

Interim results

6 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



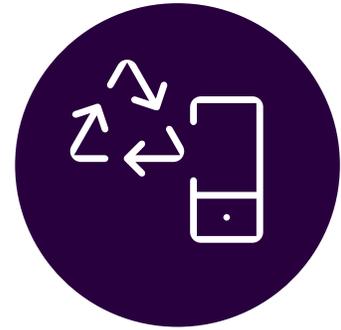
Customer care
24/7/365



Quality of
operations'
management
confirmed by
ISO certificates



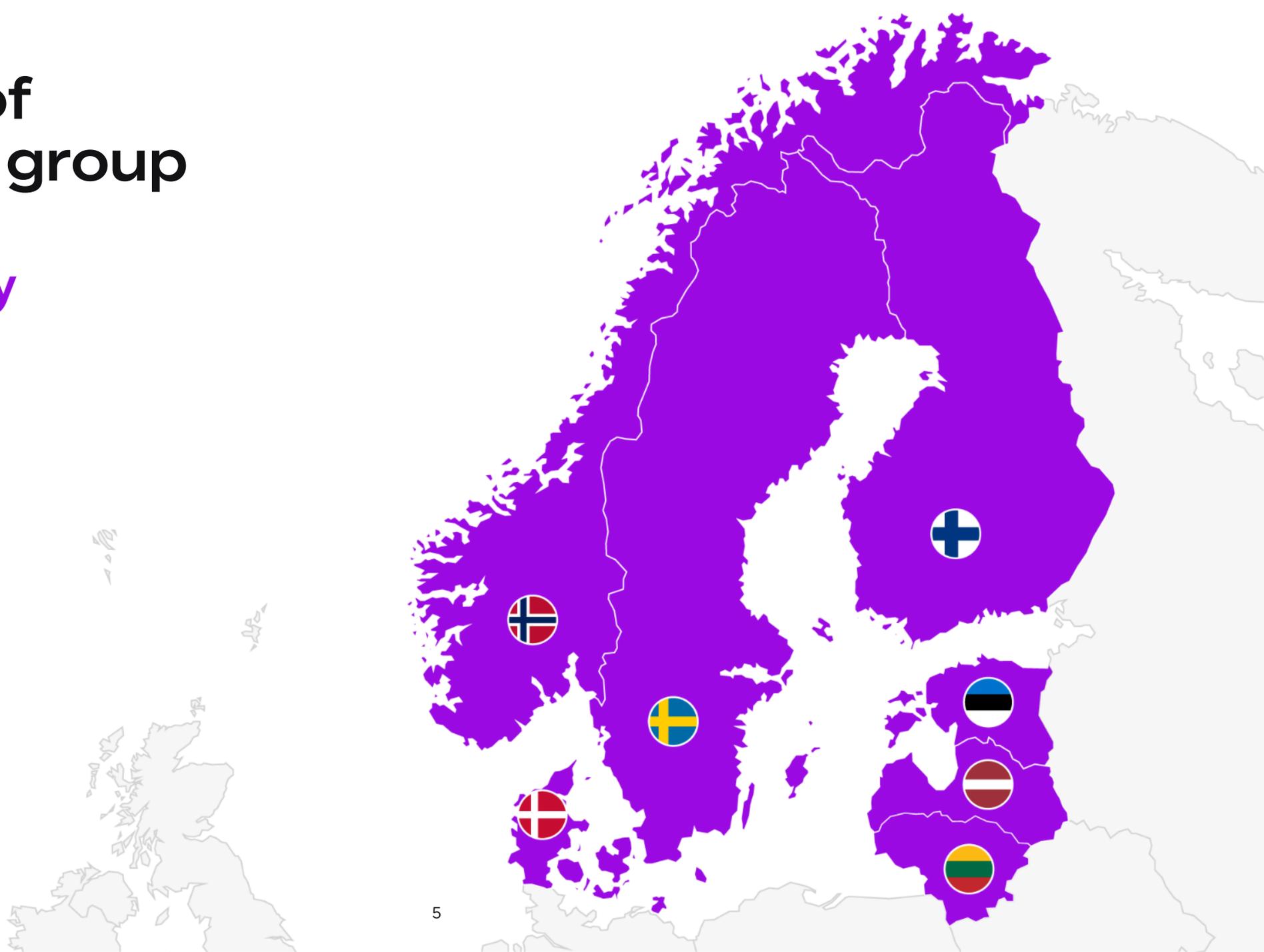
Team of 2,000
professionals



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

Speed up
Make the right decisions fast

Make it happen
Enable everyone to make better happen

Radical honesty
Call things out even when it's difficult

We Care
for everyone

Look out for each other
Treat everyone with respect

Walk in our customers' shoes
Make customer experience your obsession

Celebrate the good stuff
Be generous with your praise

We Simplify
the way we do things

Less is more
Do what matters most

One team
Align goals and prioritize

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 Q2 2023

#1

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

#2

Record high quarterly EBITDA

#3

Completed mobile network upgrade with Ericsson equipment

#4

Telia Lietuva 5G network covers **99% of the country's population**

#5

The Company introduced a new **Voice over Wi-Fi** service

#6

Shareholders **re-elected the Board** members and elected Deloitte Lietuva as the Company's auditors

#7

In May 2023, **EUR 0.06 dividend per share** (in total EUR 35 million) were paid for the year 2022

#8

During H1 2023, share price decreased by **4.5 per cent** while market capitalisation remains above **EUR 1 billion**



Number of customers



1,611,000

of **mobile** service users



427,000

of **broadband Internet** connections



258,000

of **TV service** users



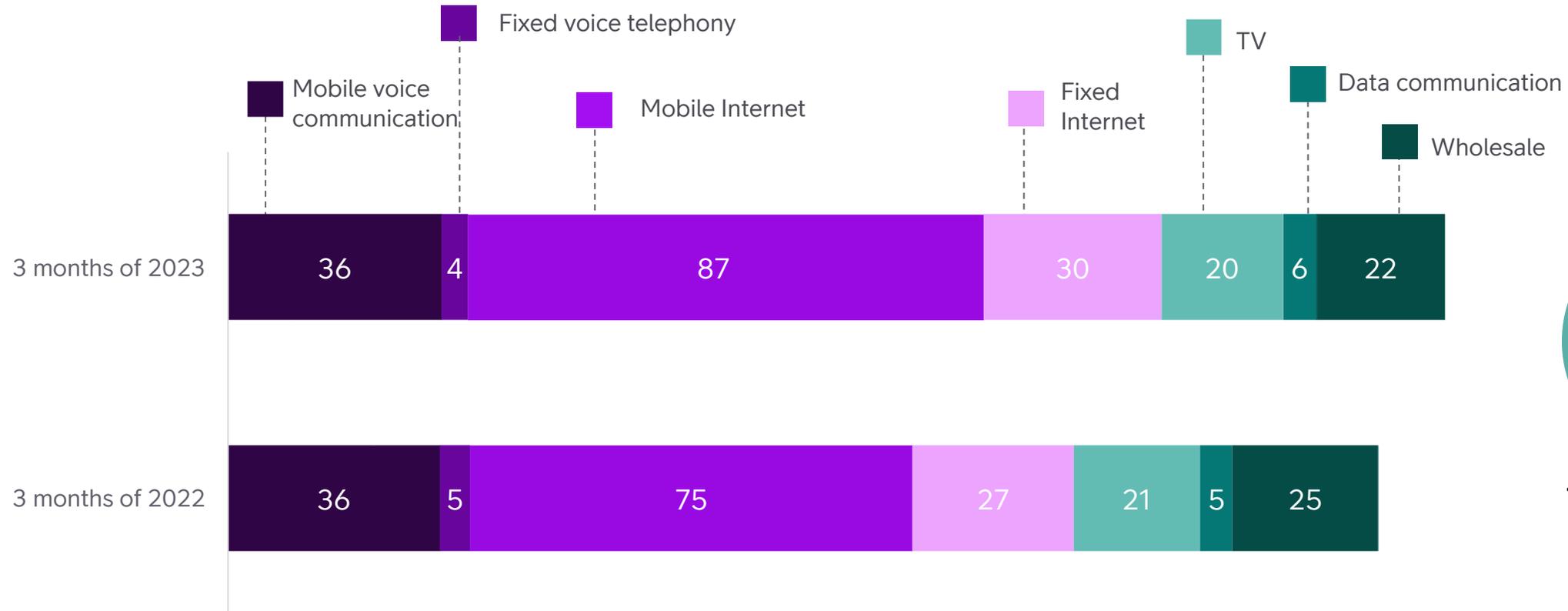
188,000

of **fixed telephone** lines in service



Telecommunications market of Lithuania

Internet drives telco market growth (mEur)

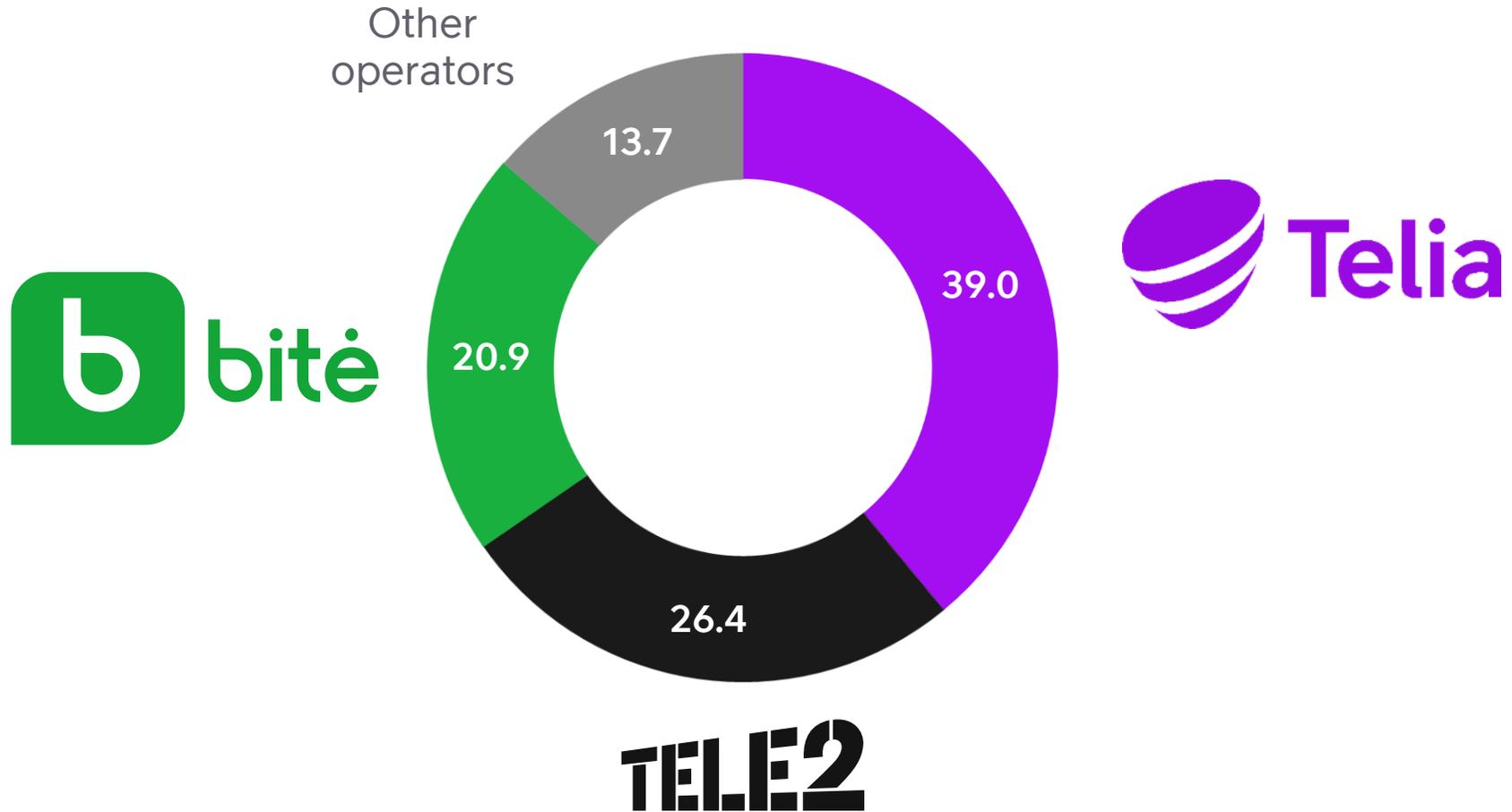


+5.8%
(y-o-y)

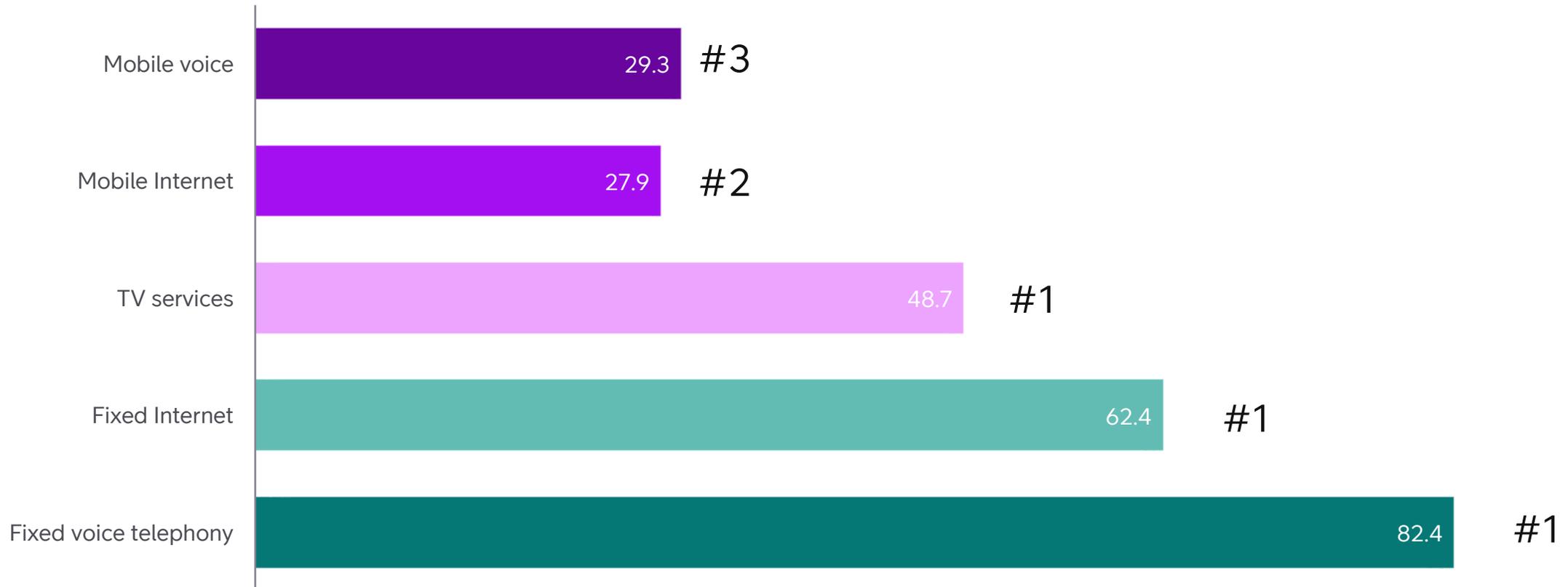
Total market



Breakdown of the telecommunications market revenue by operators for Q1 2023 (%)



Telia Lietuva market shares in terms of revenue for Q1 2022 (%)



Market: growing usage of mobile data



+25.0% (y-o-y)

Increasing usage of
mobile data

(uploaded / downloaded
336,329 TB of data per quarter)



+1.7% (y-o-y)

Growing number of
FTTH/B connections

(accounts for **79.3%** of all
fixed Internet connections)



-0.3% (y-o-y)

Declined number of
IPTV users

(accounts for **51.9%** of all
pay-TV service users)



Market penetration



134.4

Mobile
communications
subscribers

(per 100 inhabitants)



15.0

Fixed
telephony
lines

(per 100 households)



54.3

Broadband
Internet
access

(per 100 households)



41.7

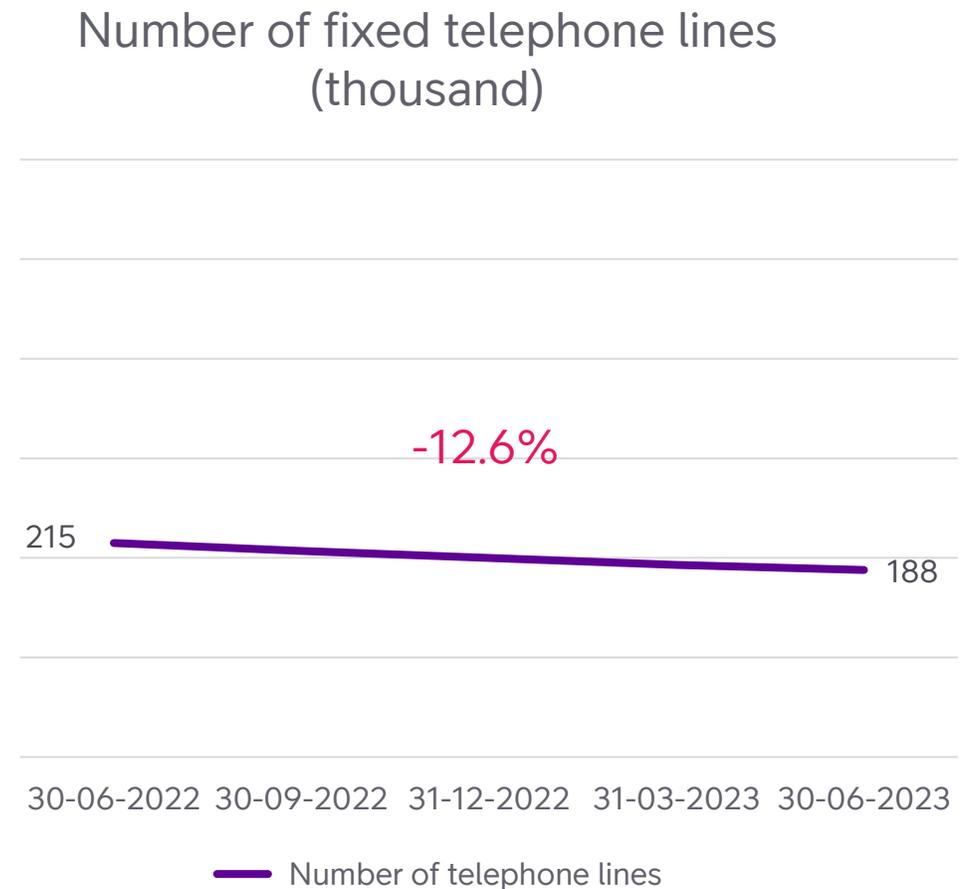
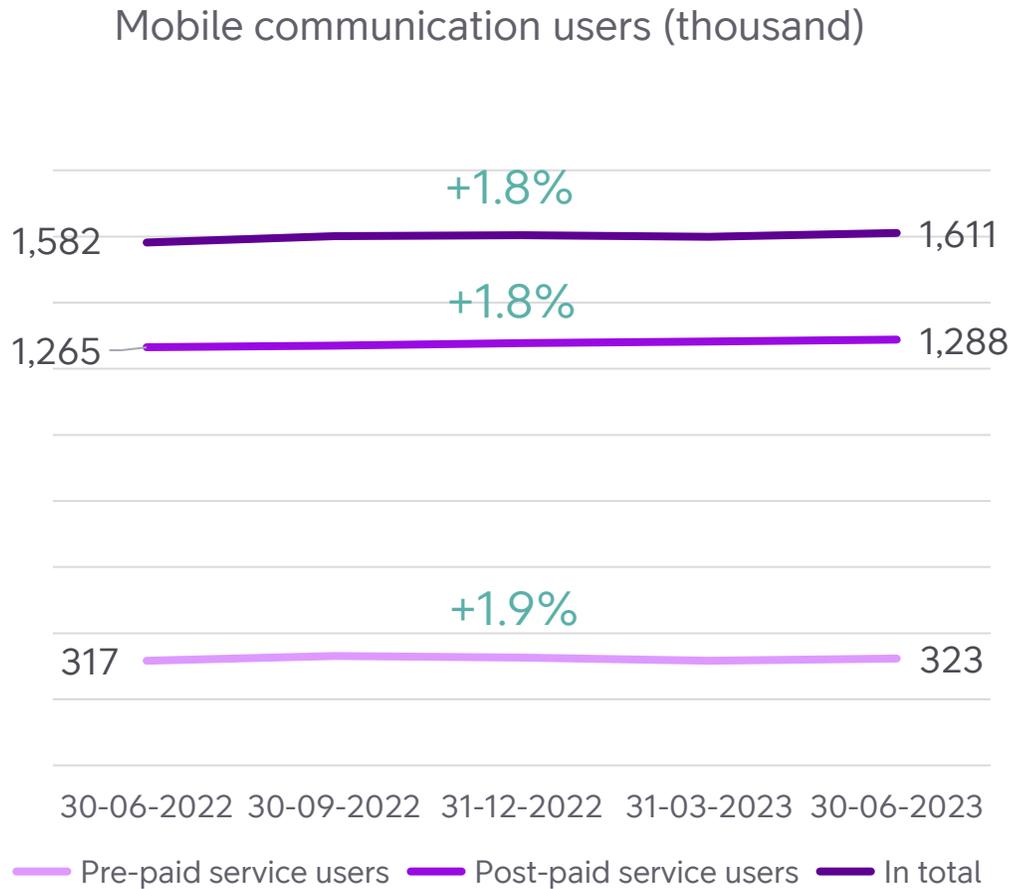
Pay-TV
subscribers

(per 100 households)



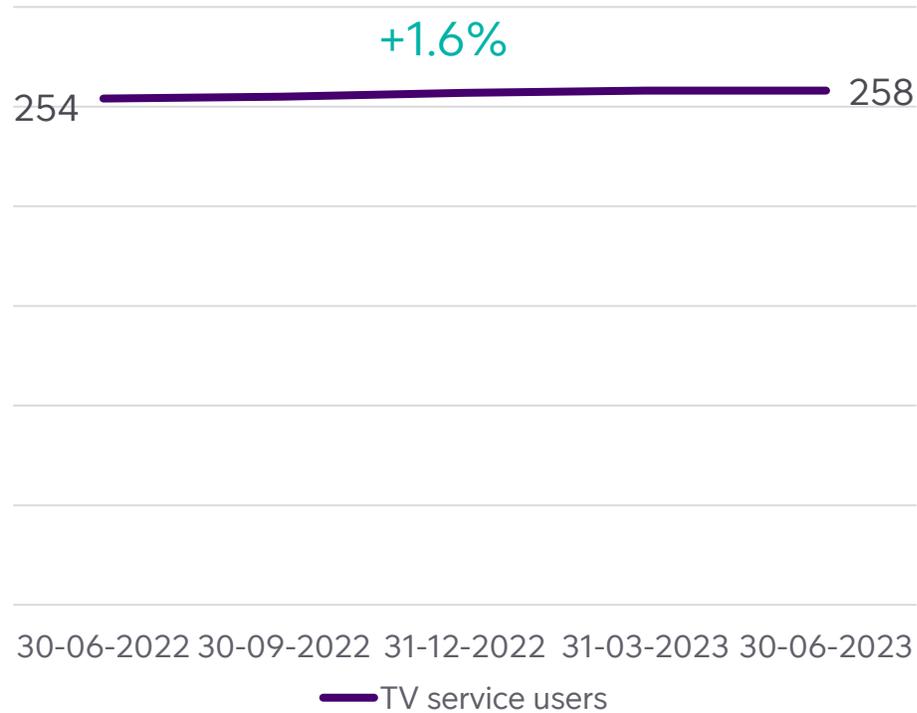
Operating and financial results

Number of mobile and fixed voice service users

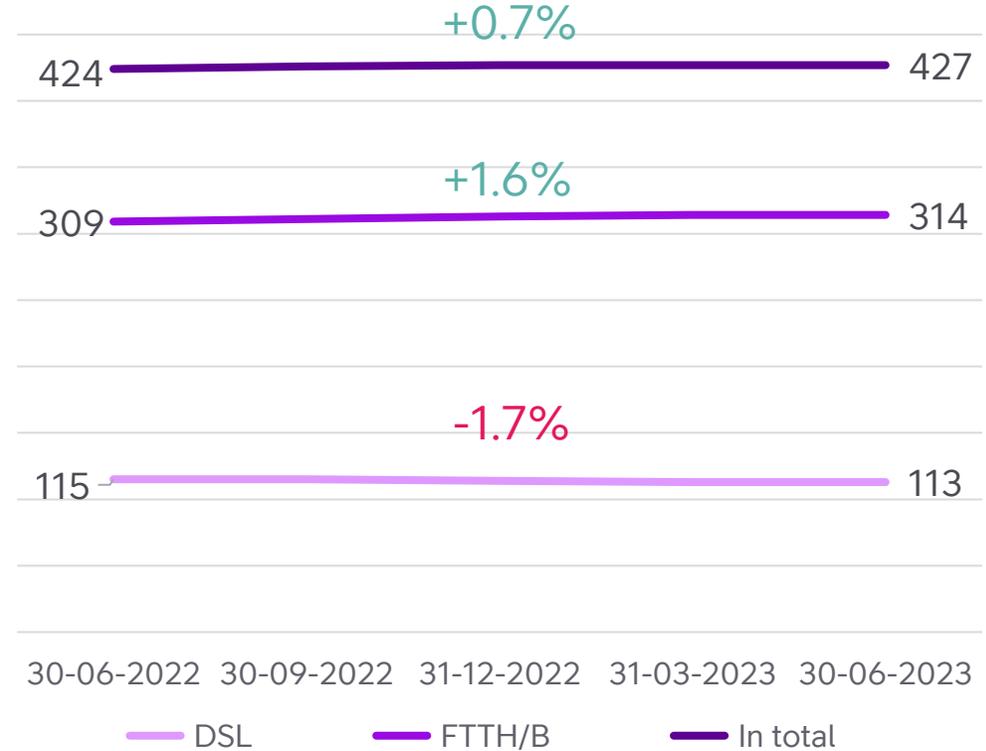


Number of IPTV and broadband Internet users

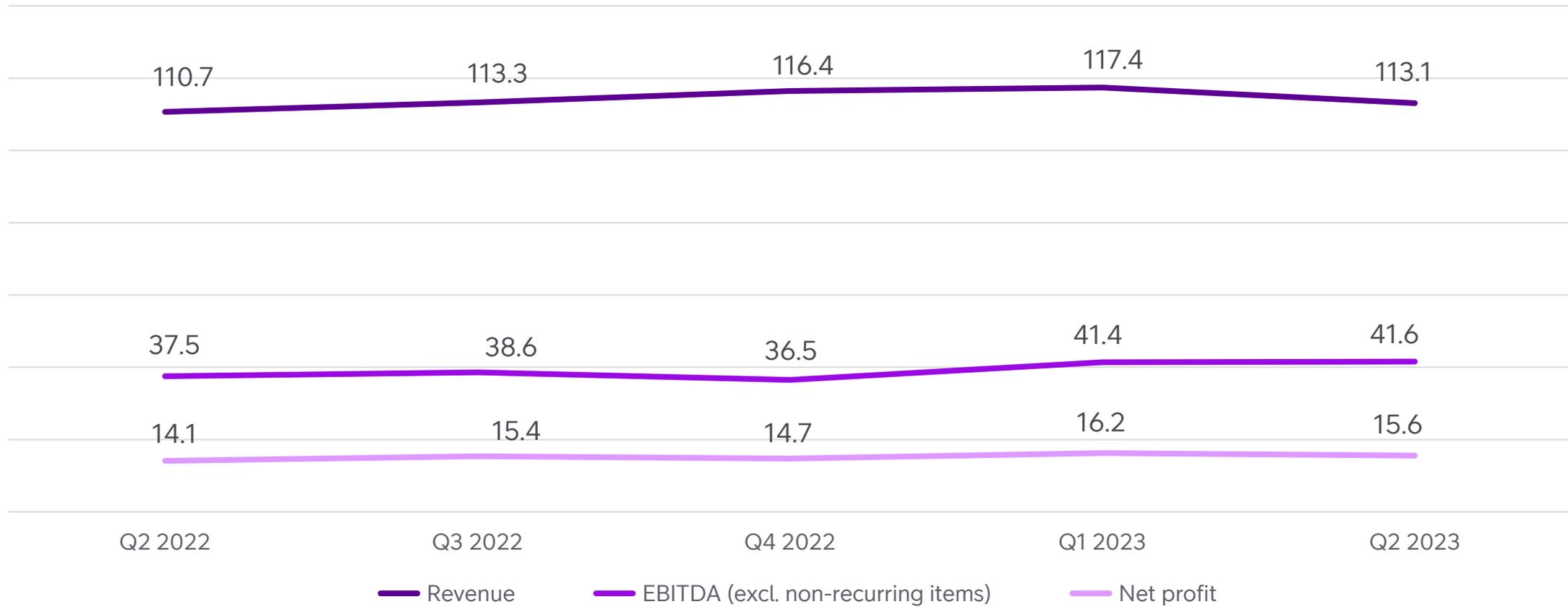
Number of TV service users (thousand)



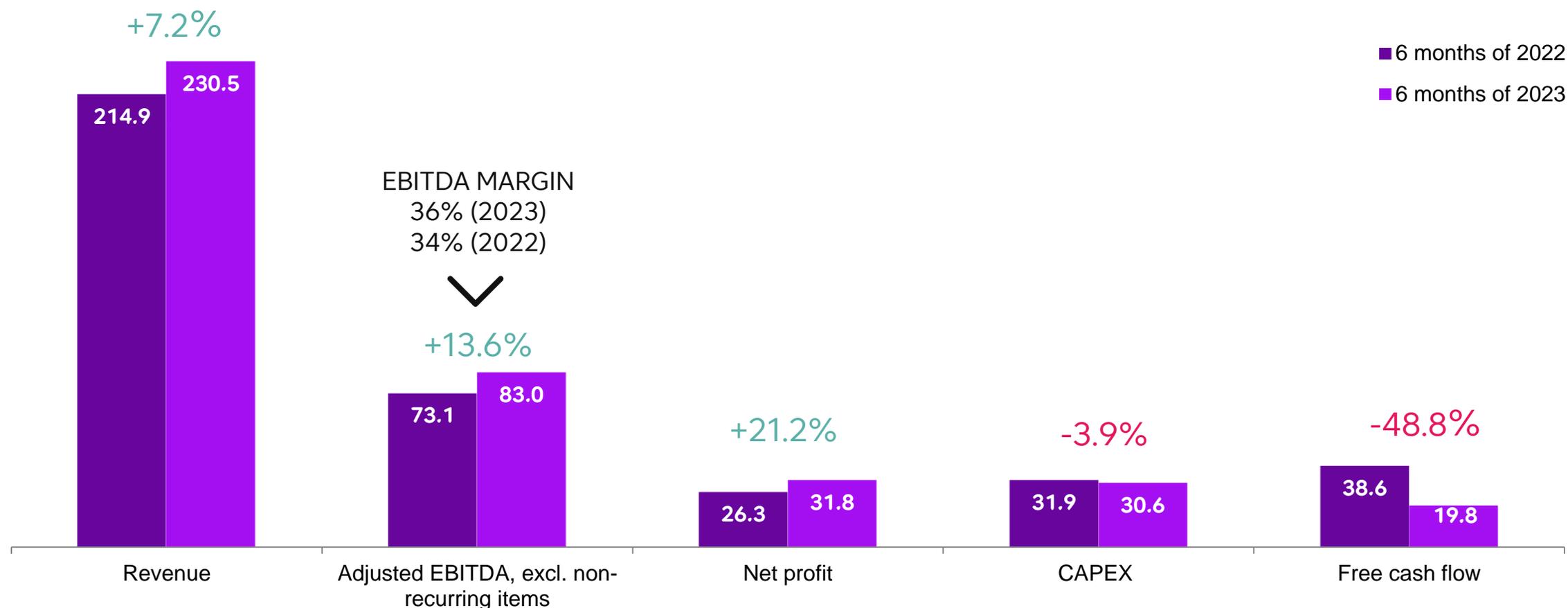
Number of broadband Internet users (thousand)



Revenue, EBITDA & Net profit (mEur)



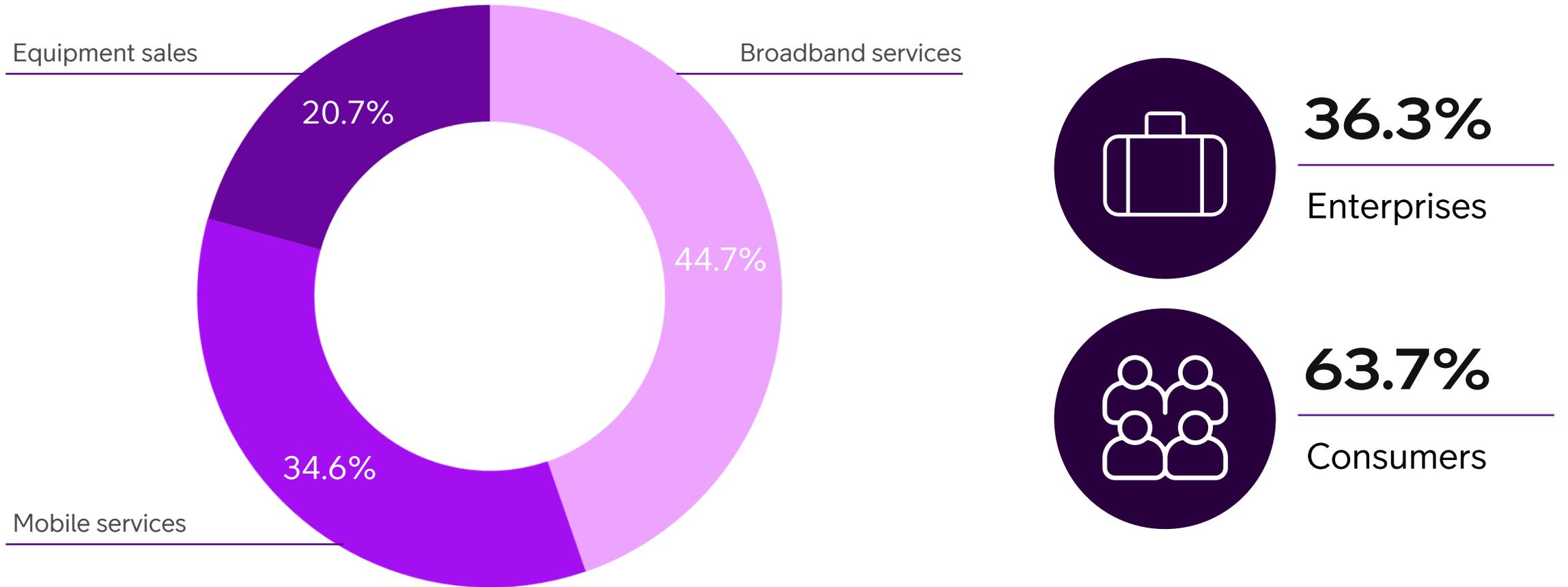
Dynamics of main financial indicators (mEur)



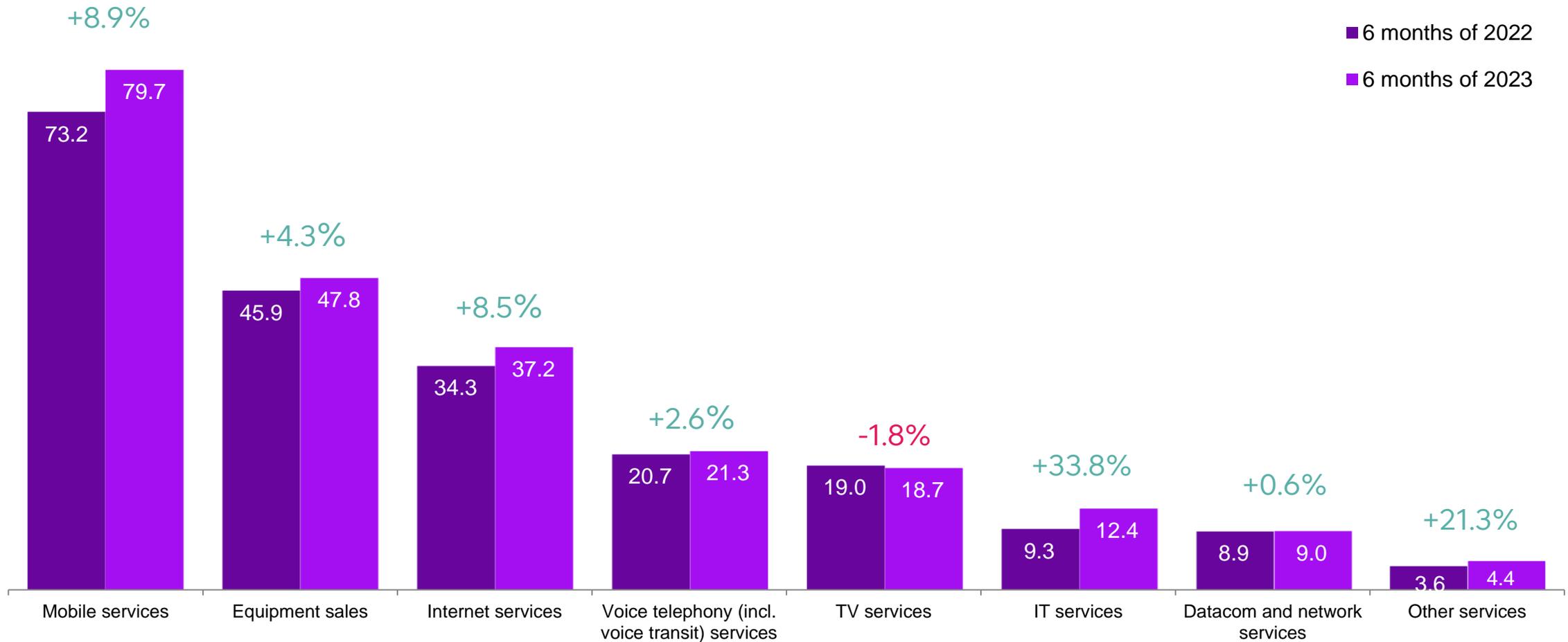
NOTE. Non-recurring items for the first half of 2023 were comprised of one-off redundancy pay-outs of EUR 547 thousand (2022: EUR 270 thousand), non-recurring other expenses of EUR 992 thousand (EUR 133 thousand) and gain of EUR 32 thousand (EUR 542 thousand) from sale of property.



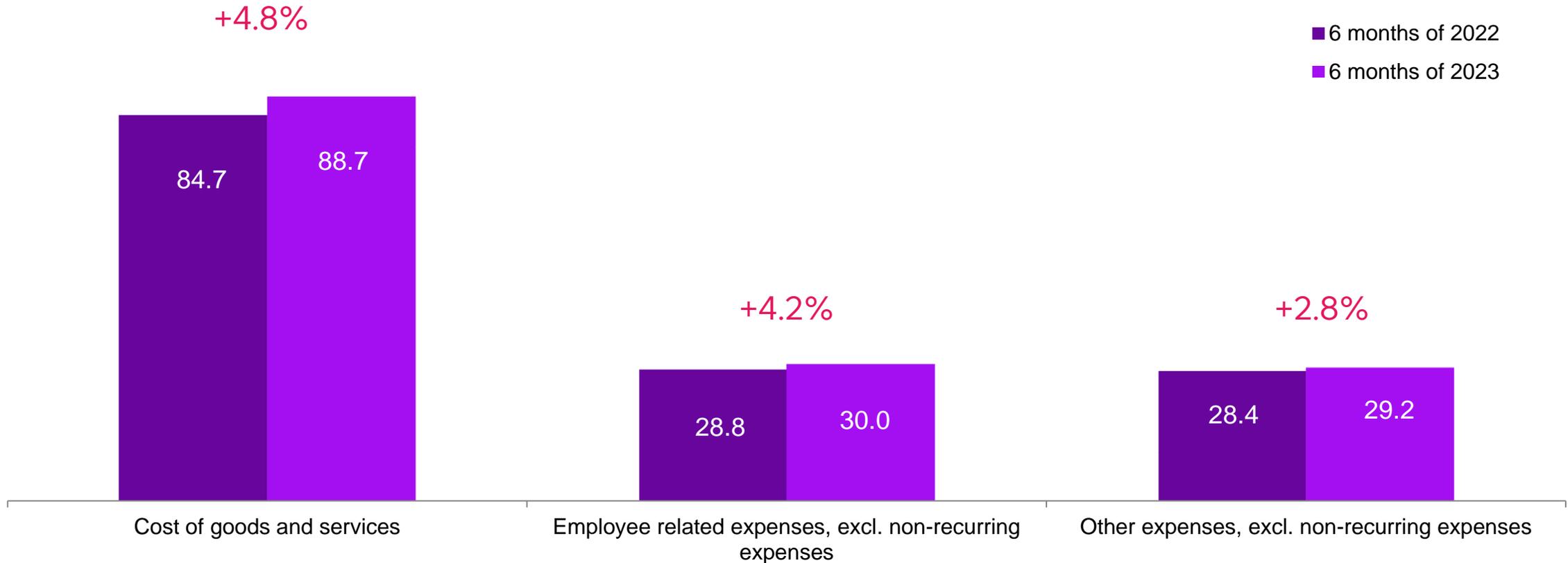
Revenue breakdown for 6 months of 2023



Revenue by services (mEur)



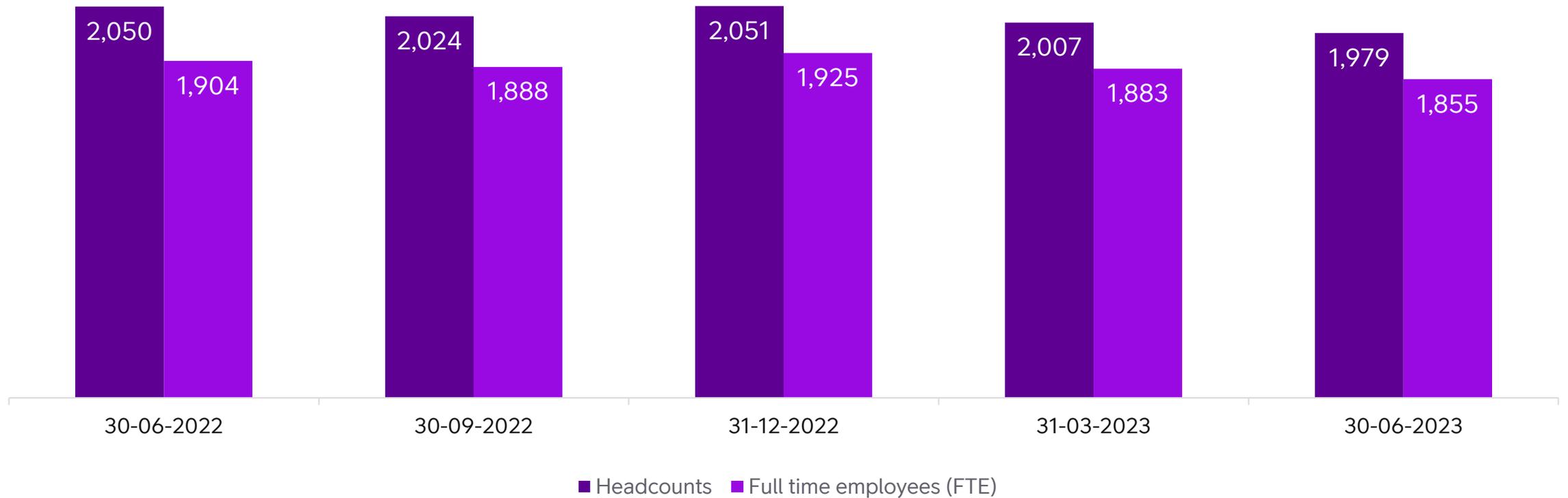
Operating expenses (mEur)



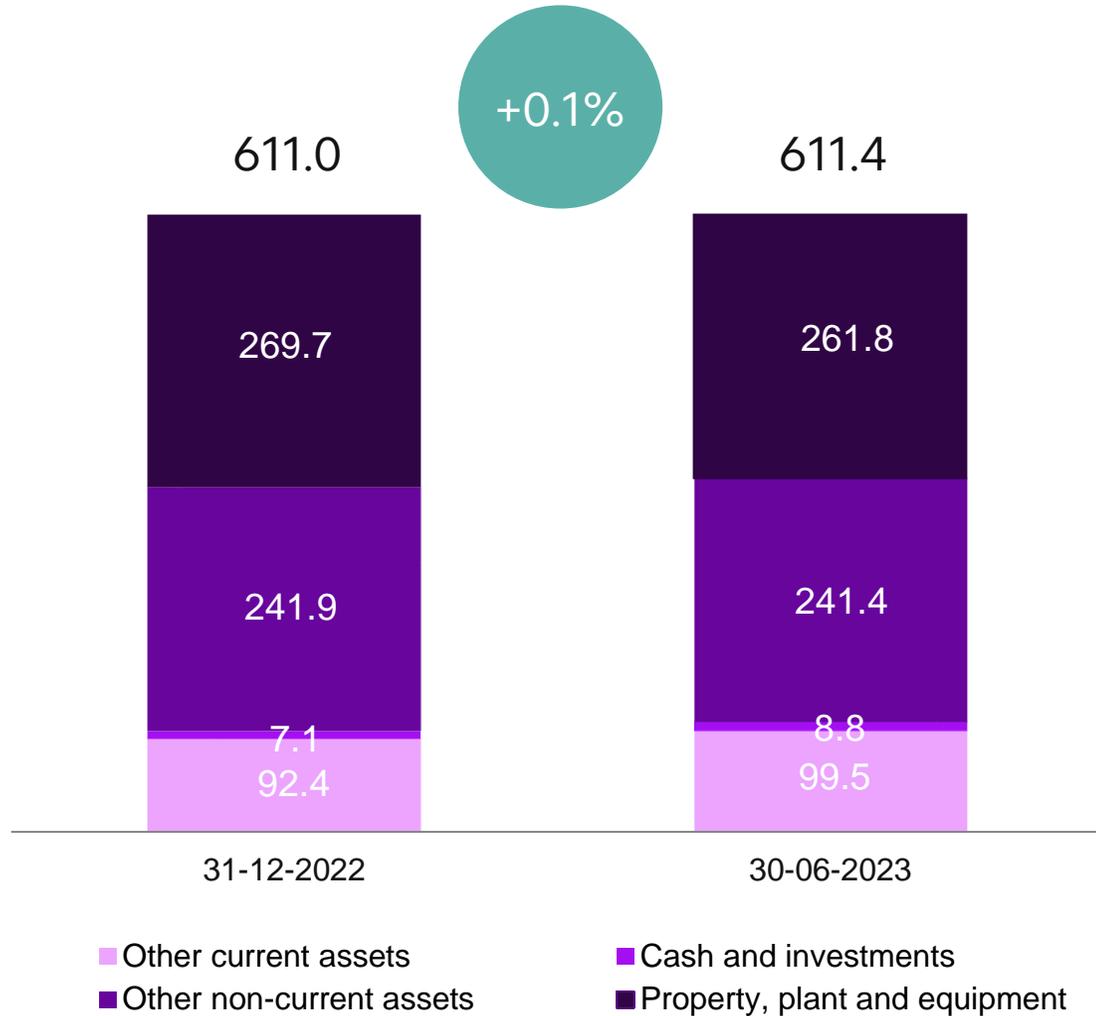
NOTE. Non-recurring items for the first half of 2023 were comprised of one-off redundancy pay-outs of EUR 547 thousand (2022: EUR 270 thousand) and non-recurring other expenses of EUR 992 thousand (EUR 133 thousand)



Number of employees



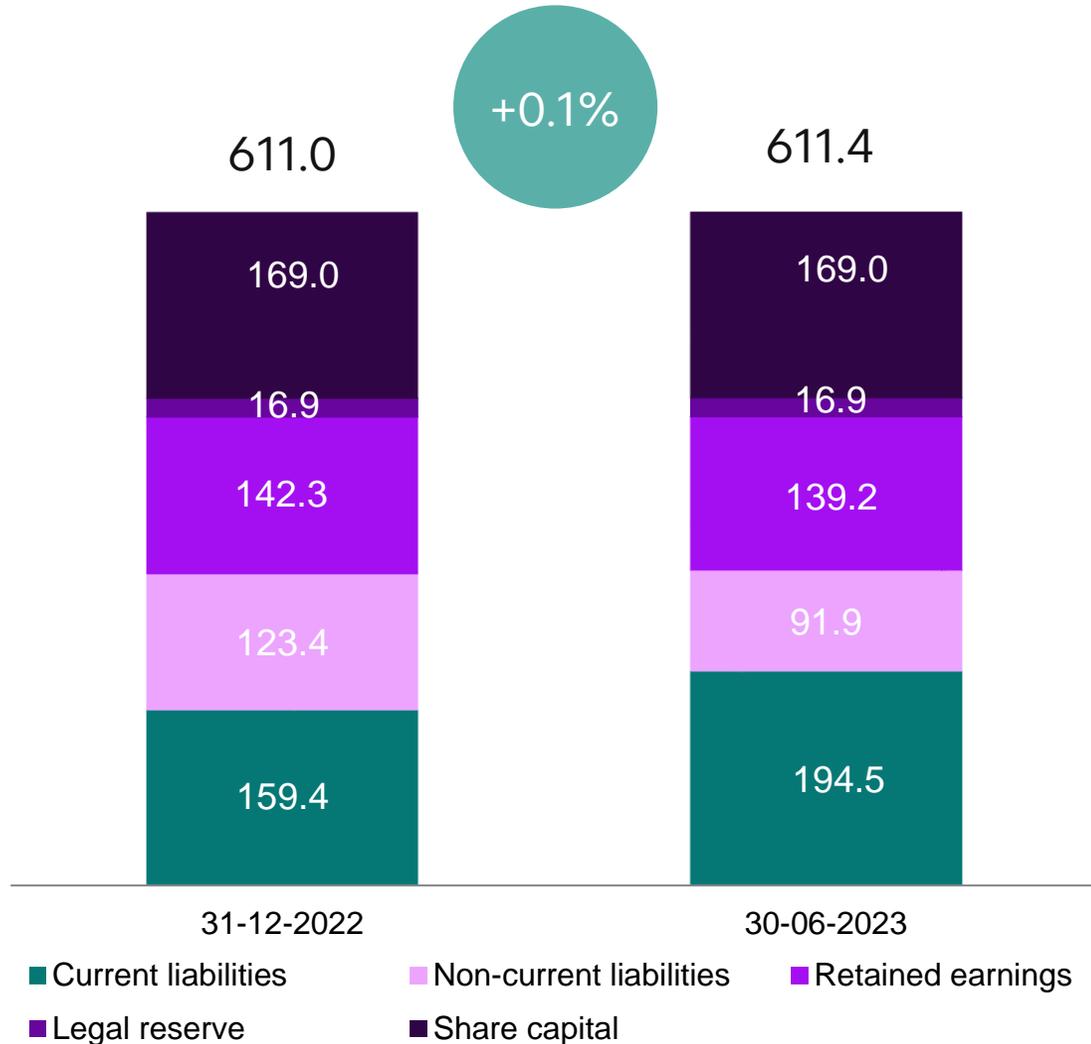
Assets (mEur)



- **Non-current assets** amounted to 82.3% of total assets as of 30 June 2023 (78.8 % a year ago)
- **Cash** alone amounted to 1.4% (5.8%)
- **Return on capital employed:** 16.1% (13.3%)
- **Return on average assets:** 11.5% (9.9%)
- **Current ratio:** 54.7% (65.3%)



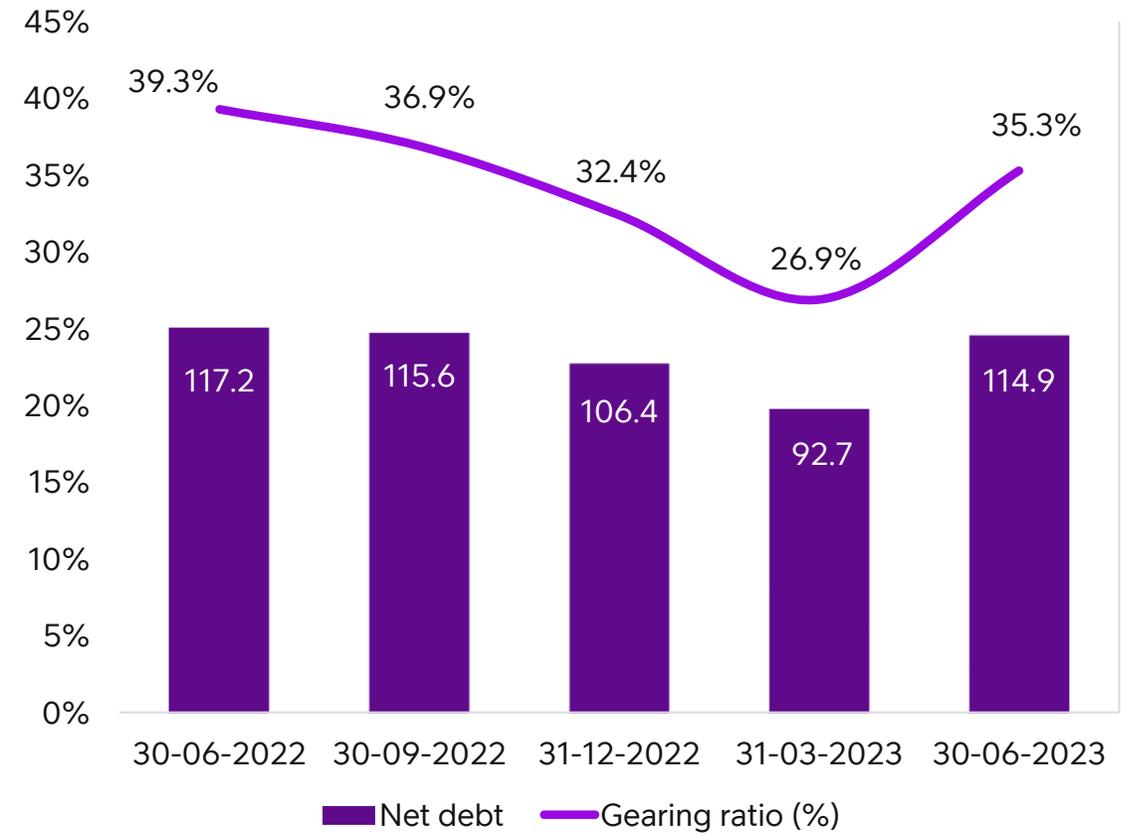
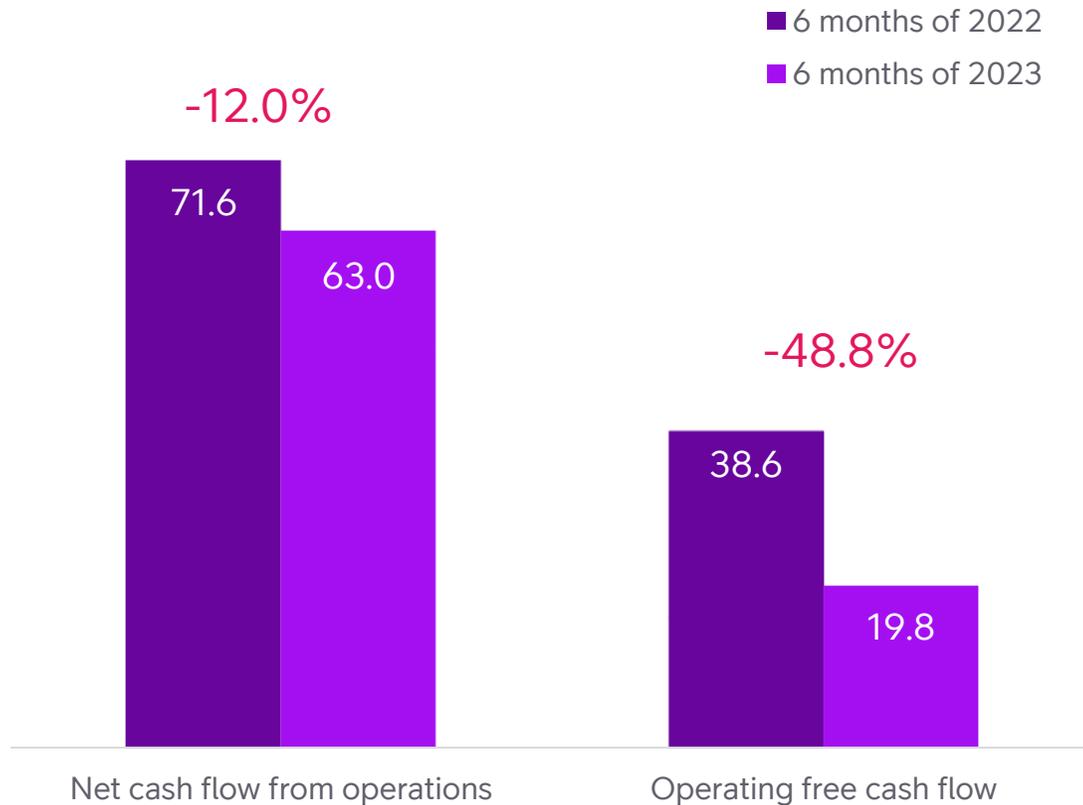
Equity and liabilities (mEur)



- As of 30 June 2023, shareholders' **equity** amounted to 53.2% of the total assets (49.2% a year ago)
- Total **borrowings** (30-06-2023) amounted to EUR 123.6 million: EUR 30 million – bank loan, EUR 65 million – loans from Telia Company and EUR 28.6 million – vendor financing.
- **Debt to equity**: 38% (51.1%)
- **Return on equity**: 18.9% (18.0%)
- **Net debt to EBITDA**: 0.74 (0.82)



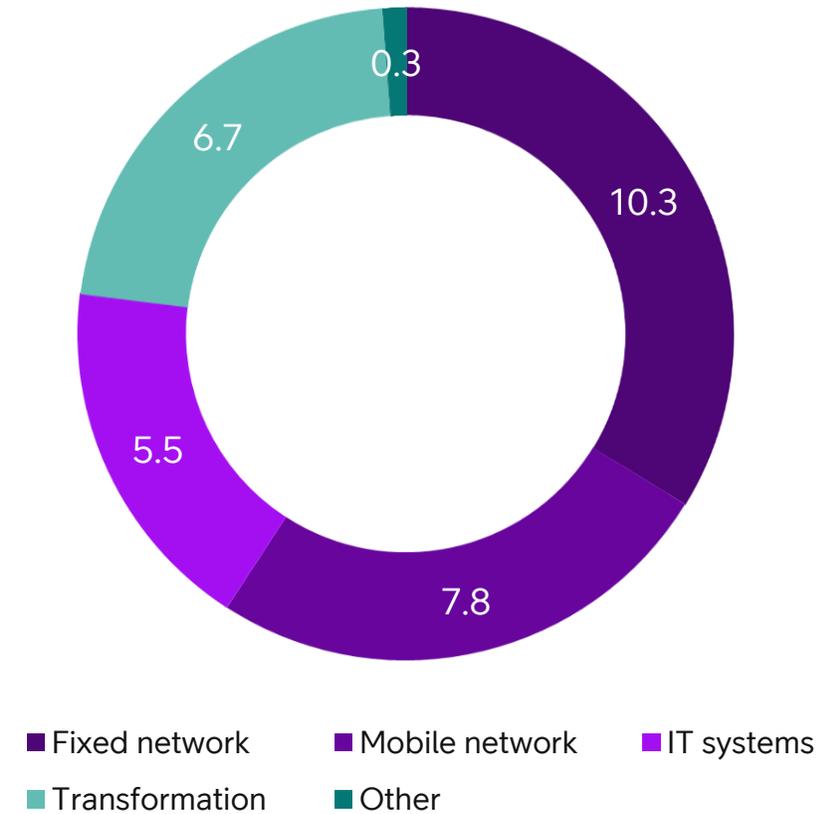
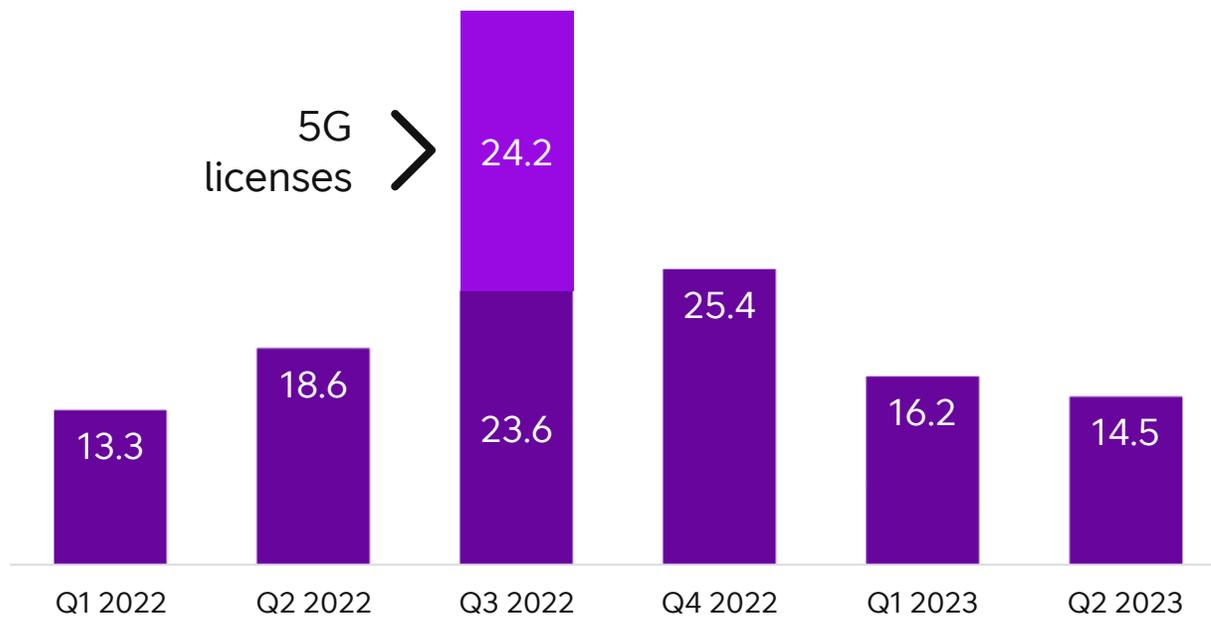
Cash flow & Net debt (mEur)



CAPEX & its breakdown for 6 months of 2023 (mEur)

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

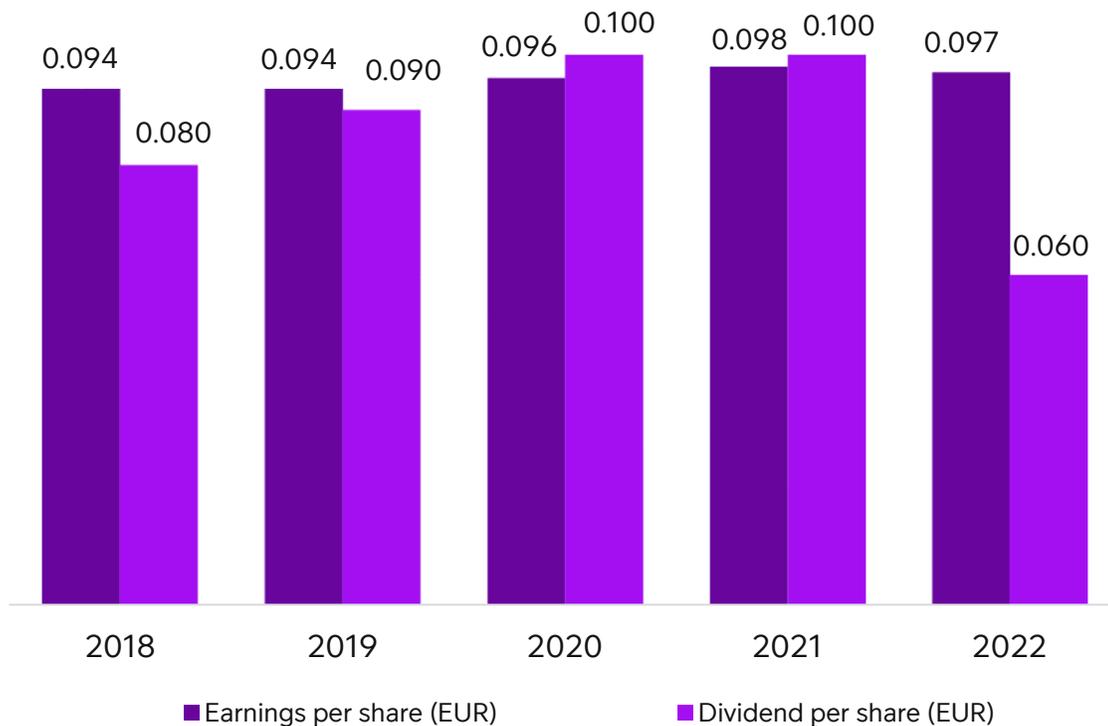
30-06-2023	30-05-2022
17.3%	21.8%



Dividends

Dividend payout ratio

2022	2021
62%	102%



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

- 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
- On 27 April 2023, the Annual General Meeting of shareholders approved pay-out of **EUR 35 million** (EUR 0.06 per share) **of dividends** for the year 2022
- **Dividends were paid** on 25 May 2023



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 30-06-2023

Telia Company AB

88.15%

Other

11.85%

Part of shares and votes

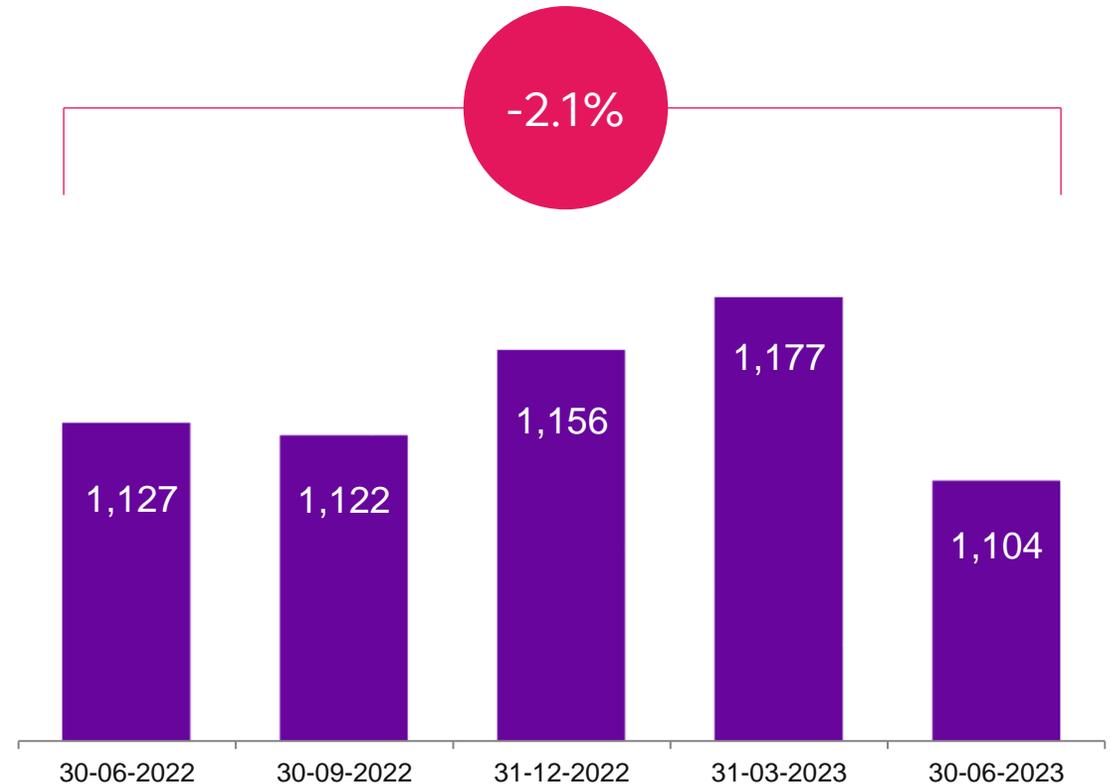


Shares

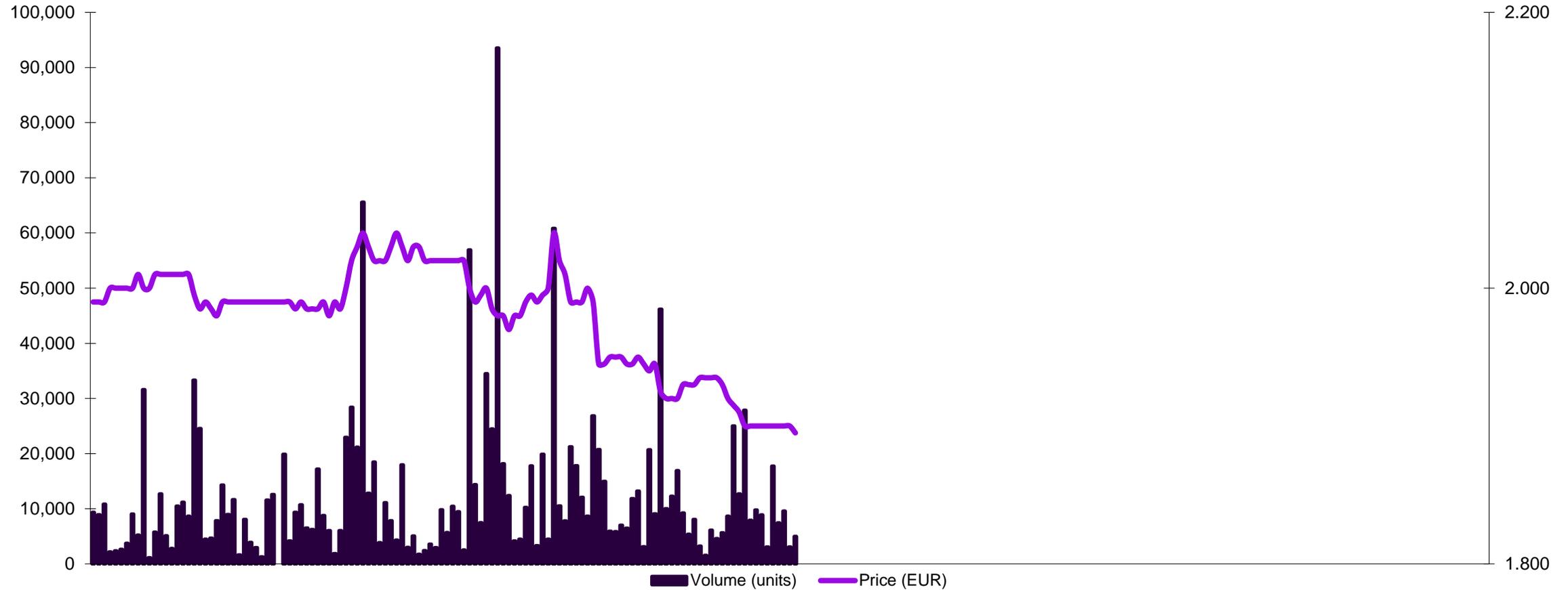
- Since June 2000, the Company’s shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company’s shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-June 2023: 1.5 million of shares or EUR 3.1 million
- Share **price** on Nasdaq Vilnius:

01-01-2023	High	Low	30-06-2023
1.985 €	2.05 €	1.885 €	1.895€

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



	Opening value	Closing value	Change %
OMX Baltic Benchmark GI	1,384.42	1,475.36	+6.57
OMX Vilnius GI	947.14	980.31	+3.5
TEL1L – Telia Lietuva	1.985	1.895	-4.53

P/E ratio: **17.8** (19.5 a year ago)

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

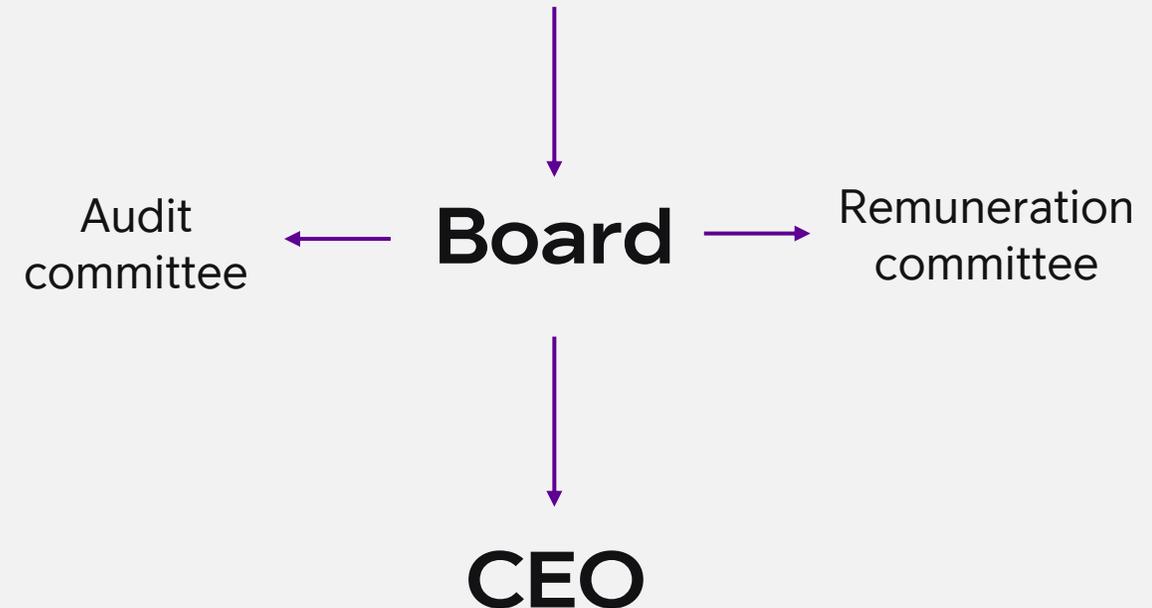


Corporate governance

Governing bodies

- The **Annual General Meeting** of Shareholders was held on 27 April 2023
- AGM for a new 2-years' term till 27 April 2025 re-elected **members of the Board**
- The Company's **Board consist of 6 members**: 4 representing Telia Company and 2 are independent
- In June 2023, Dan Strömberg was re-elected as **Chair of the Board**
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is appointed the Company's audit enterprise for 2023 & 2024
- The Board elects and recalls **CEO**

General meeting of shareholders



Board



**Dan
Strömberg**

Chair of the Board,
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,
member of the Audit
Committee



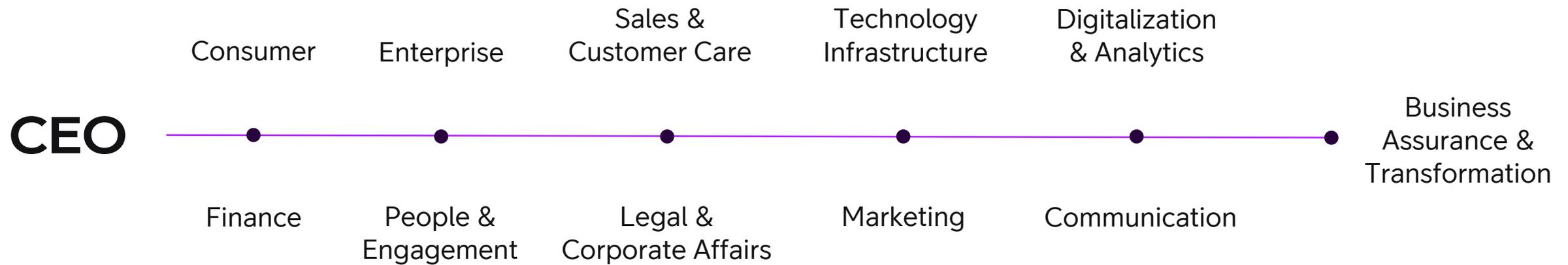
**Mindaugas
Glodas**

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.



Sustainability highlights - first half of 2023



In 2023, according to the Sustainable brand index report Lithuanian consumers have named

Telia as Lithuania's most sustainable telecoms brand



Solar panels installed

in 20 additional mobile sites (project ongoing in 2023)



Digital skills development initiatives for children and youth, small and medium-sized enterprises, etc. this year have reached

around 59,000 people in Lithuania



Continuous support to

Ukraine via our services and sponsorship



Ambitious environmental goals

2023



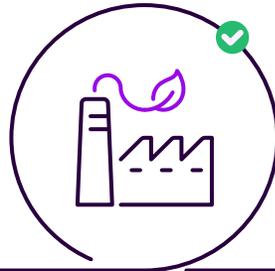
— Ongoing focus on **refurbished devices** sales

— **20 solar panels installed** in mobile sites as per plan and ongoing opportunities identification to spread the scale on other buildings

— **Implemented possibility to sign a contract online** while ordering fixed equipment (by instalments) from online shop

— **13 electric cars delivered, and 3 charging stations constructed**. Plan for the year to have over 100 charging stations to be constructed for the new electric car fleet (115 new EV)

2025



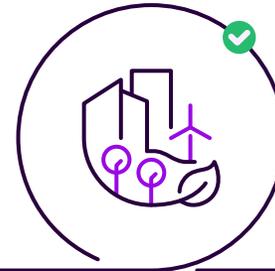
— **Halve emission** in our own operations

— 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

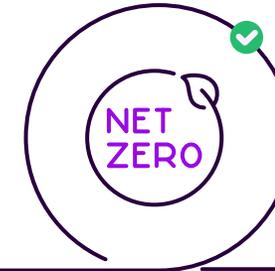
2030



— **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%**

2040



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



Thank you