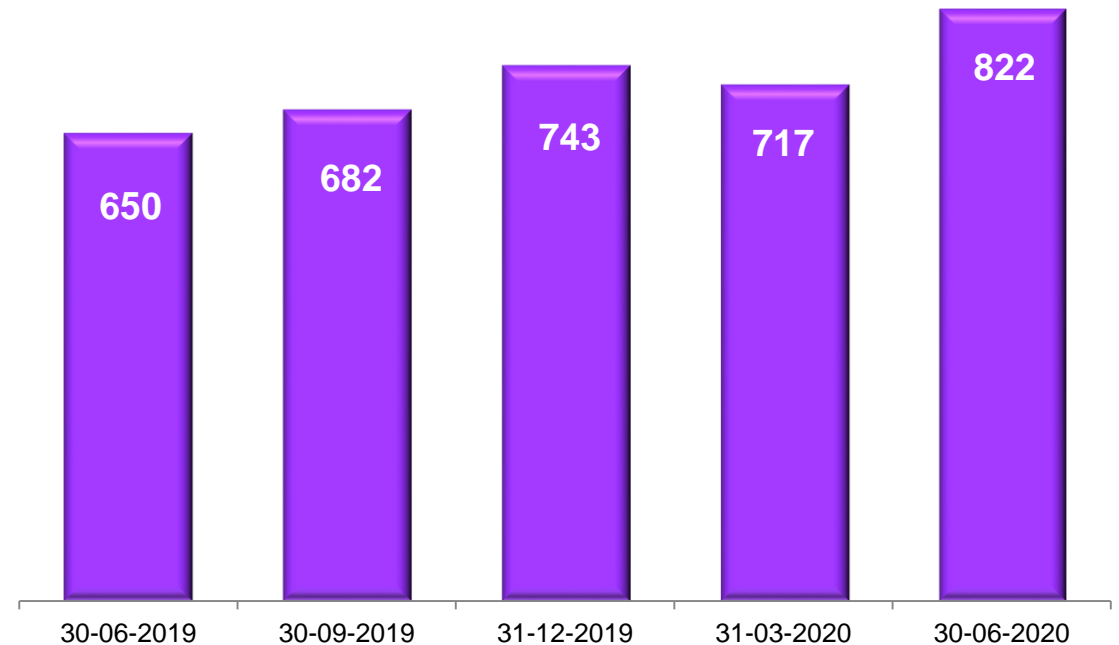


SHARES

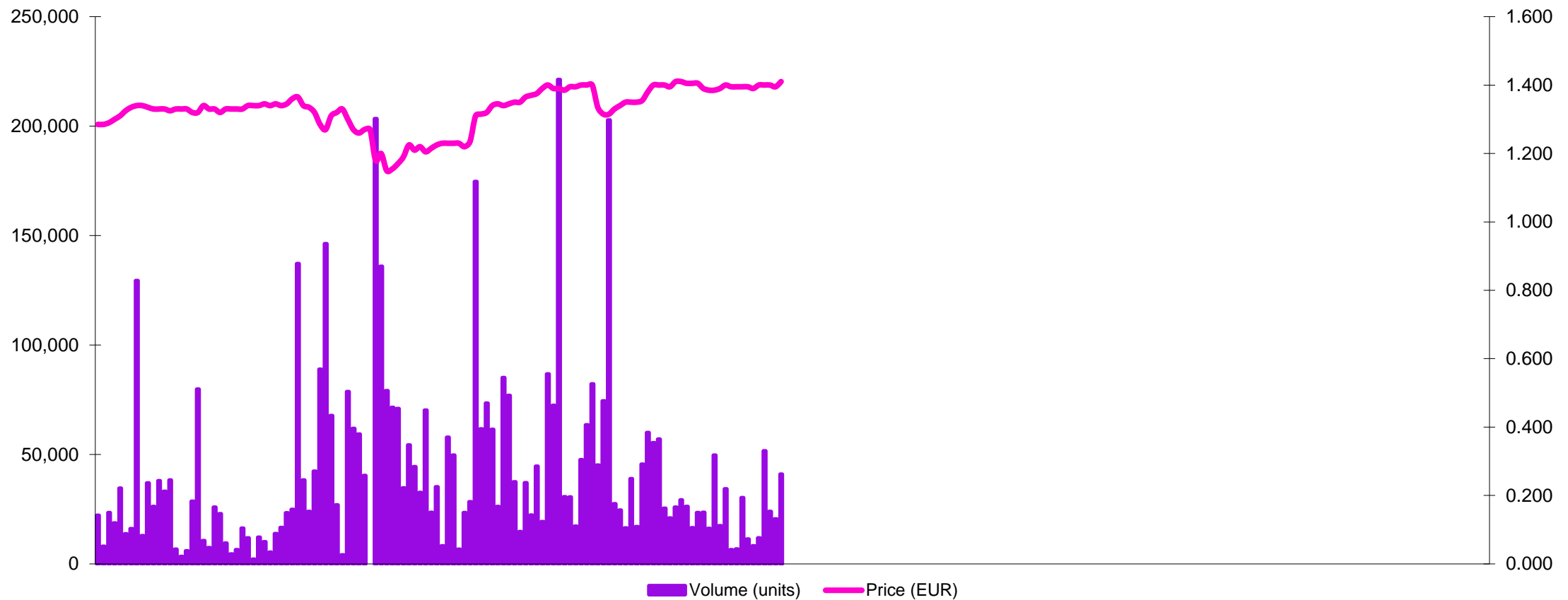
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-June 2020: 5.2 million of shares or EUR 6.8 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2020	1.275
High	1.420
Low	1.135
30-06-2020	1.410

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	947.82	-4.53
OMX Vilnius	712.14	737.71	+3.59
TEL1L - Telia Lietuva	1.27	1.41	+10.59

Source: Nasdaq Vilnius

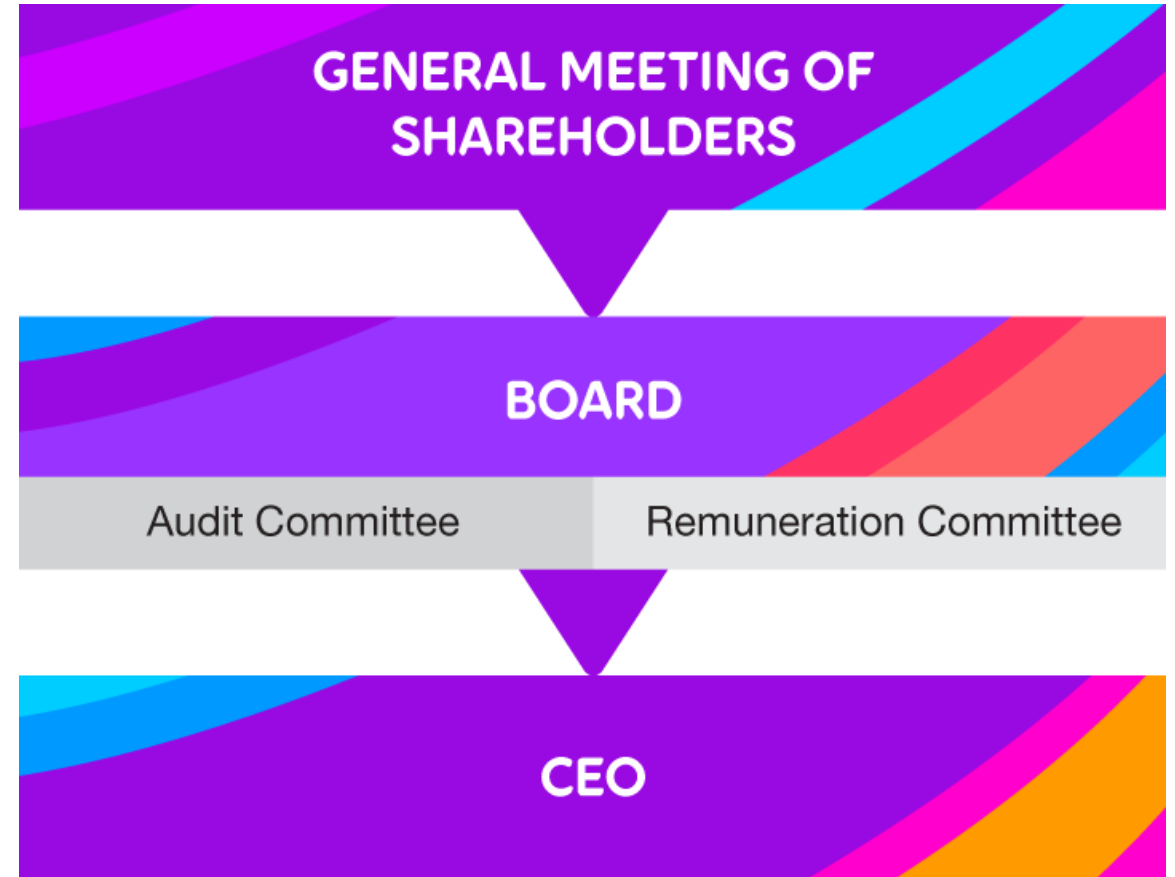


CORPORATE GOVERNANCE

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 medium blue, a bright yellow, and a vibrant orange. The bands are separated by smooth, flowing lines that create a sense of movement and depth. The text 'CORPORATE GOVERNANCE' is positioned in the upper left corner, set against the purple band.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders by voting in writing in advance was 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 elected the Company's independent auditor for the year 2020
- 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,
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



