

Interim results

3 months of 2023



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



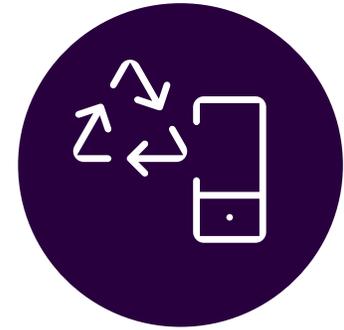
Customer care
24/7/365



Quality of
operations'
management
confirmed by
ISO certificates



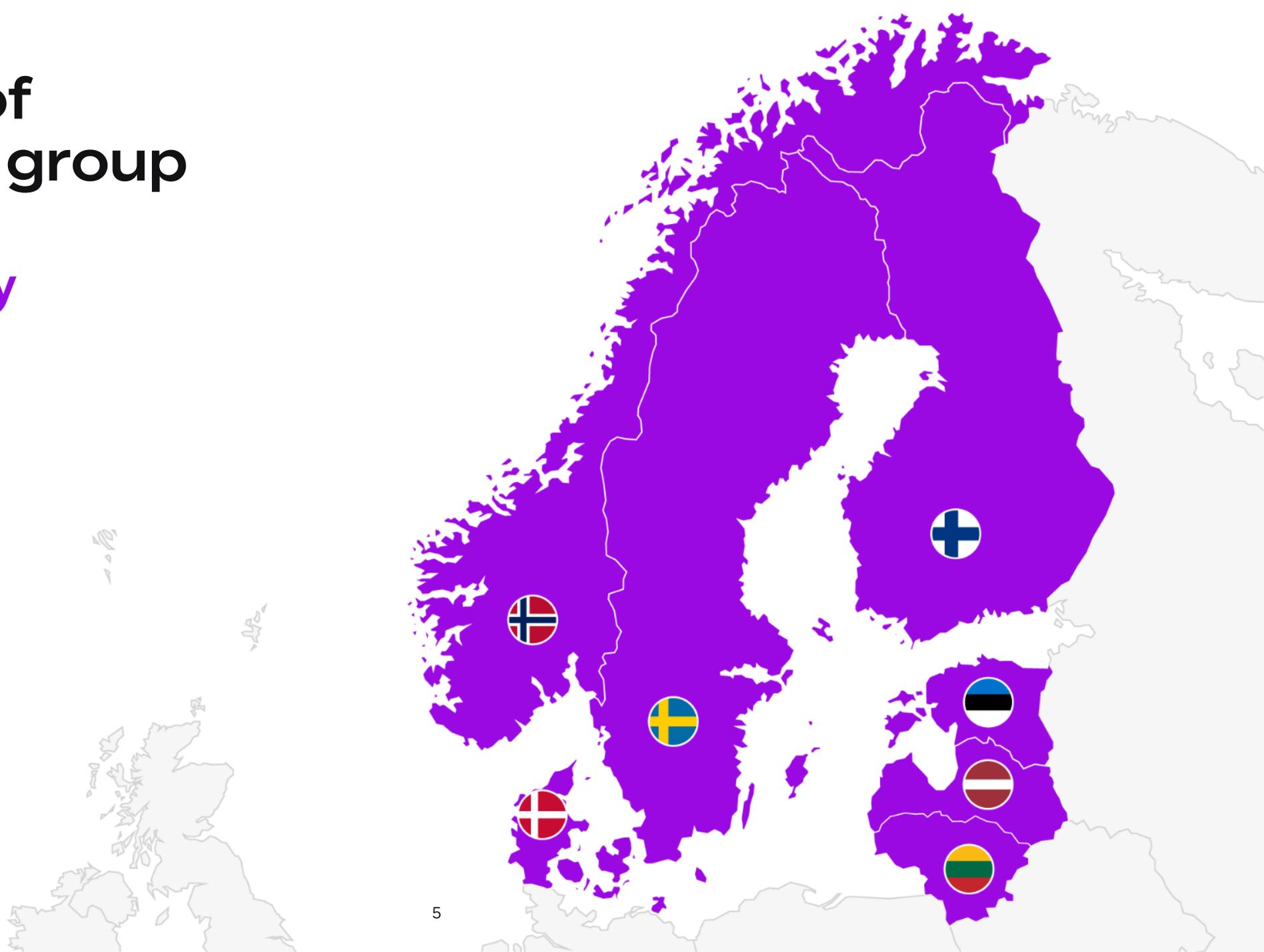
Team of 2,000
professionals



Sustainable and
responsible
business



We are part of international group



**Our
purpose**



**We
reinvent
better
connected
living**



Our values

We Dare
to make an impact

We Care
for everyone

We Simplify
the way we do things

Speed up
Make the right decisions fast

Look out for each other
Treat everyone with respect

Less is more
Do what matters most

Make it happen
Enable everyone to make better happen

Walk in our customers' shoes
Make customer experience your obsession

One team
Align goals and prioritize

Radical honesty
Call things out even when it's difficult

Celebrate the good stuff
Be generous with your praise

1% a day
Make small improvements every day

Telia Lietuva has an associate



50%

VšĮ Numerio Perkėlimas

— **Telia Lietuva** provides integrated mobile and fixed communication and IT services

— **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)



Highlights of Q1 2023

#1

Record high quarterly revenue and EBITDA

#2

Continuous **double-digit growth** in revenue from IT and billed mobile communication services and equipment sale

#3

Giedrė Kaminskaitė-Salters took over **CEO position** from Dan Strömberg who became Chair of the Company's Board

#4

More than 90 per cent of base station is upgraded with Ericsson equipment

#5

Telia Lietuva awarded as **Cloud partner** of the year in the Baltics during **VMware Partner Awards 2022**

#6

Telia Lietuva recognized the **most sustainable telco in Lithuania** according to Sustainable Business Index

#7

The Board proposed to pay **0.06 euro per share** (in total EUR 35 million) of dividends for the year 2022

#8

During Q1 2023, share price increased by **1.8 per cent** and market capitalisation remains above **EUR 1 billion**



Number of customers



1,599,000

of **mobile** service users



427,000

of **broadband Internet** connections



258,000

of **TV service** users



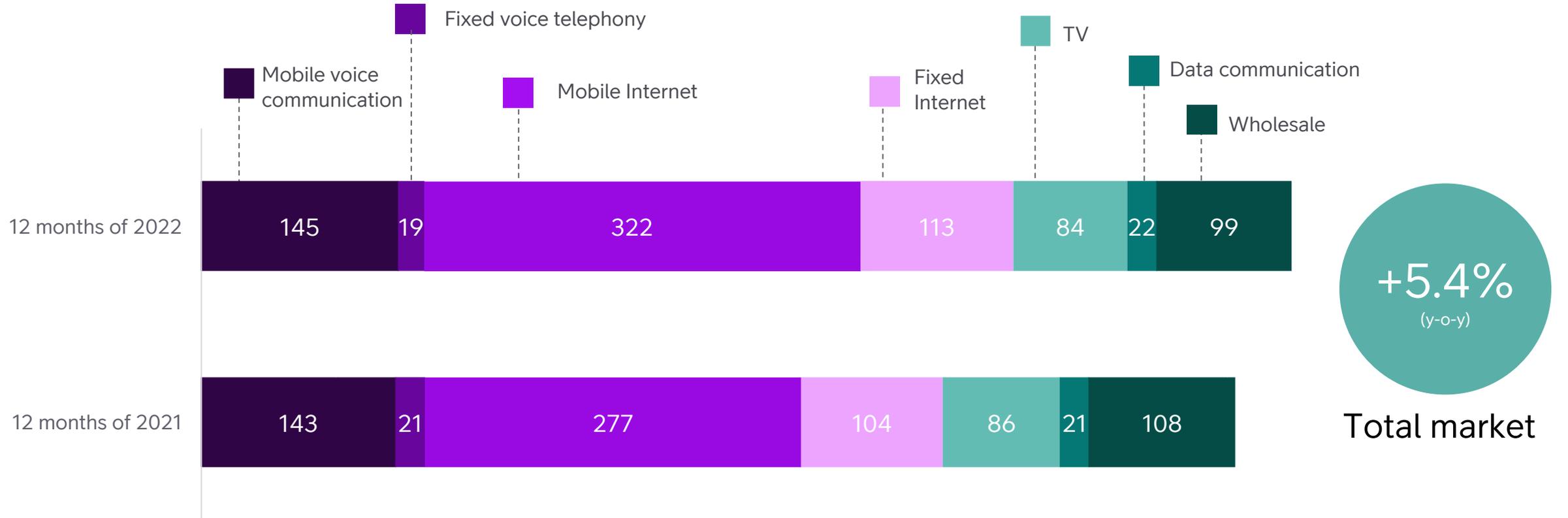
197,000

of **fixed telephone** lines in service

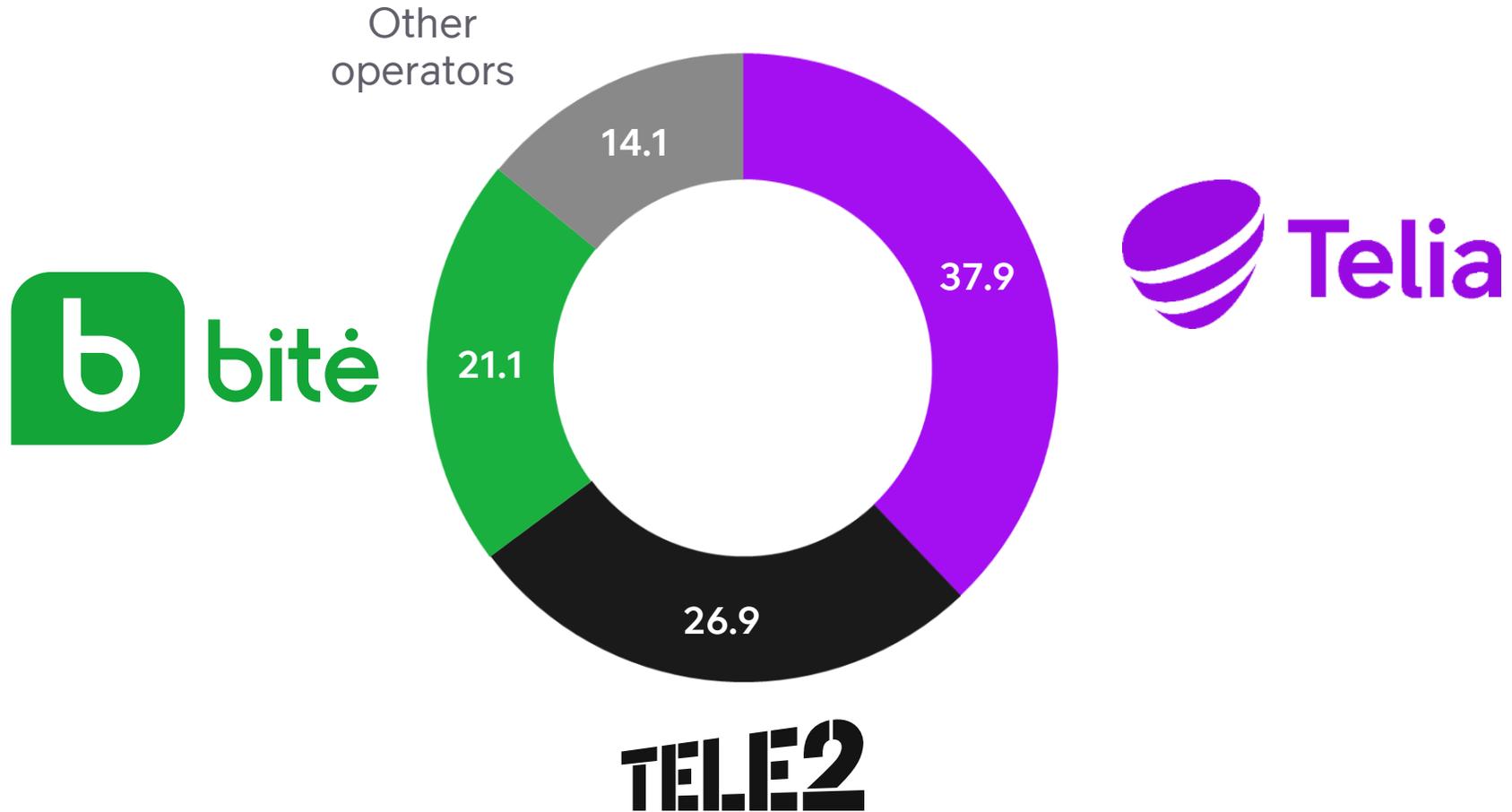


Telecommunications market of Lithuania

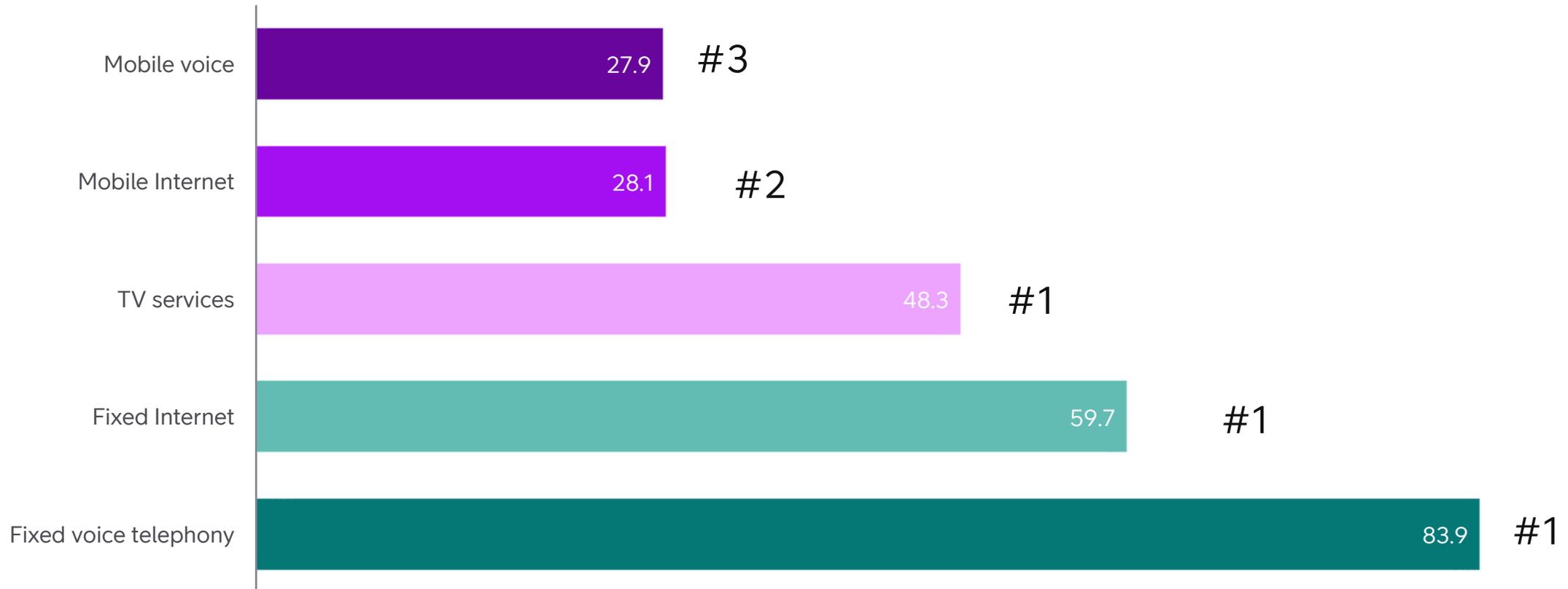
Internet drives telco market growth (mEur)



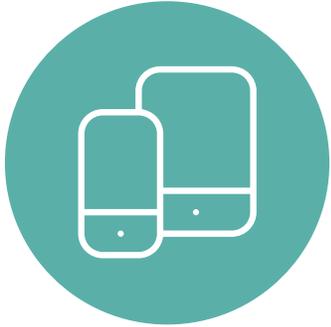
Breakdown of the telecommunications market revenue by operators for Q4 2022 (%)



Telia Lietuva market shares in terms of revenue for Q4 2022 (%)



Market: growing usage of mobile data



+29.4% (y-o-y)

Increasing usage of
mobile data

(uploaded / downloaded
316,701 TB of data per quarter)



+2.5% (y-o-y)

Growing number of
FTTH/B connections

(accounts for **79.1%** of all
fixed Internet connections)



+3.1% (y-o-y)

Growing number of
IPTV users

(accounts for **51.1%** of all
pay-TV service users)



Market penetration



133.8

Mobile
communications
subscribers

(per 100 inhabitants)



17.0

Fixed
telephony
lines

(per 100 households)



59.4

Broadband
Internet
access

(per 100 households)



46.1

Pay-TV
subscribers

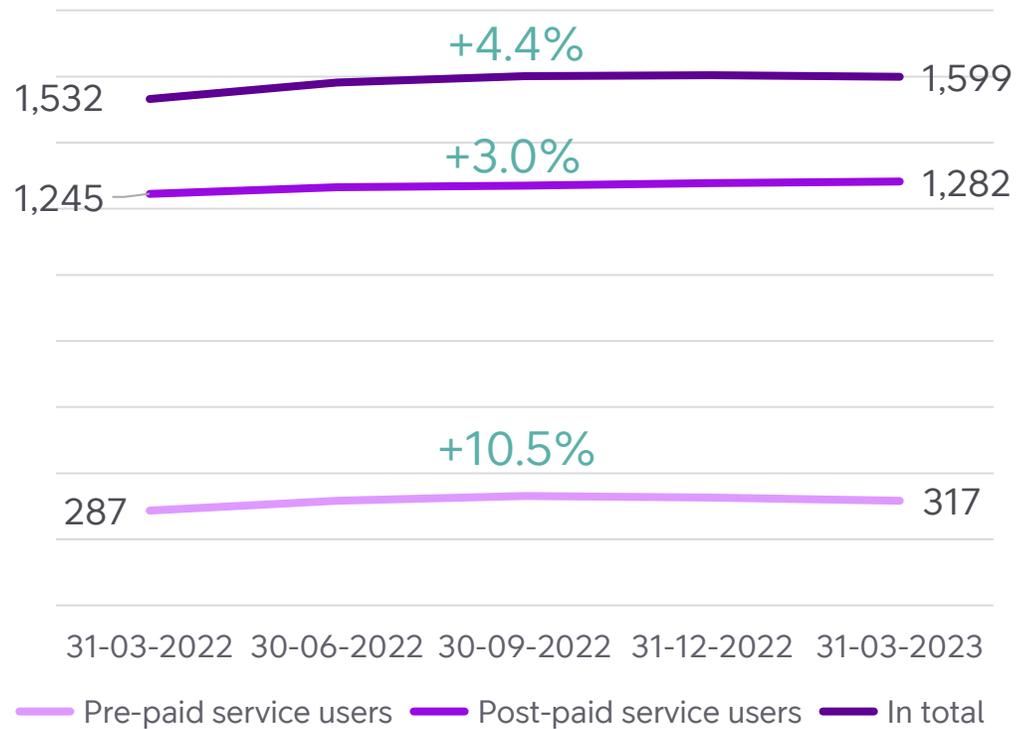
(per 100 households)



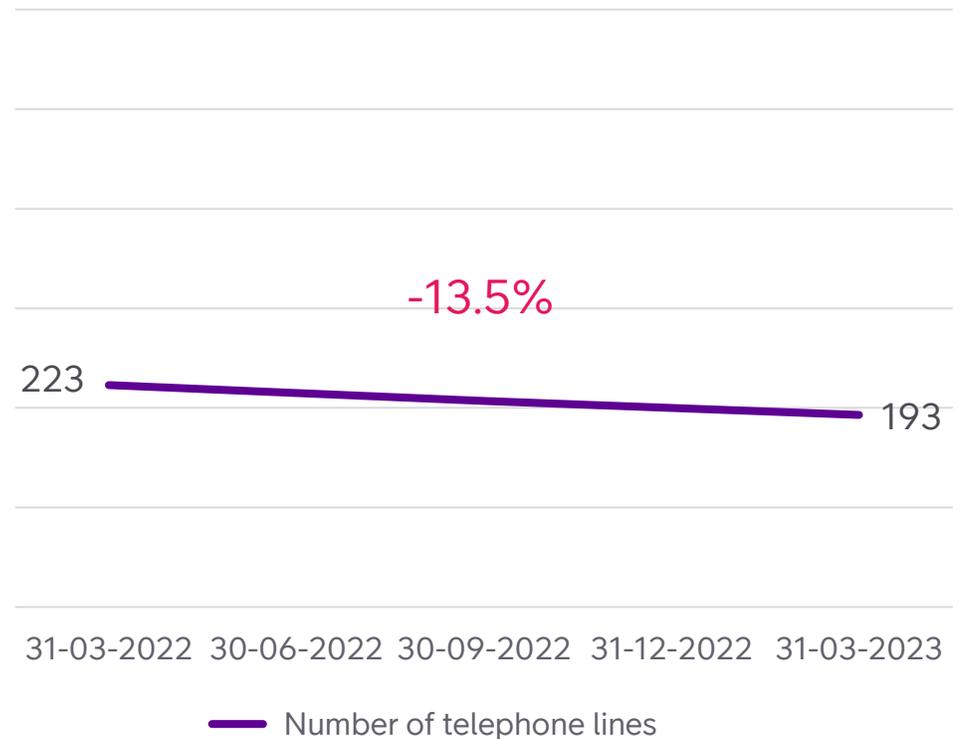
Operating and financial results

Number of mobile and fixed voice service users

Mobile communication users (thousand)

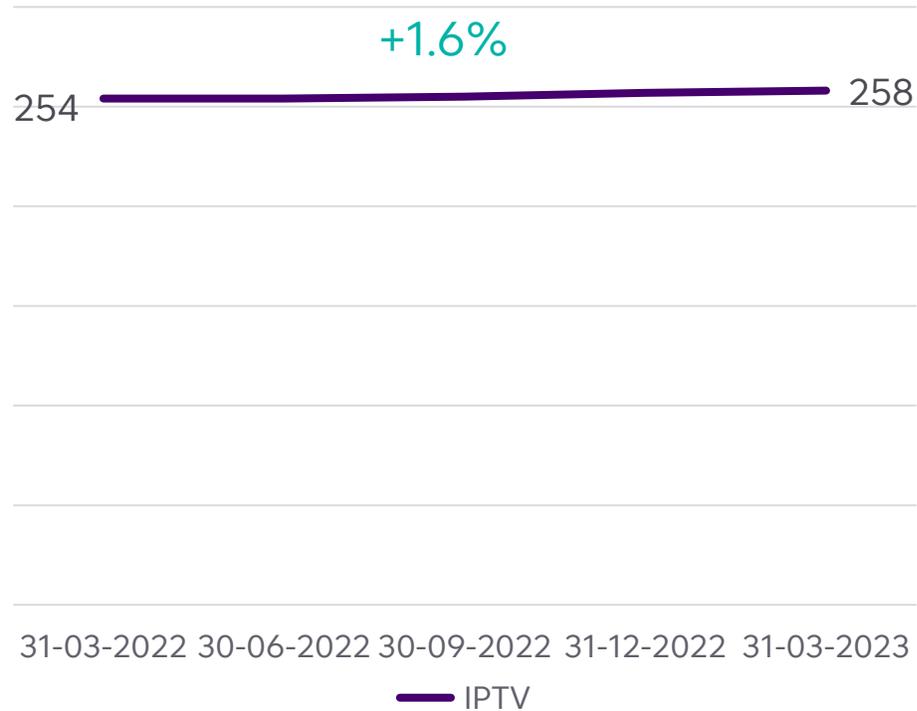


Number of fixed telephone lines (thousand)

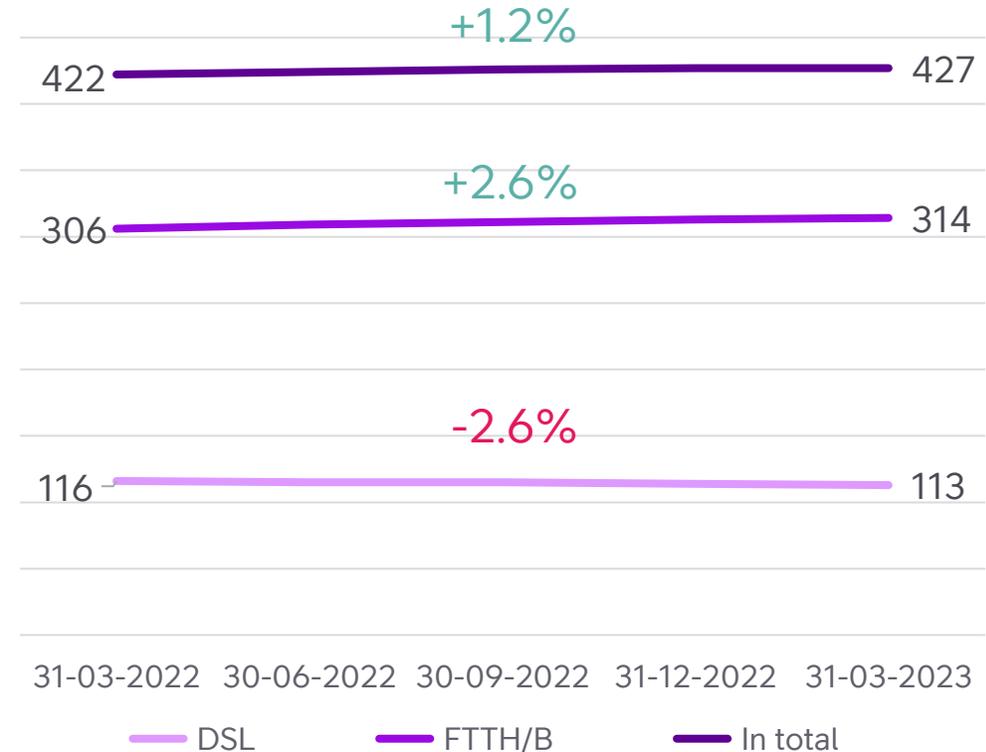


Number of IPTV and broadband Internet users

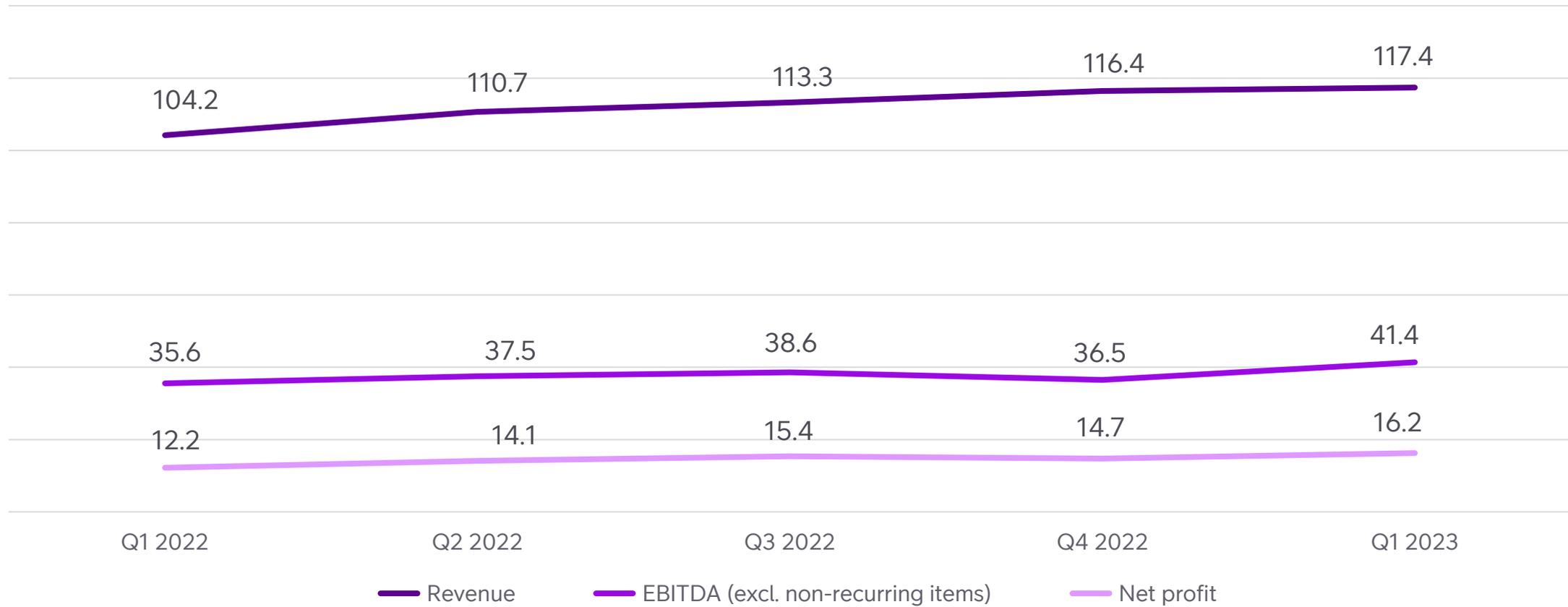
Number of TV service users (thousand)



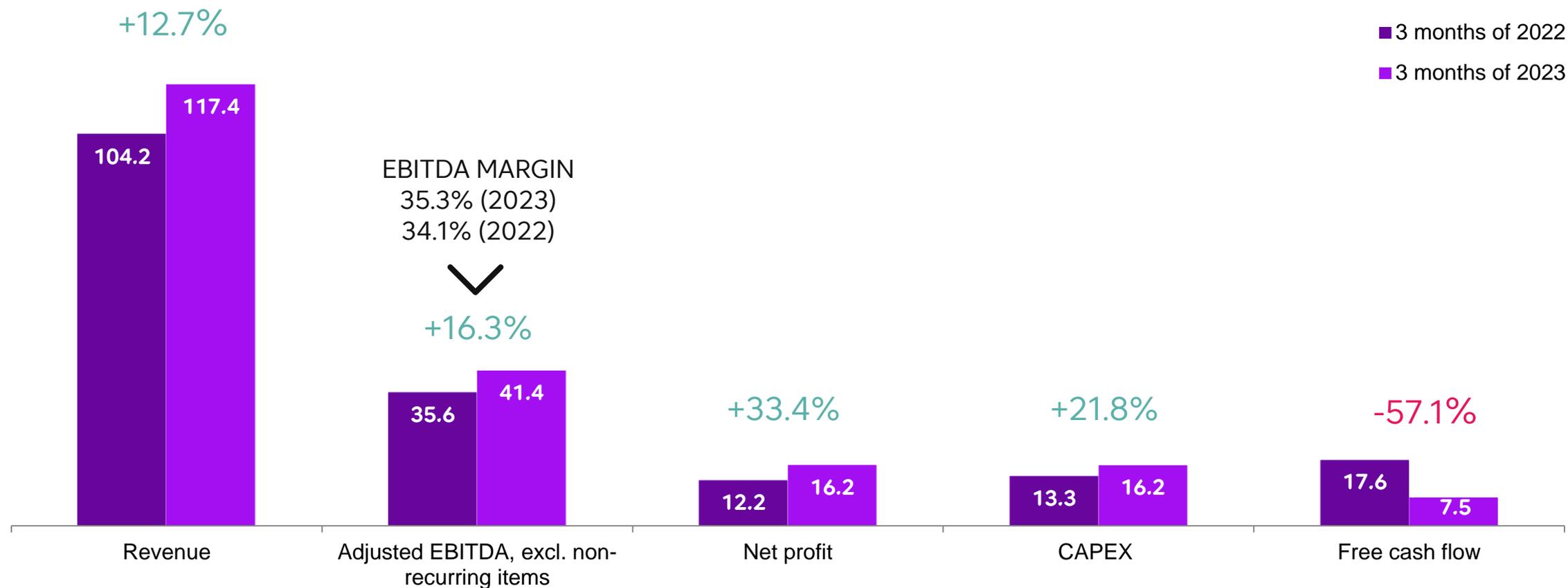
Number of broadband Internet users (thousand)



Revenue, EBITDA & Net profit (mEur)



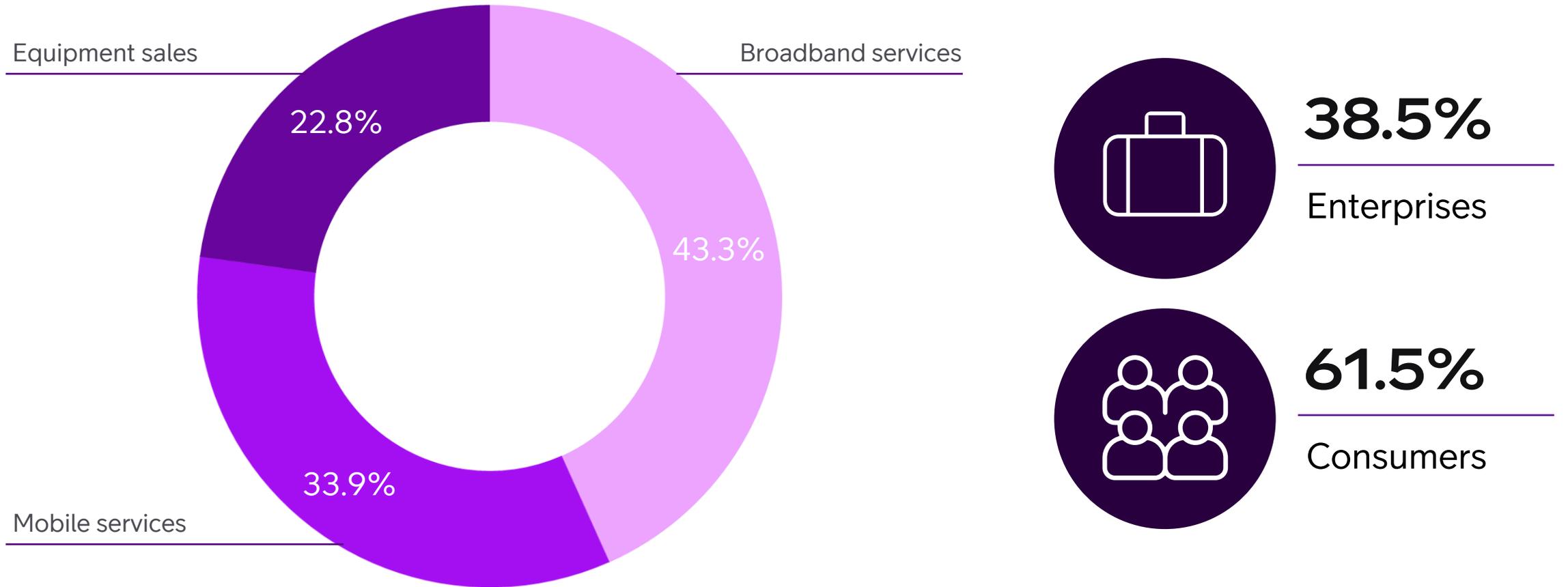
Dynamics of main financial indicators (mEur)



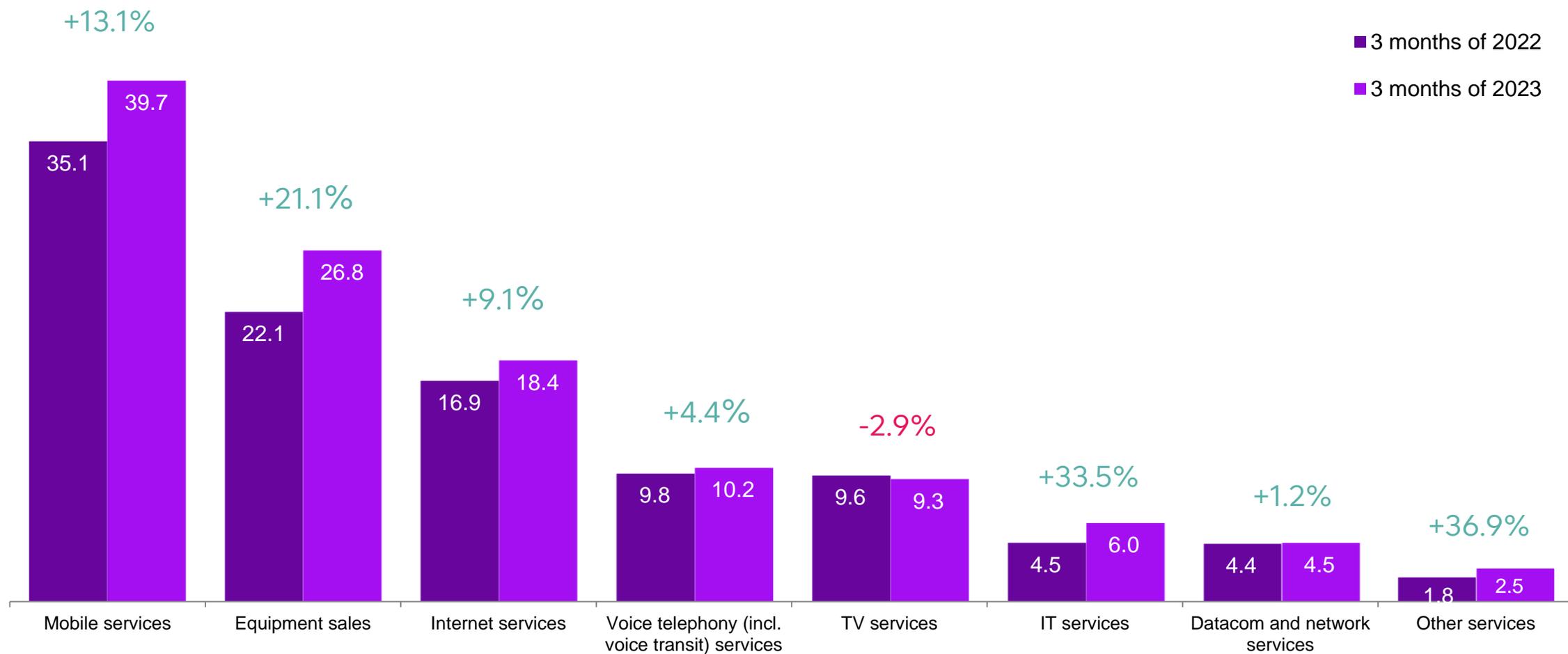
NOTE. Non-recurring items for the first quarter of 2023 were comprised from one-off redundancy pay-outs of EUR 313 thousand (2022: EUR 98 thousand), non-recurring other expenses of EUR 426 thousand (EUR 45 thousand) and loss of EUR 132 thousand (EUR 247 thousand gain in 2022) from sale of property.



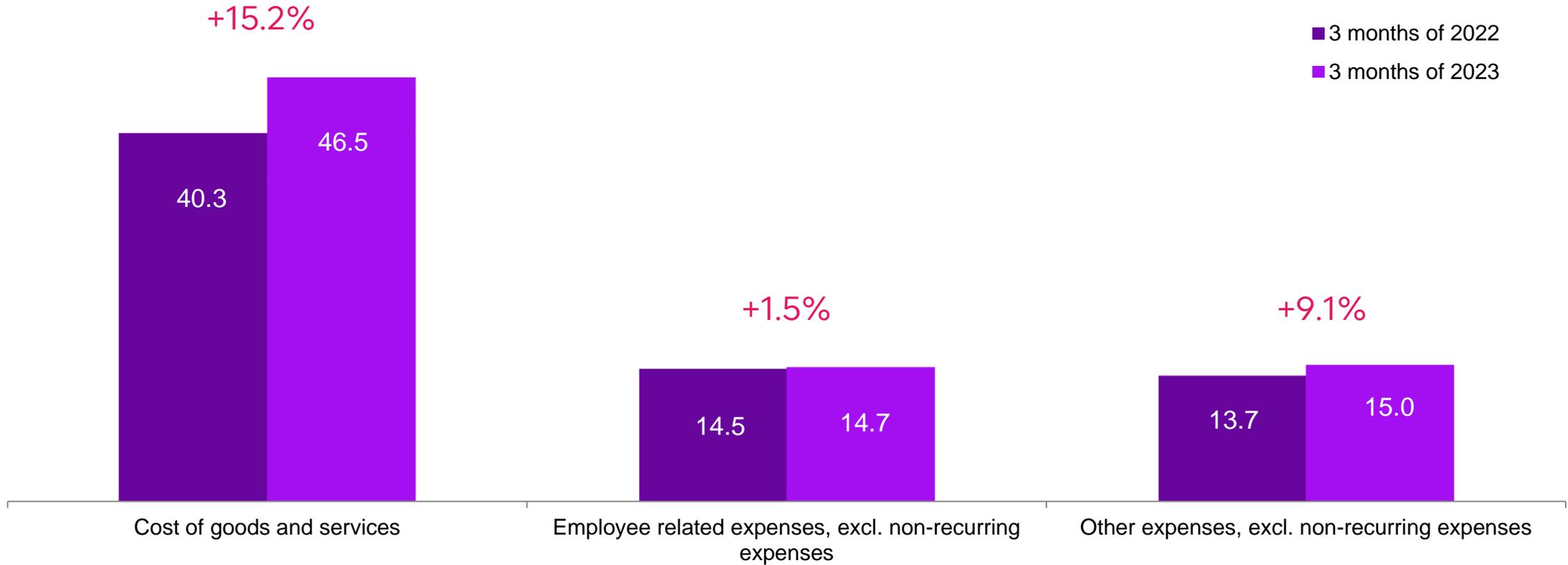
Revenue breakdown for 3 months of 2023



Revenue by services (mEur)



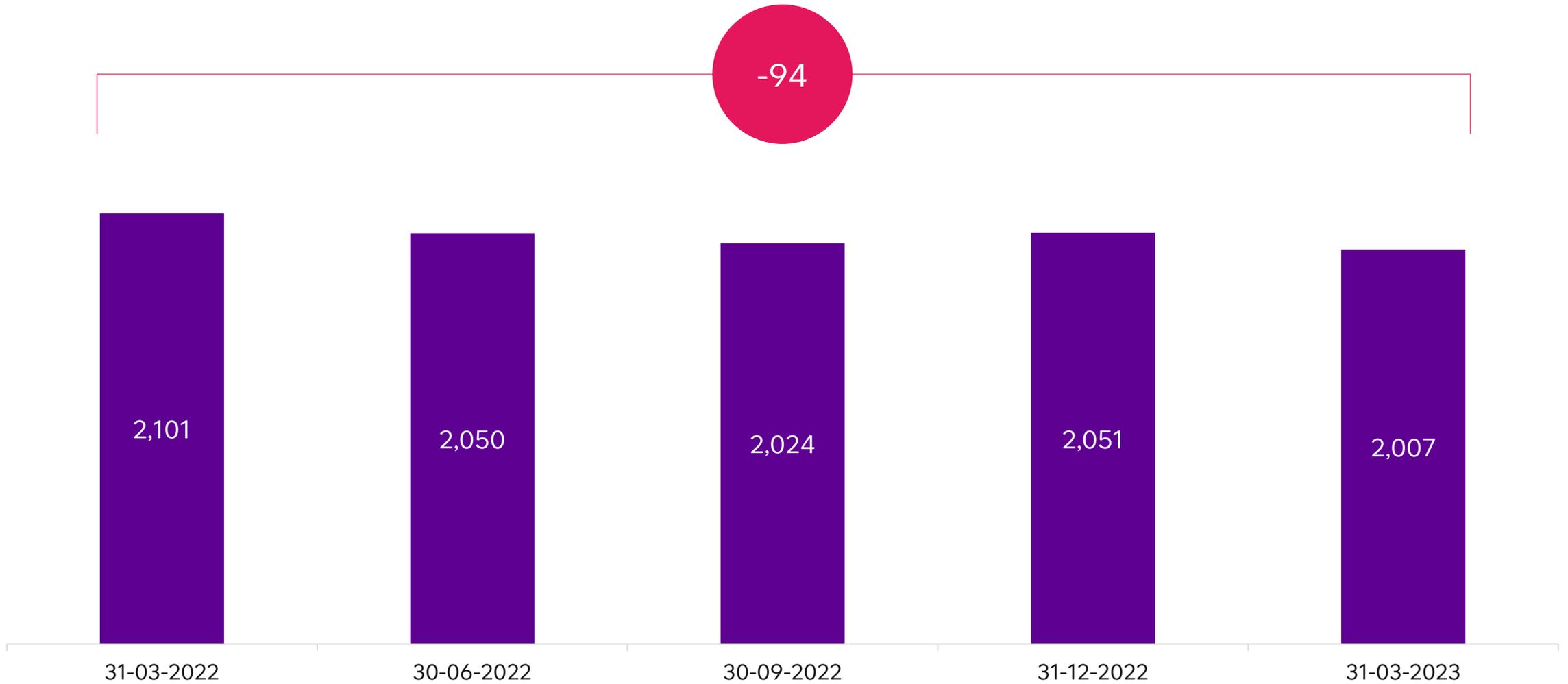
Operating expenses (mEur)



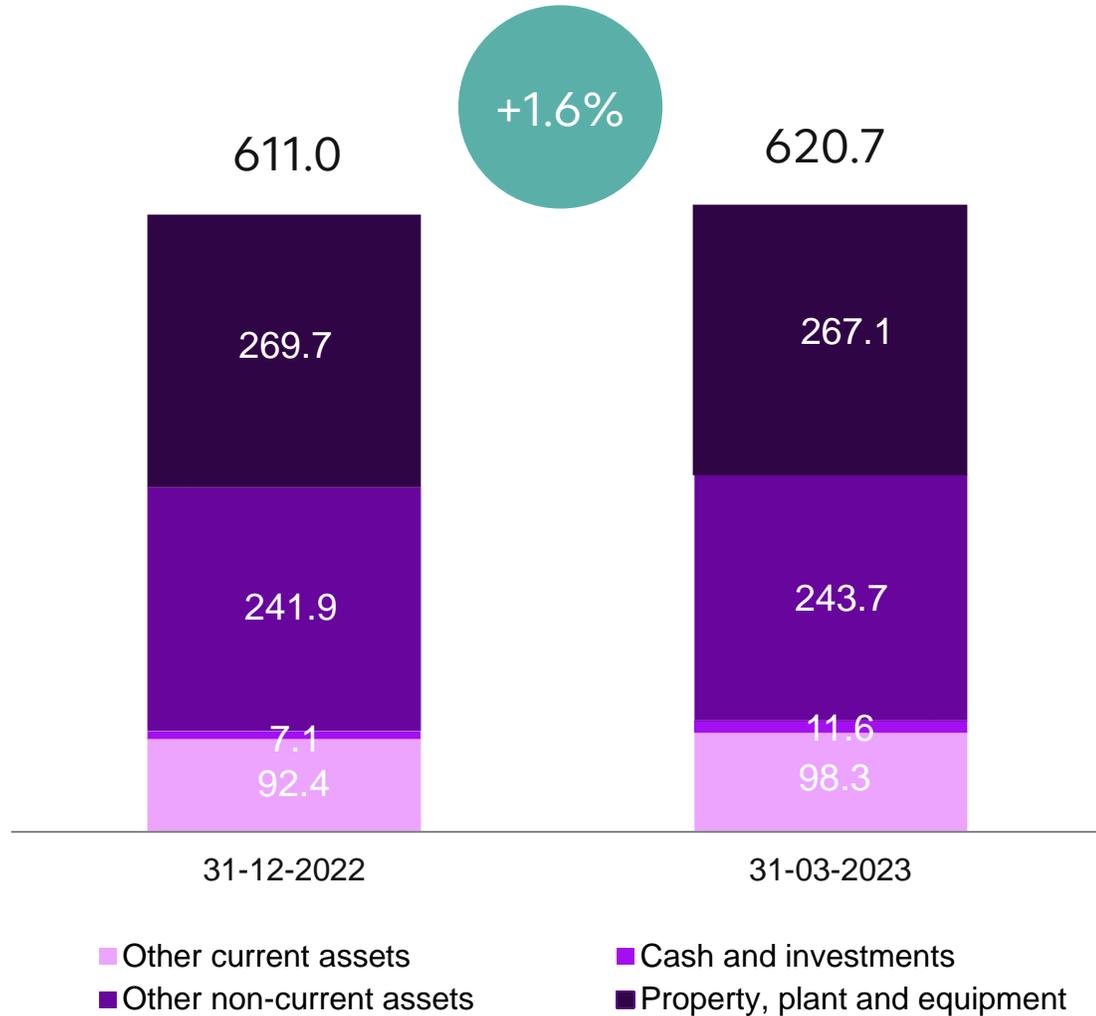
NOTE. One-off redundancy pay-outs for the first quarter of 2023 amounted to EUR 313 thousand (2022: EUR 98 thousand) and non-recurring other expenses amounted to EUR 426 thousand (EUR 45 thousand



Number of employees



Assets (mEur)



- **Non-current assets** amounted to 82.3% of total assets as of 31 March 2023 (73,3 % a year ago)
- **Cash** alone amounted to 1.9% (12,3%)
- **Return on capital employed:** 15.4% (13.1%)
- **Return on average assets:** 11.0% (9.7%)
- **Current ratio:** 71.1% (87.8%)



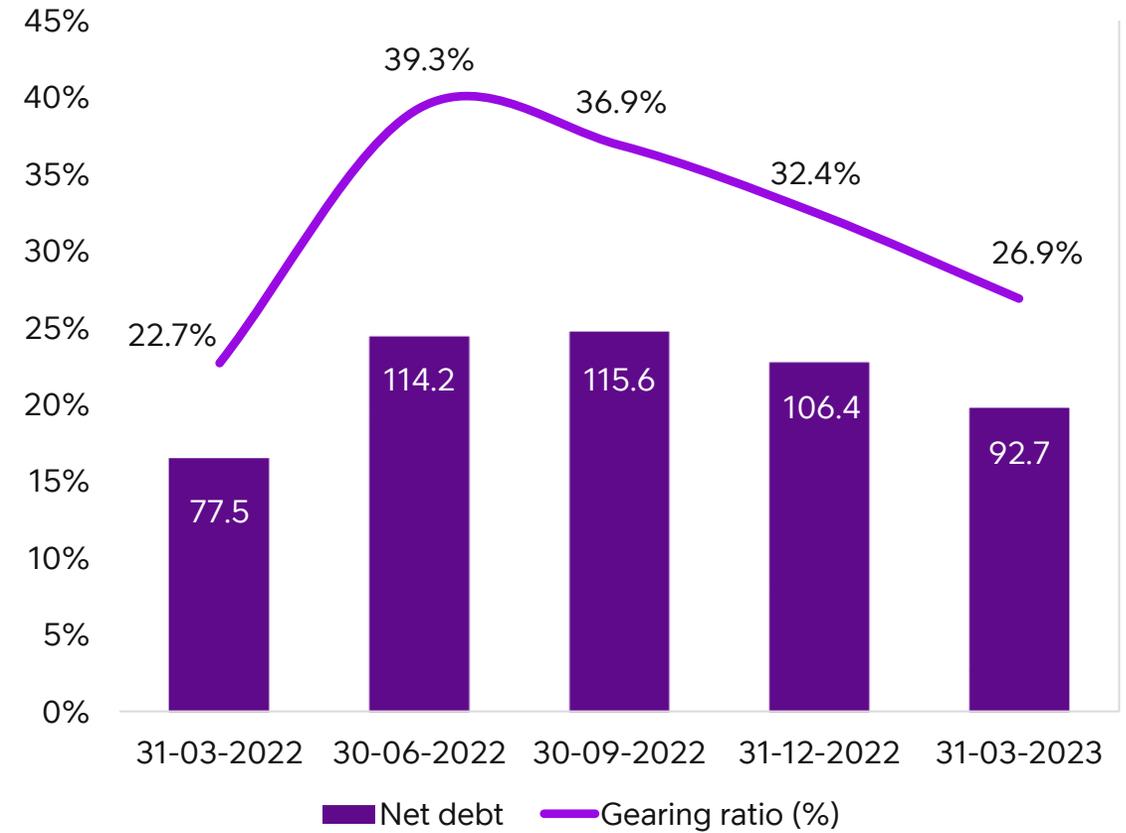
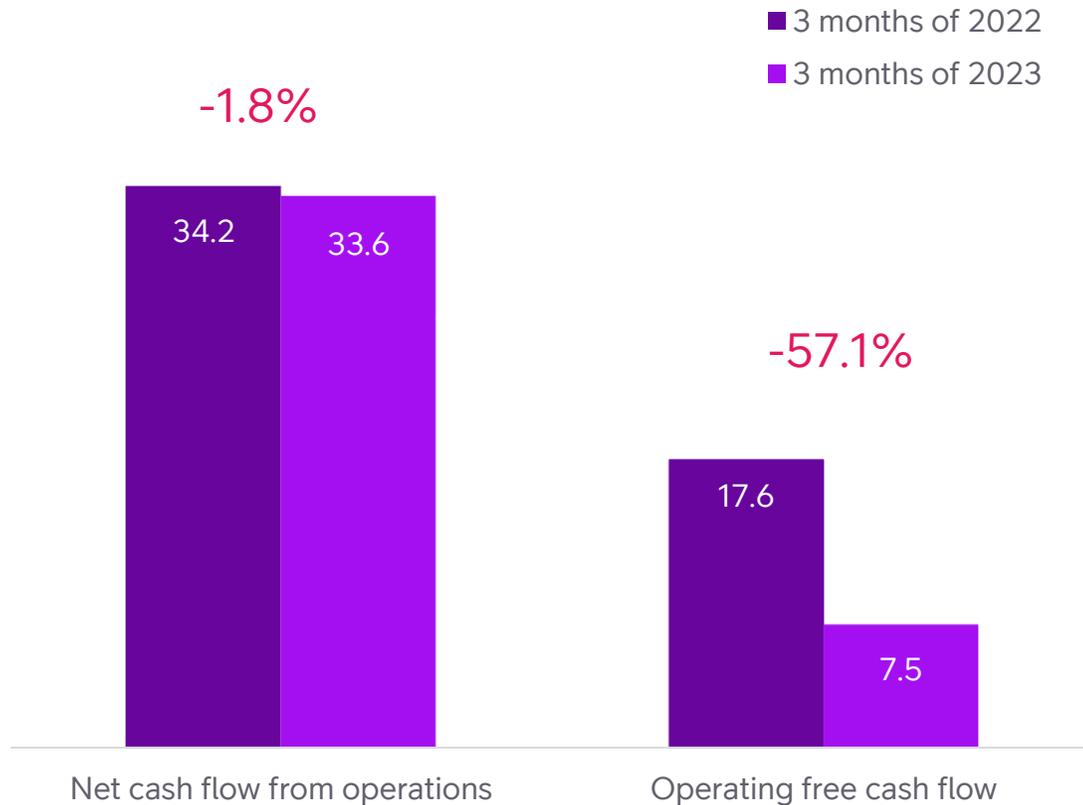
Equity and liabilities (mEur)



- As on 31 March 2023, shareholders' **equity** amounted to 55.5% of the total assets (52.6% a year ago)
- Total **borrowings** (31-03-2023) amounted to EUR 104.3 million: EUR 30 million – bank loan, EUR 30 million – loans from Telia Company and EUR 44.3 million – vendor financing.
- **Debt to equity**: 30.3% (46%)
- **Return on equity**: 18.8% (17.4%)
- **Net debt to EBITDA**: 0.61 (0.56)



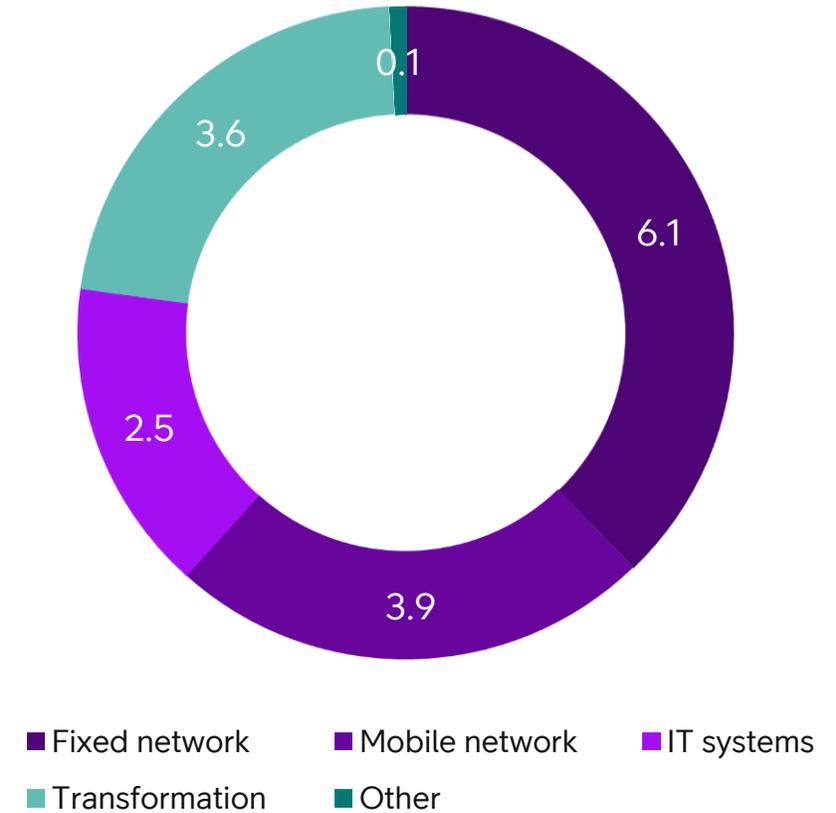
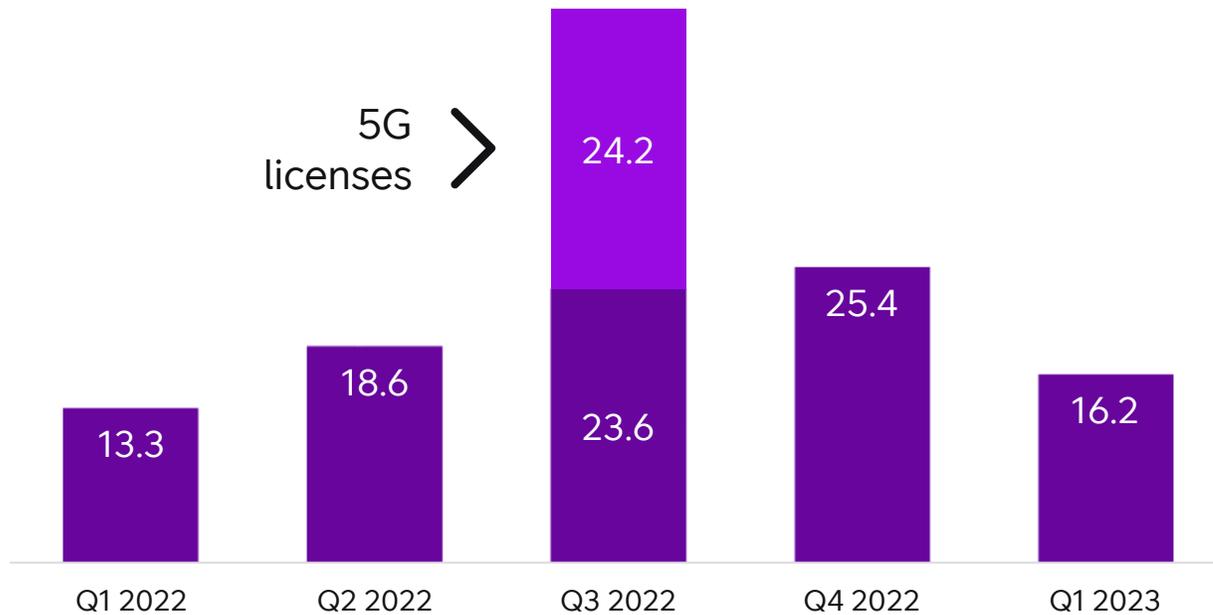
Cash flow & Net debt (mEur)



CAPEX & CAPEX breakdown for 3 month of 2023 (mEur)

Capex (excl. mobile licenses) to Sales (12 months' rolling)

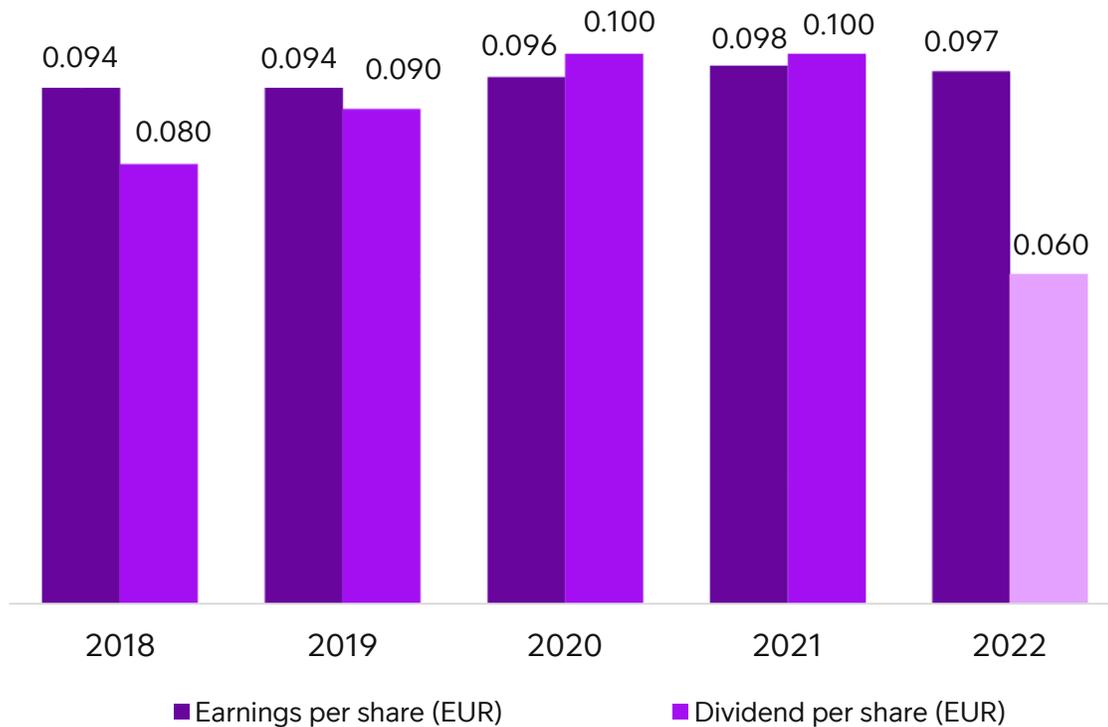
31-03-2023	31-03-2022
18.3%	22.4%



Dividends

Dividend payout ratio

2022	2021
62%	102%



- The Company’s dividend policy provides that the Company must maintain the **net debt to EBITDA ratio** not higher than 1.5 and to pay out **up to 80% of free cash flow** as dividend
- Earnings and dividends are allocated to **582,613,138** shares
- The Board proposed to the Annual General Meeting of shareholders to approve pay-out of **EUR 35 million** (EUR 0.06 per share) **of dividends** for the year 2022
- The Annual General Meeting will be held on 27 April 2023, and **dividends will be paid** on 25 May 2023

NOTE. Financial data for the years 2018-2020 is consolidated, for the year 2021-2022 – standalone



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
- The **total number of** Telia Lietuva **shareholders is 14.7 thousand**

Shareholders

as of 31-03-2023

Telia Company AB

88.15%

Other

11.85%

Part of shares and votes

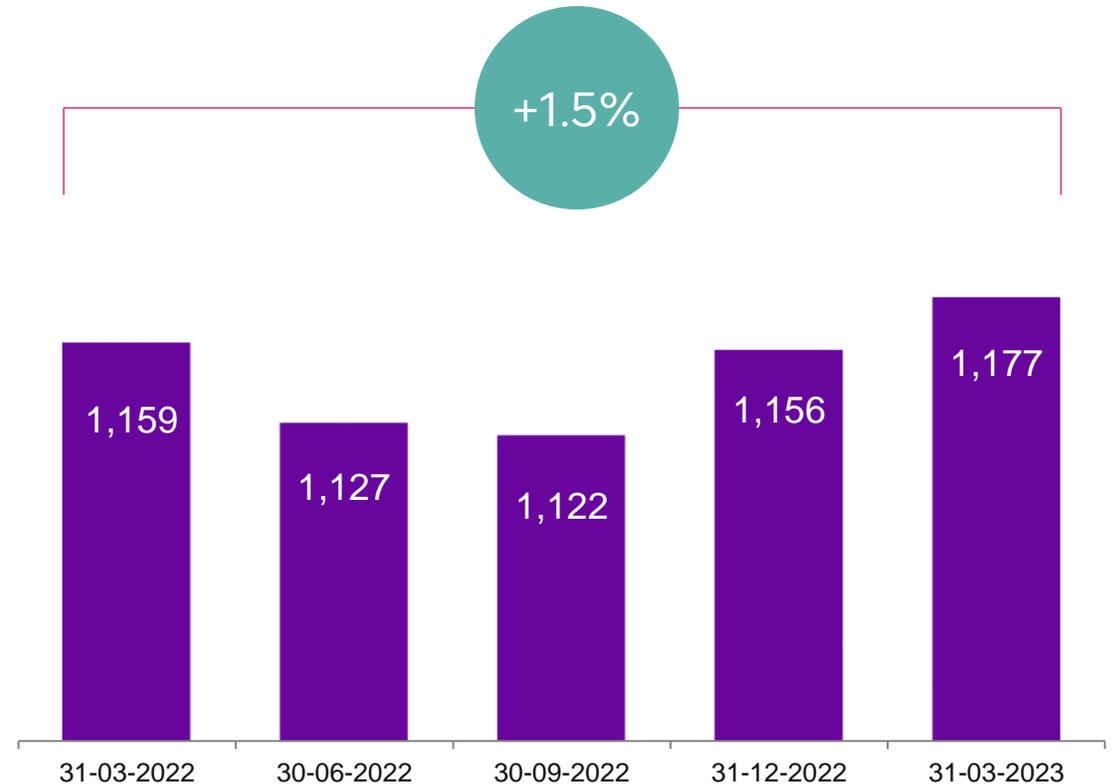


Shares

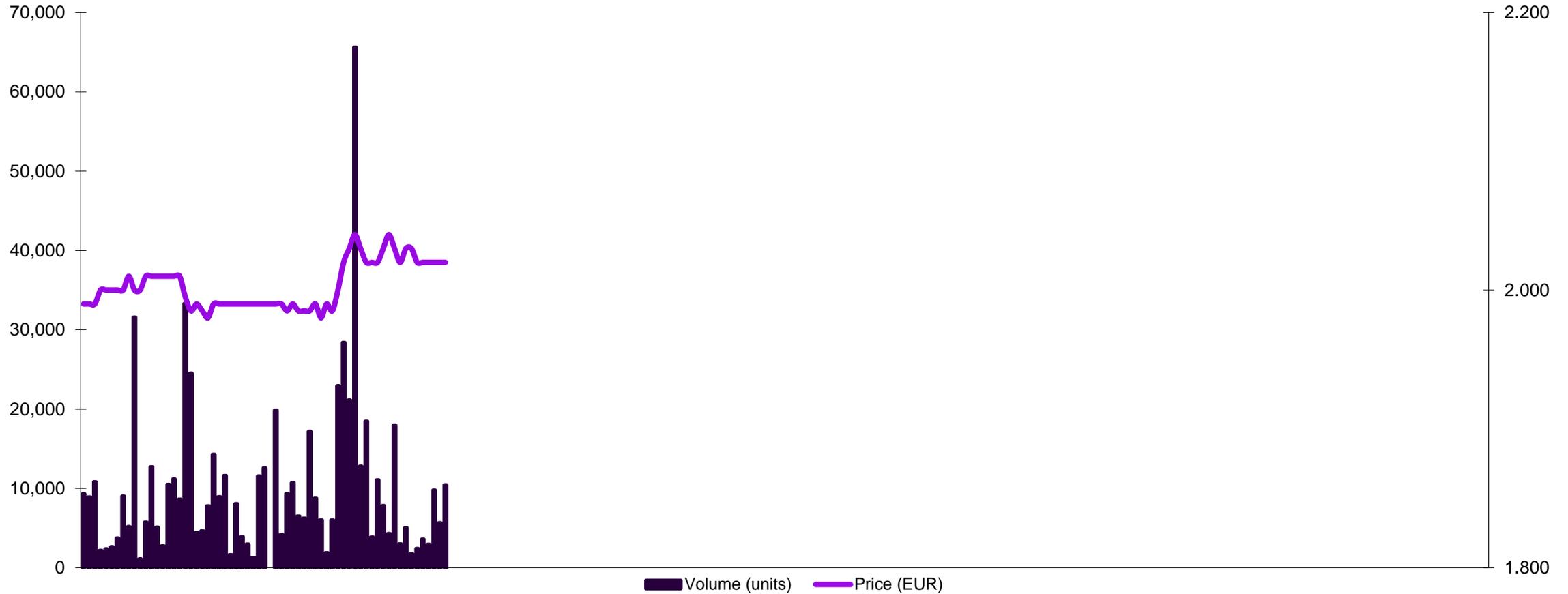
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-March 2023: 650 thousand of shares or EUR 1.3 million
- Share **price** on Nasdaq Vilnius:

01-01-2023	High	Low	31-03-2023
1.985 €	2.05 €	1.98 €	2.02€

Market capitalization (mEur)



Trading in the Company's shares on Nasdaq Vilnius stock exchange in 2023



The company's share price and Nasdaq Vilnius indexes comparison



■ OMX Baltic Benchmark GI
 ■ OMX Vilnius GI
 ■ TEL1L - Telia Lietuva

	Opening value	Closing value	Change %
■ OMX Baltic Benchmark GI	1,384.42	1,472.75	+6.38
■ OMX Vilnius GI	947.14	996.21	+5.18
■ TEL1L – Telia Lietuva	1.98	2.02	+1.76

P/E ratio: **19.5** (20.7 a year ago)

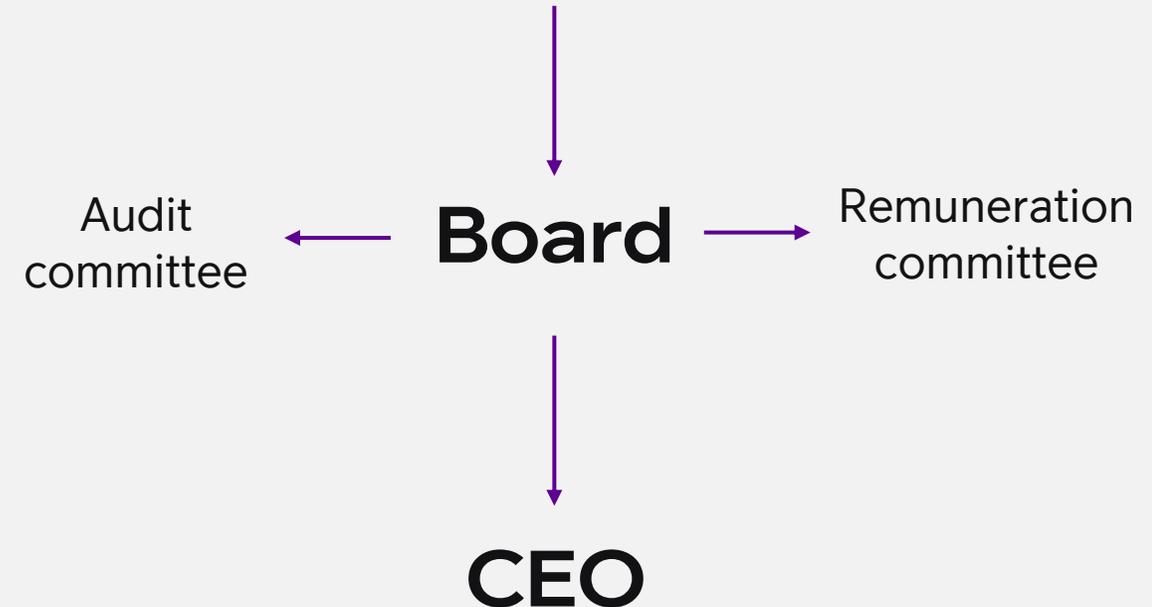


Corporate governance

Governing bodies

- The **Extraordinary General Meeting** of Shareholders was held on 16 March 2023
- EGM elected **two new members of the Board**: Dan Strömberg (CEO of Telia Lietuva till 28 Feb. 2023) and Leda Iržikevičienė as independent member of the Board
- From 1 March 2023, Giedrė Kaminskaitė-Salters is a new **CEO of Telia Lietuva**
- On 3 April 2023, Dan Strömberg was elected as **Chair of the Board** and Leda Iržikevičienė as member of the Audit Committee
- The current 2-year term of the Board that consist of 6 members terminates on 27 April 2023
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** was the Company's audit enterprise for 2021 & 2022
- The Board elects and recalls **CEO**

General meeting of shareholders



Board as on 31 March 2023



**Dan
Strömberg**

Chair of the Board from
3 April 2023, represents
Telia Company AB



**Claes
Nycander**

Member of the Board,
Chair of the
Remuneration
committee,
represents Telia
Company AB



**Agneta
Wallmark**

Member of the Board,
Chair of the Audit
Committee,
represents Telia
Company AB



**Hannu-Matti
Mäkinen**

Member of the Board,
member of the
Remuneration
Committee, represents
Telia Company AB



**Leda
Iržikevičienė**

Independent member
of the Board from 16
March 2023,
member of the Audit
Committee



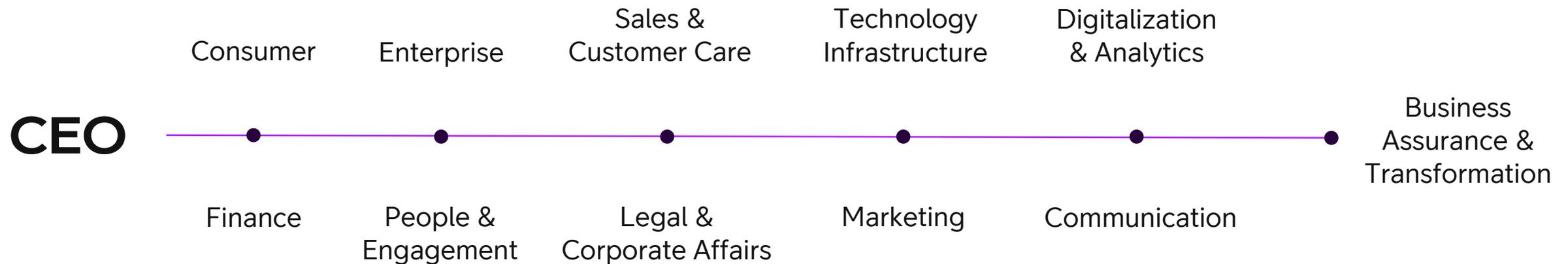
**Mindaugas
Glodas**

Independent member
of the Board,
member of the Audit
and Remuneration
Committees

Members of the Board do not own direct shares of Telia Lietuva



Governing structure of Telia Lietuva valid from 1 July 2022



Management team



Giedrė Kaminskaitė-Salters,
CEO



Elina Dapkevičienė,
Head of Consumer



Daniel Karpovič,
Head of Enterprise



Lina Bandzinė,
Head of Sales &
Customer Care



Andrius Šemeškevičius,
Head of Technology



Diana Gold,
Head of Digital & Analytics



Daina Večkytė,
Head of Finance



Ramūnas Bagdonas,
Head of People &
Engagement



Daiva Kasperavičienė,
Head of Legal & Corporate
Affairs



Vaida Jurkonienė,
Head of Marketing



Birutė Eimontaitė,
Head of Communication



Vytautas Bučinskas,
Head of Business
Assurance & Transformation



Business sustainability

How we understand sustainability?



Climate & Circularity



Digital Inclusion



Privacy & Security



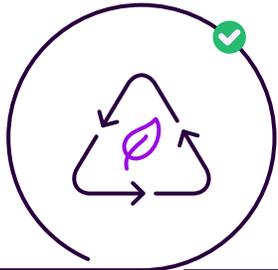
Responsible Business

Human Rights, Diversity & Inclusion, Well-being of Employees
Freedom of Expression, Health and Safety, etc.

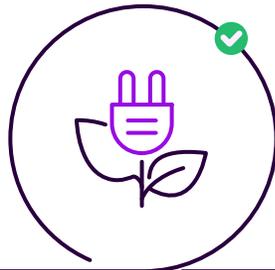


Ambitious environmental goals

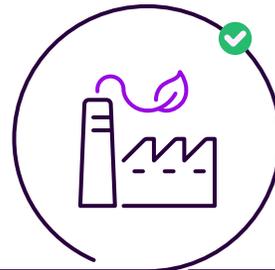
2022



2023



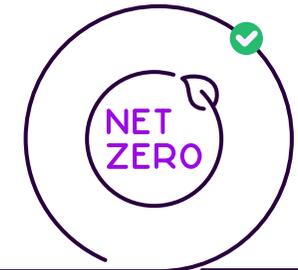
2025



2030



2040



- Our suppliers, whose CO2 emissions account for **35%** of the total supply chain emissions, have set science-based environmental targets
- **16%** of all routers and TV set-top boxes delivered to our customers in 2022 were **refurbished and reused**
- Energy consumption/subscription equivalent maintained by **5%**
- The entire infrastructure network that we dismantled has been **reused or sold**
- Activities of Telia companies operating in the Baltic and Nordic countries have become **climate-neutral** since the end of 2020. Special carbon dioxide (CO2) compensation mechanisms and 100% use of green energy have been used to achieve this milestone

- To increase of sales of **refurbished devices**
- To continue **solar panels** installation in mobile sites and identify opportunities to spread the scale on other buildings
- Add possibility to **sign a contract online** while ordering FIX equipment (by instalments) from Telia's online shop
- Over **100 charging stations** to be constructed for the new electric car fleet (115 new EV)

- **Halve emission** in our own operations
- Reduce emissions related to the use of sold and leased products by **29%**
- Engage with suppliers, making sure that suppliers representing **72%** of emissions have set science-based targets
- **84%** of our own and network operations materials must be reused or recycled

- **Climate-neutral** value chain by 2030, by at least halving emissions and offsetting the rest (base year: 2018)
- Reduce CO2 emissions in own operations (scope 1 and 2) by **90%**

- **Net Zero by 2040**, aligned with the requirements of the new Science Based Target initiative (SBTi) Net-Zero Standard (**External approval of target pending**)

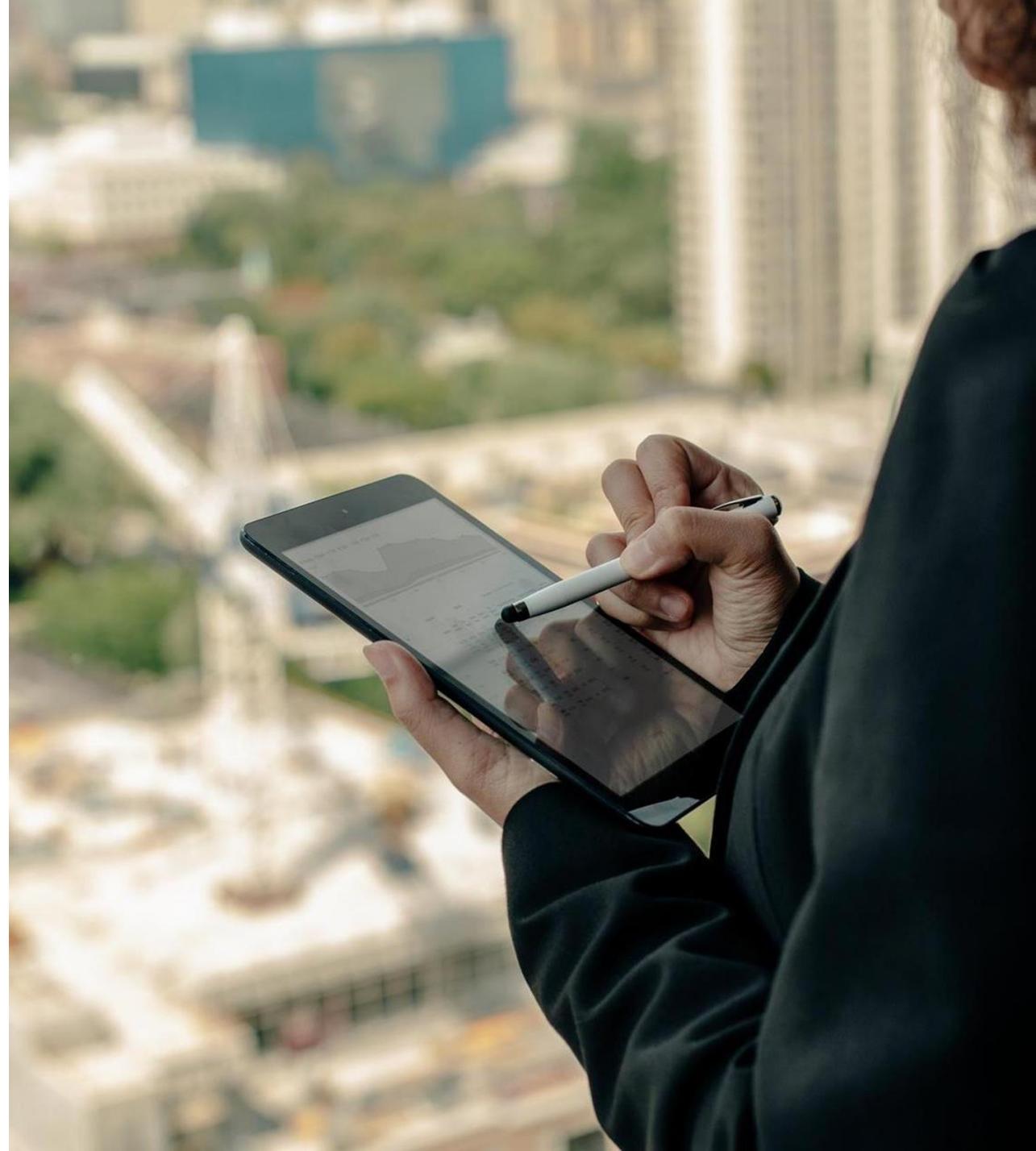


Highlight of Q1 2023



Telia Lietuva is perceived as the most sustainable telco in Lithuania

According to the "Sustainable Brand Index" (SBI) survey of the most sustainable European brands for the year 2023. During the year, Telia Lietuva rose by 13 positions to 15th place in the overall ranking of Lithuanian companies.



Thank you