



RESULTS FOR THE YEAR 2020

Approved by the AGM on 27 April 2021

Telia Lietuva, AB Group





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



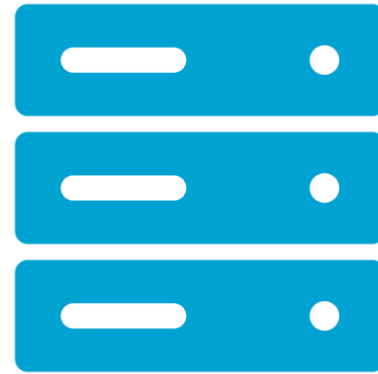
TELIA LIETUVA MEANS:



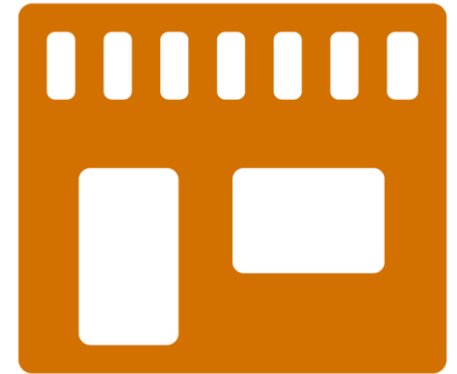
Wide range of services



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



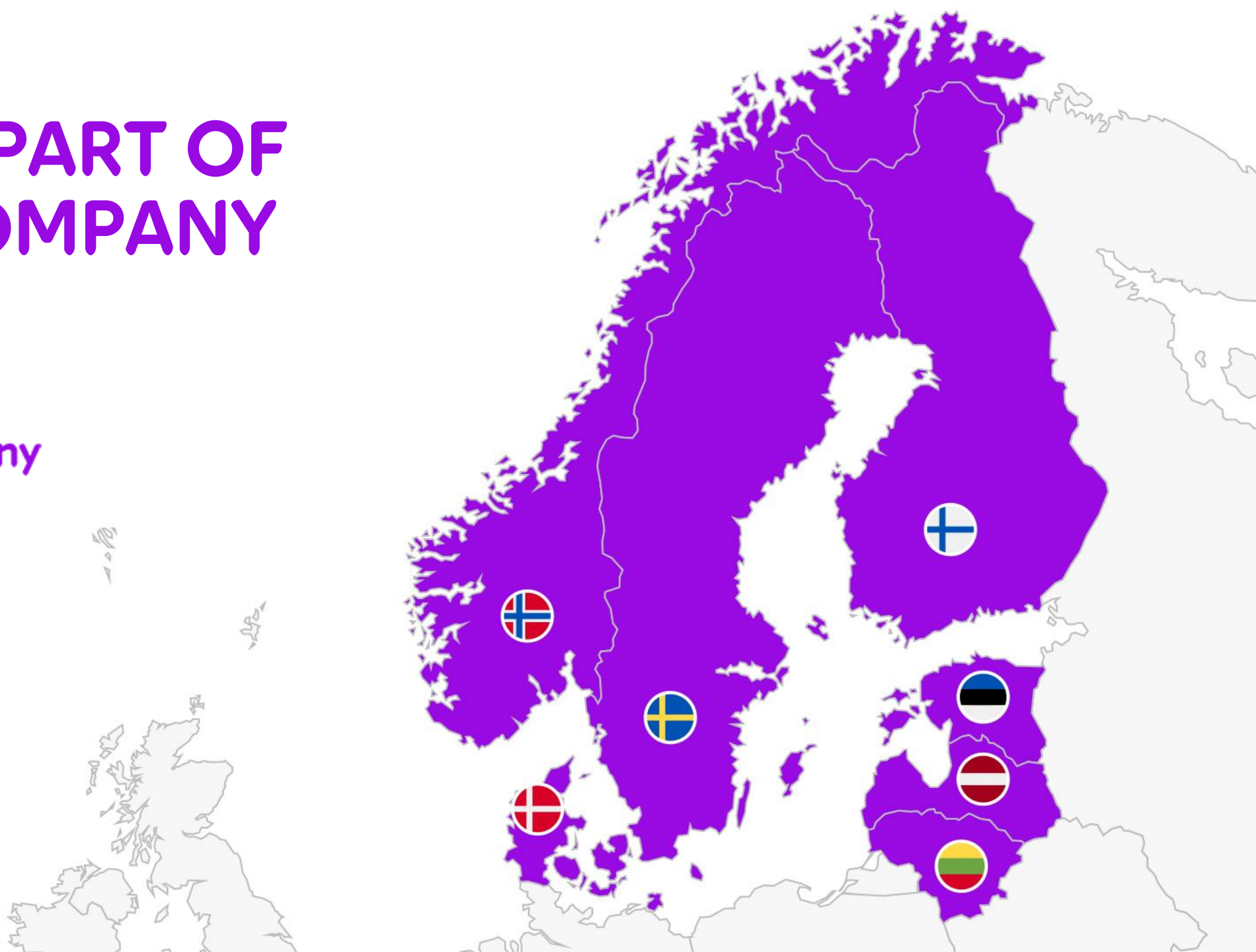
Team of 2,100
professionals



Sustainable and
responsible
business



WE ARE PART OF TELIA COMPANY GROUP





Absen



CONGRATULATIONS!
TELIA LIETUVA
20th LISTING
ANNIVERSARY



Telia



Nasdaq

OUR PURPOSE:
REINVENTING
BETTER
CONNECTED
LIVING

A billboard for H&M Spring Fashion. It features a man in a light-colored suit jacket. The text "Stay safe or Don't forget" is on the right. Below, it says "SPRING FASHION SELECTED BY D'ANGELO RUSSELL".

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

VšĮ Numerio Perkėlimas

50 %

- **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)
- **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**
- 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*



MAIN EVENTS IN 2020

#1

2 COVID-19
CAUSED
QUARANTINES

#2

DIVESTED MOQ &
MERGED TELIA
CUSTOMER
SERVICE LT

#3

44% OF MOBILE
CALLS WERE
VOLTE

#4

MAJORITY OF 3G
FREQUENCIES
ASSIGNED TO 4G

#5

MARKET
CAPITALISATION
EXCEEDED
EUR 1 BILLION

#6

DURING
QUARANTINE
RENOVATED 11
OUTLETS

#7

ACCORD WITH
ERICSSON FOR
RAN SWAP

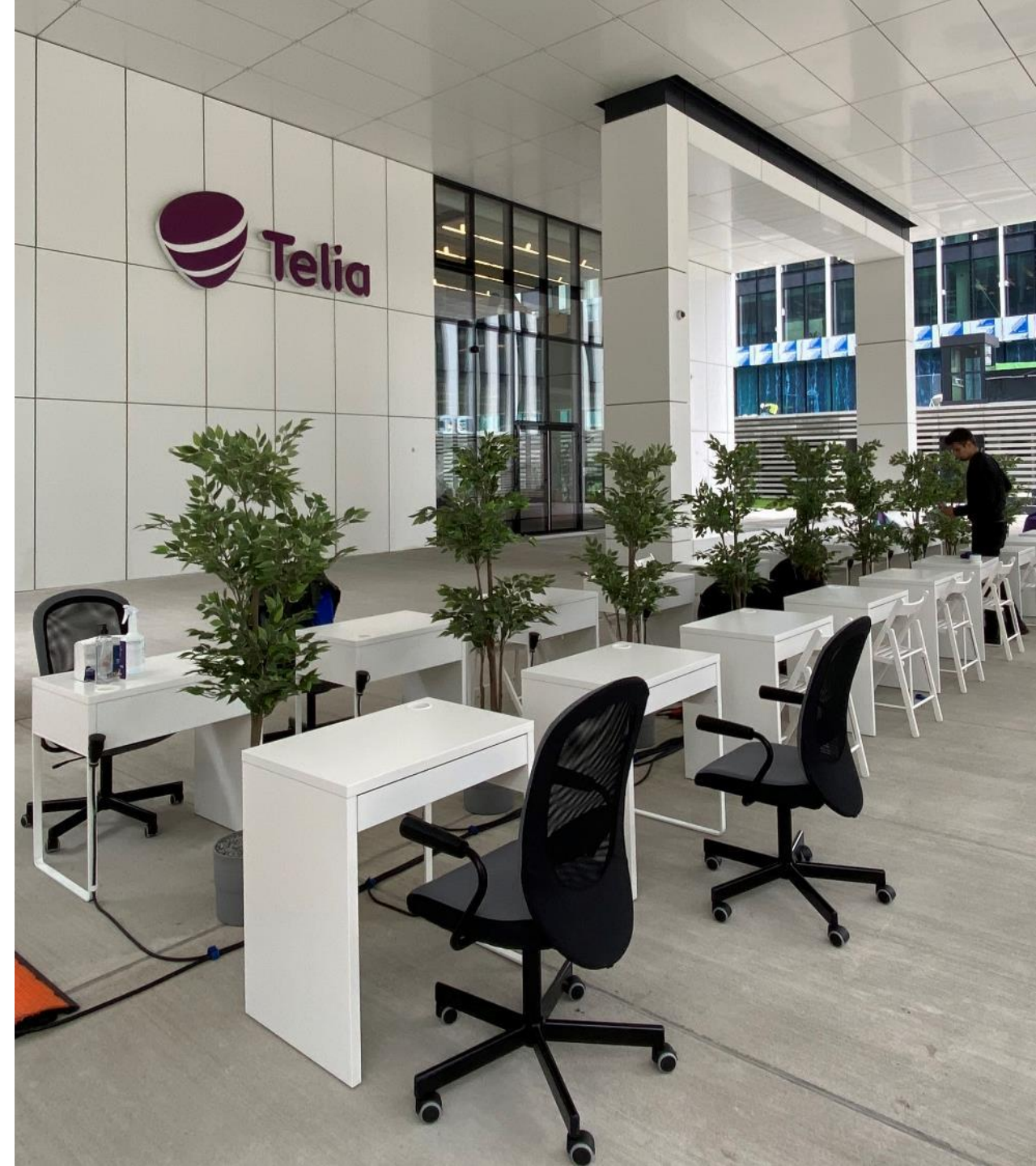
#8

LAUNCH OF 5G
FOR NON-
COMMERCIAL USE

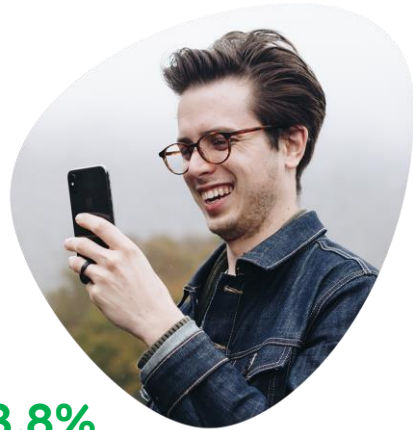


COVID-19 IMPACT ON OUR ACTIVITIES IN 2020

- During the **first quarantine** in spring shops were closed, while during the **second lock-down** from November shops remain opened for provision of only vital services
- Majority of employees (incl. Call Centers) are working **remotely from home**, field engineers are working following strict safety requirements
- Increased **demand** for faster connectivity, mobile data, VPN solutions, m-signature and premium TV content
- Increased **sales** of PCs and TV sets, while sales of handsets have declined
- Restrictions on cross-boarder travel had a **negative** impact on revenue from **roaming charges**
- Estimated total **negative COVID-19 impact** on revenue was EUR 2.5 million and on EBITDA – EUR 3.1 million



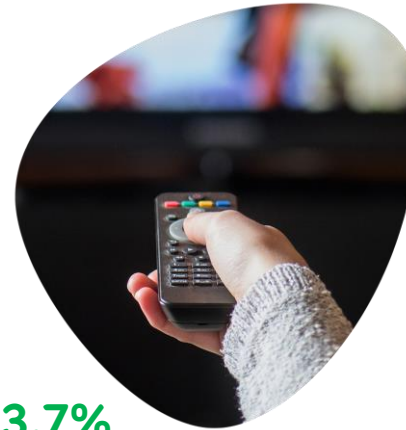
NUMBER OF CUSTOMERS



+3.8%



-0.5%



+3.7%



-11.8%

1,398

thousand of
mobile service users

417

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

253

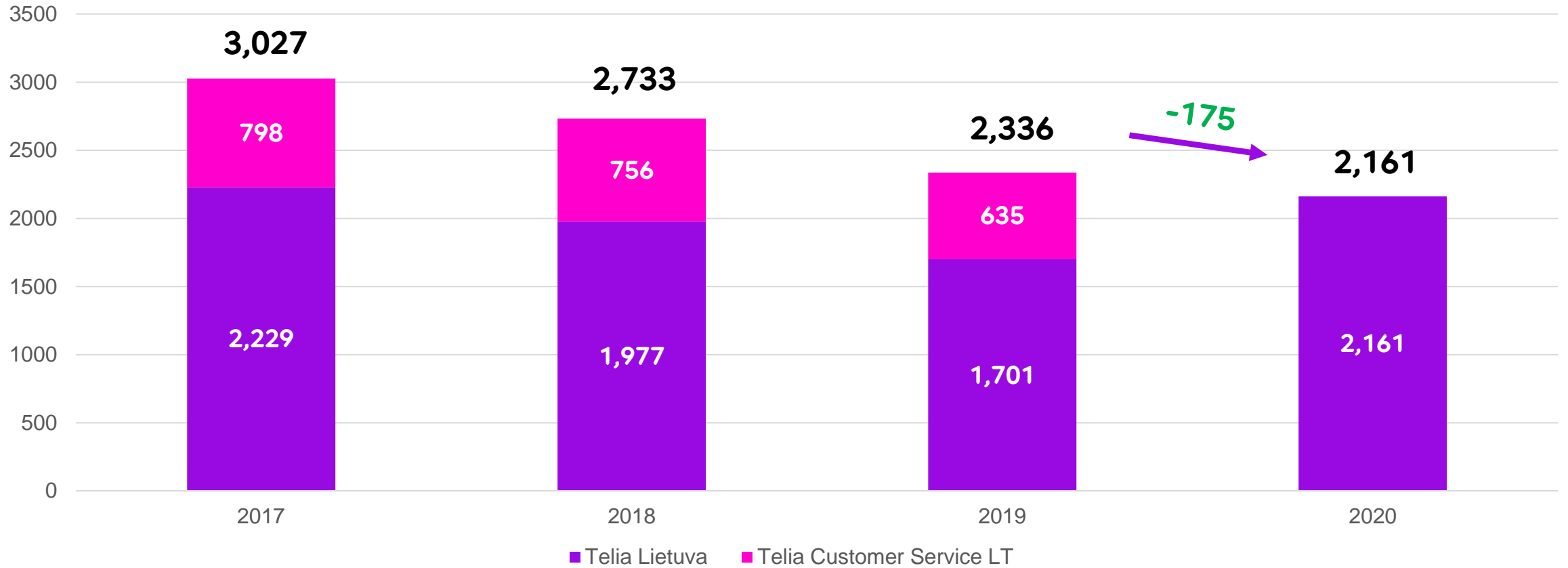
thousand of
IPTV service users

261

thousand of
fixed telephone lines
in service

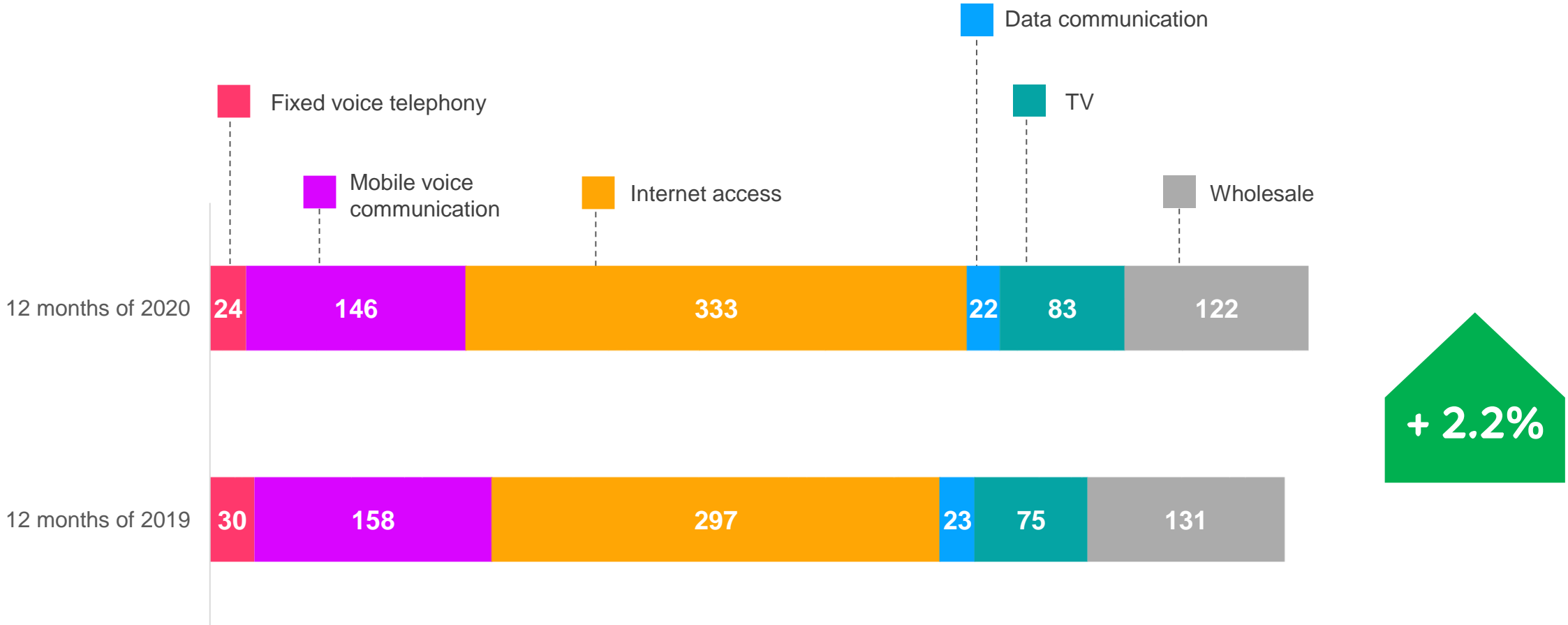


NUMBER OF GROUP EMPLOYEES



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

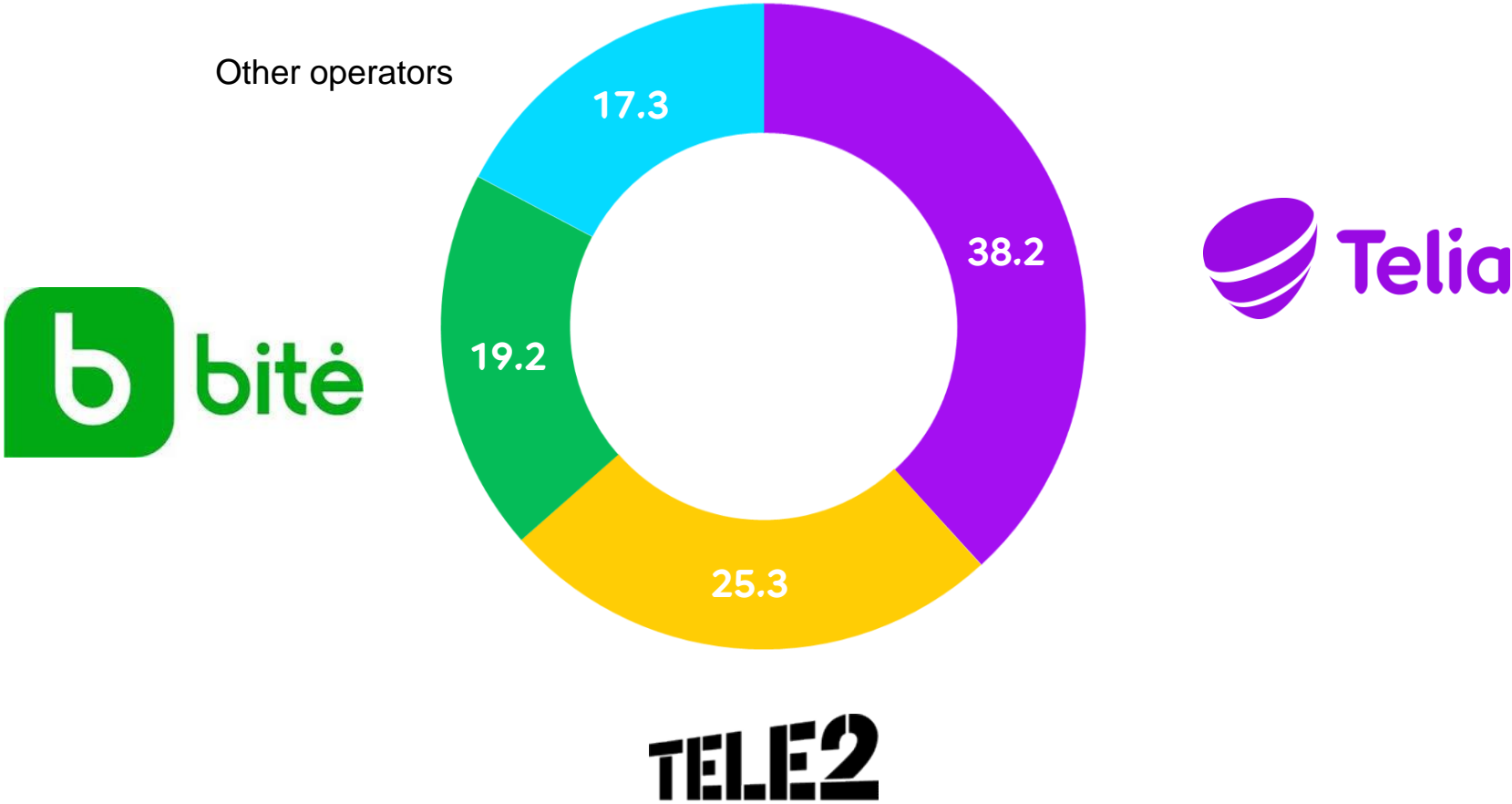
INTERNET & PAY TV DRIVE TELCO MARKET GROWTH (EUR million)



Source: Report of the Communications Regulatory Authority



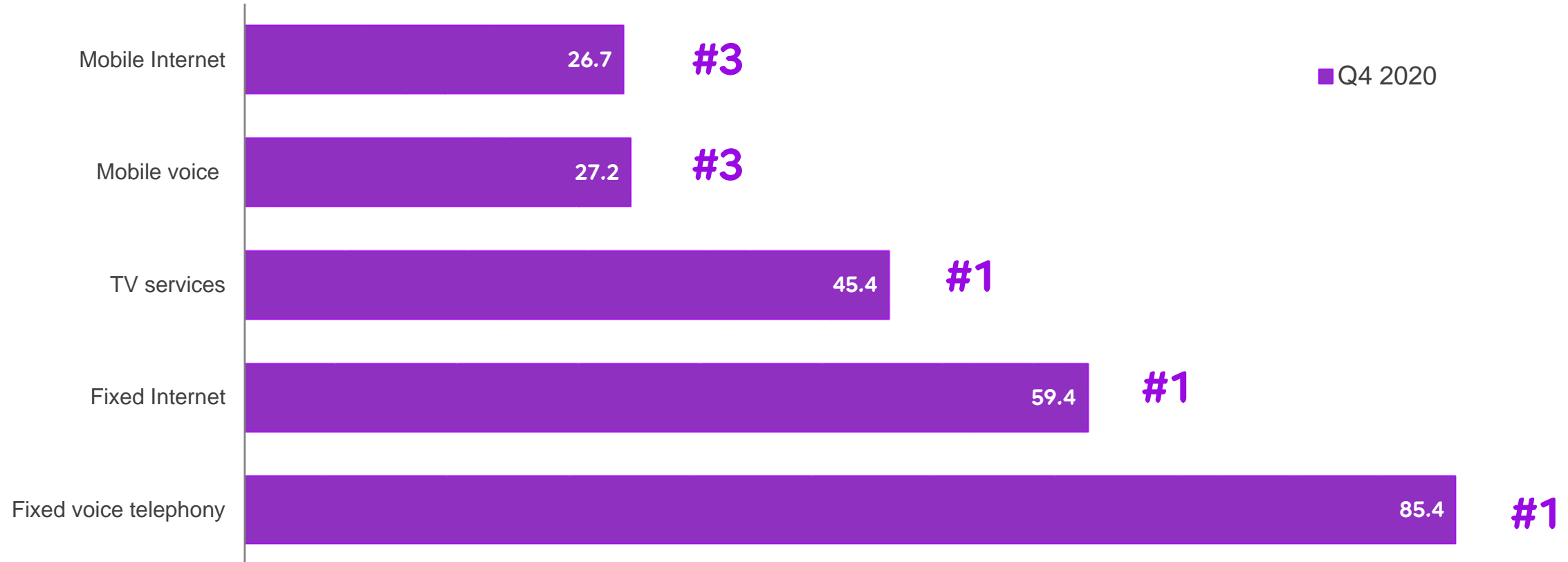
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2020 (%)



Source: Report of the Communications Regulatory Authority



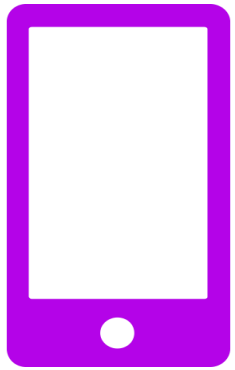
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



59.7%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
220,701 million MB
of data per quarter)



2.1%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **76.6%** of all
fixed Internet connections)



7.6%
(y-o-y)

Growing number of
IPTV users

(accounts for **45%** of all
pay-TV service users)



MARKET PENETRATION



131.4

mobile communications
subscribers
(per 100 inhabitants)



22.6

fixed telephony lines
(per 100 households)



53.6

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



50.2

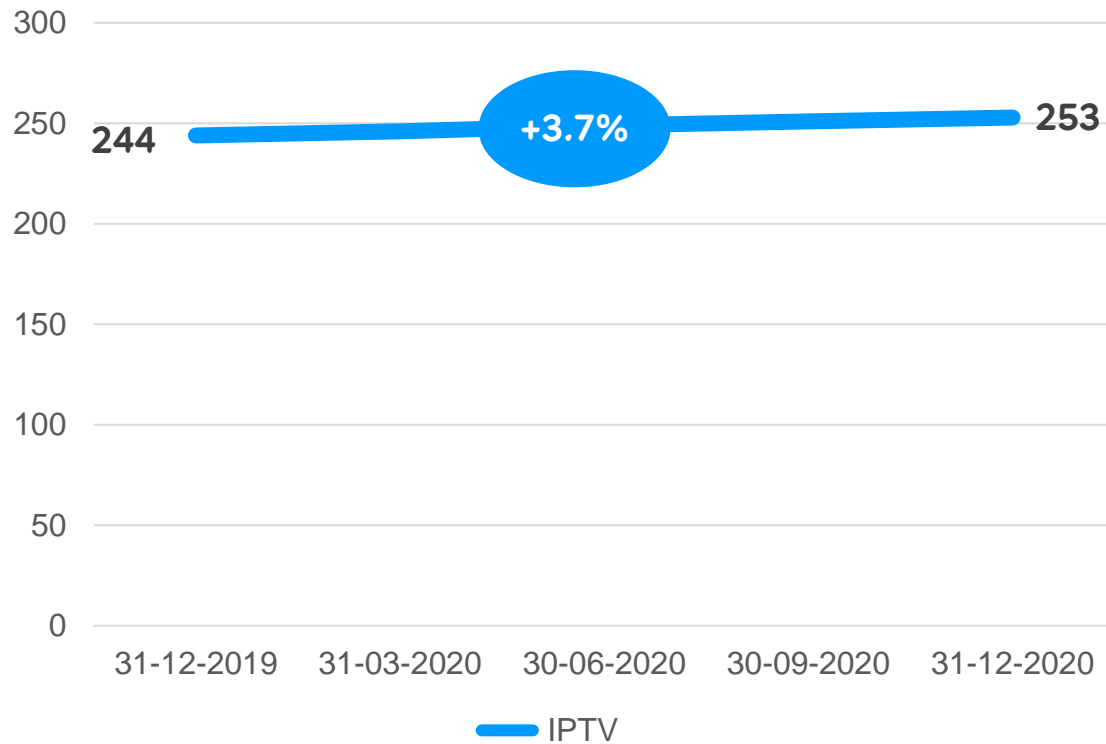
pay-TV subscribers
(per 100 households)



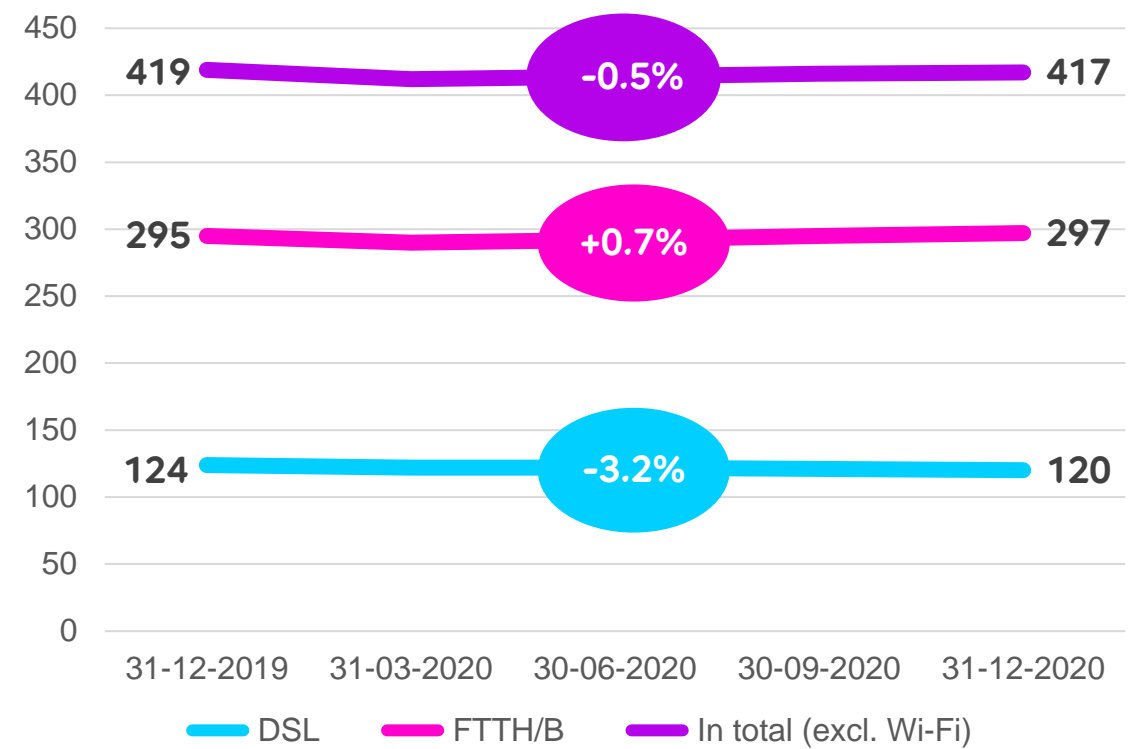
OPERATING AND FINANCIAL RESULTS

NUMBER OF IPTV AND BROADBAND INTERNET USERS

Number of TV service users (thousands)

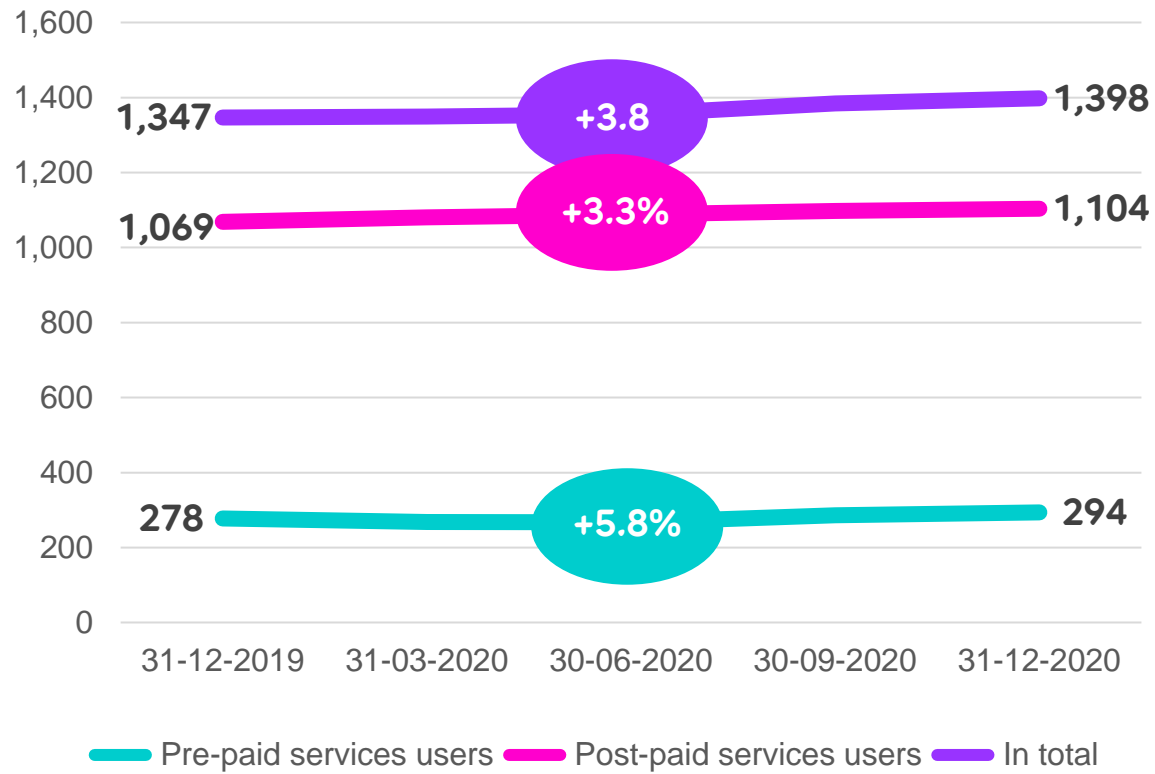


Number of broadband Internet users (thousands)

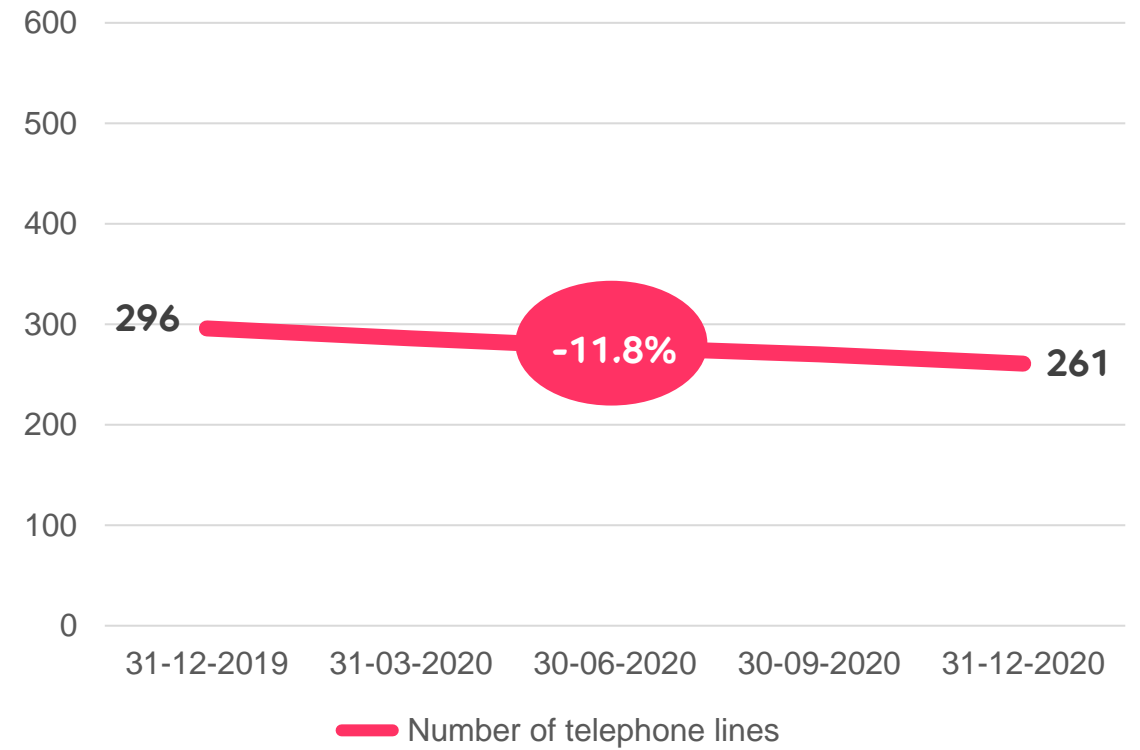


NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users (thousands)

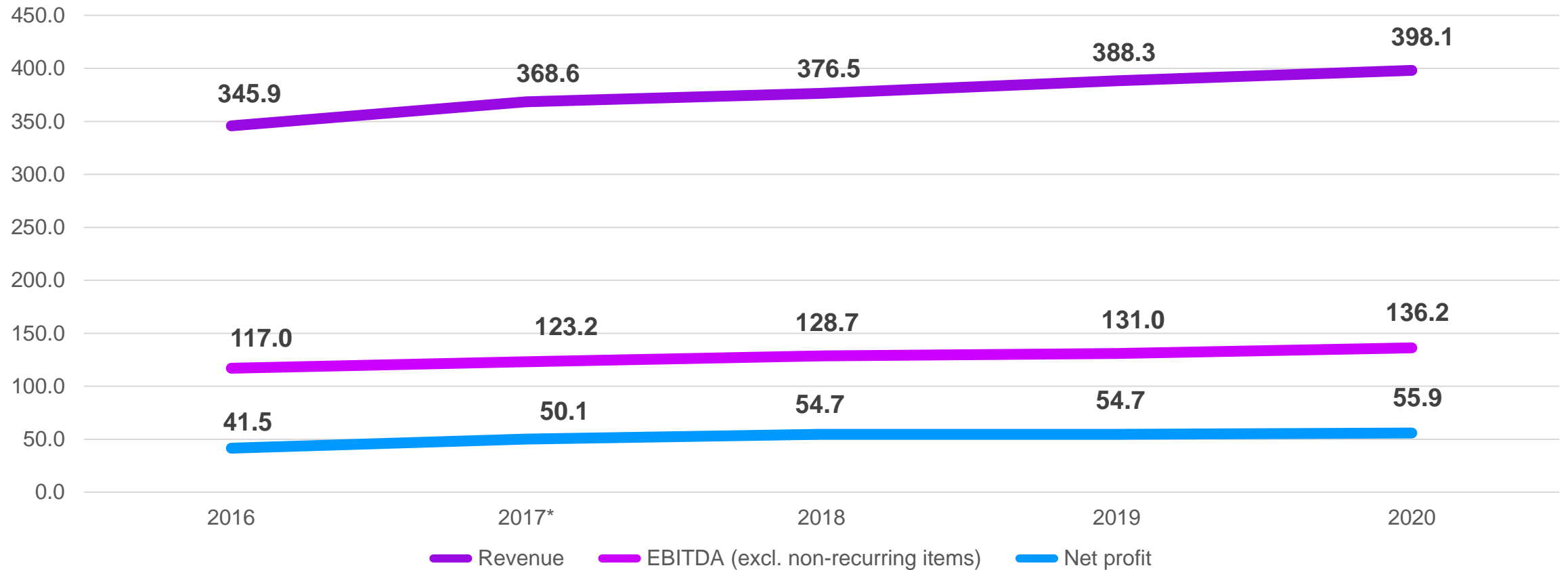


Number of fixed telephone lines (thousands)



REVENUE, EBITDA & NET PROFIT

(EUR million)

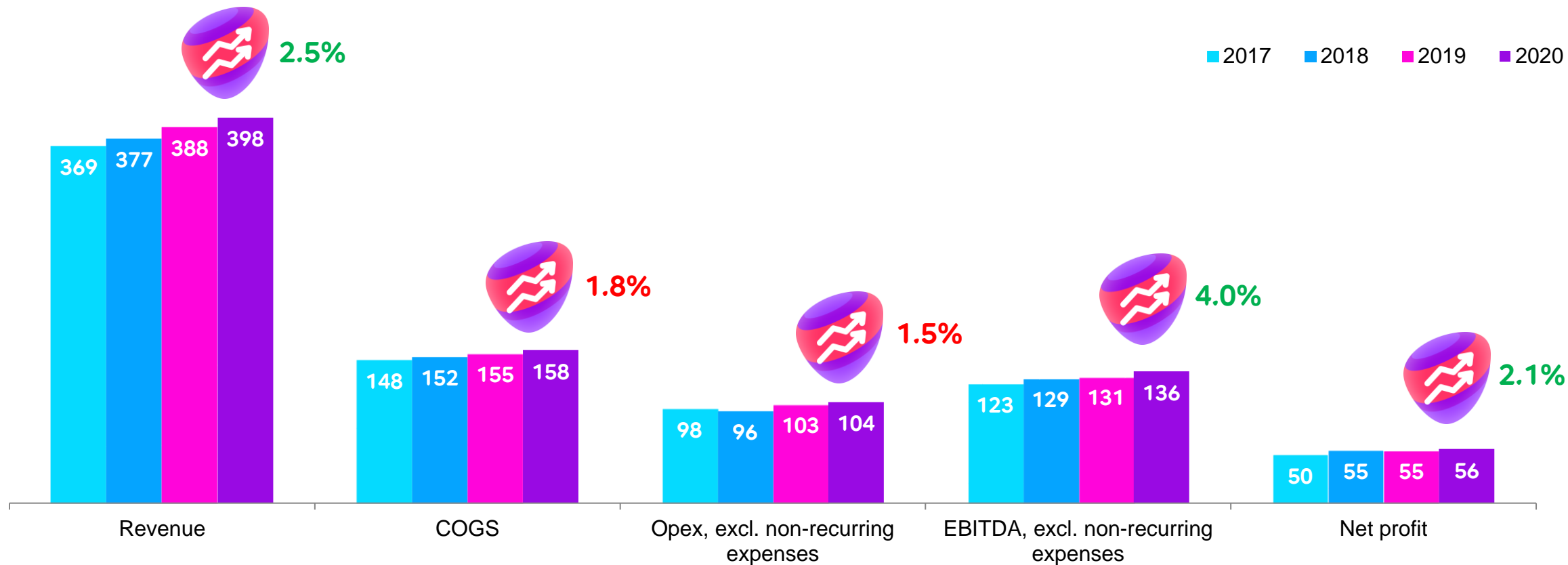


NOTE: * Recalculated due to introduction of IFRS 15 from 1 January 2018



DYNAMICS OF MAIN FINANCIAL INDICATORS

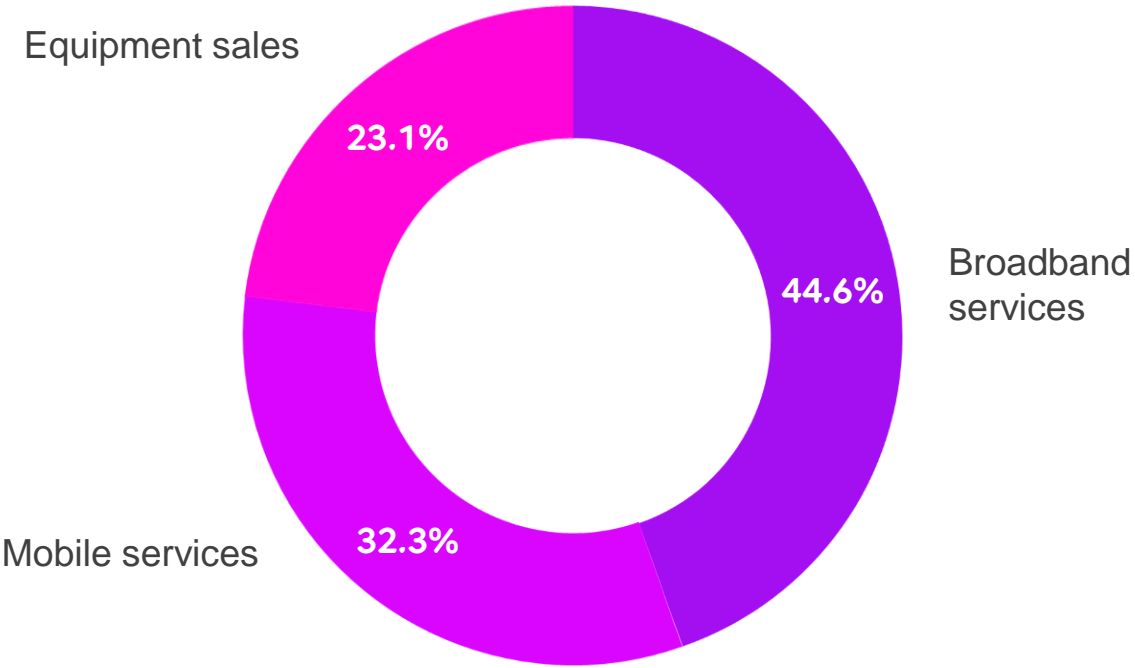
(EUR million)



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



2020 REVENUE BREAKDOWN



Enterprises

37.8%



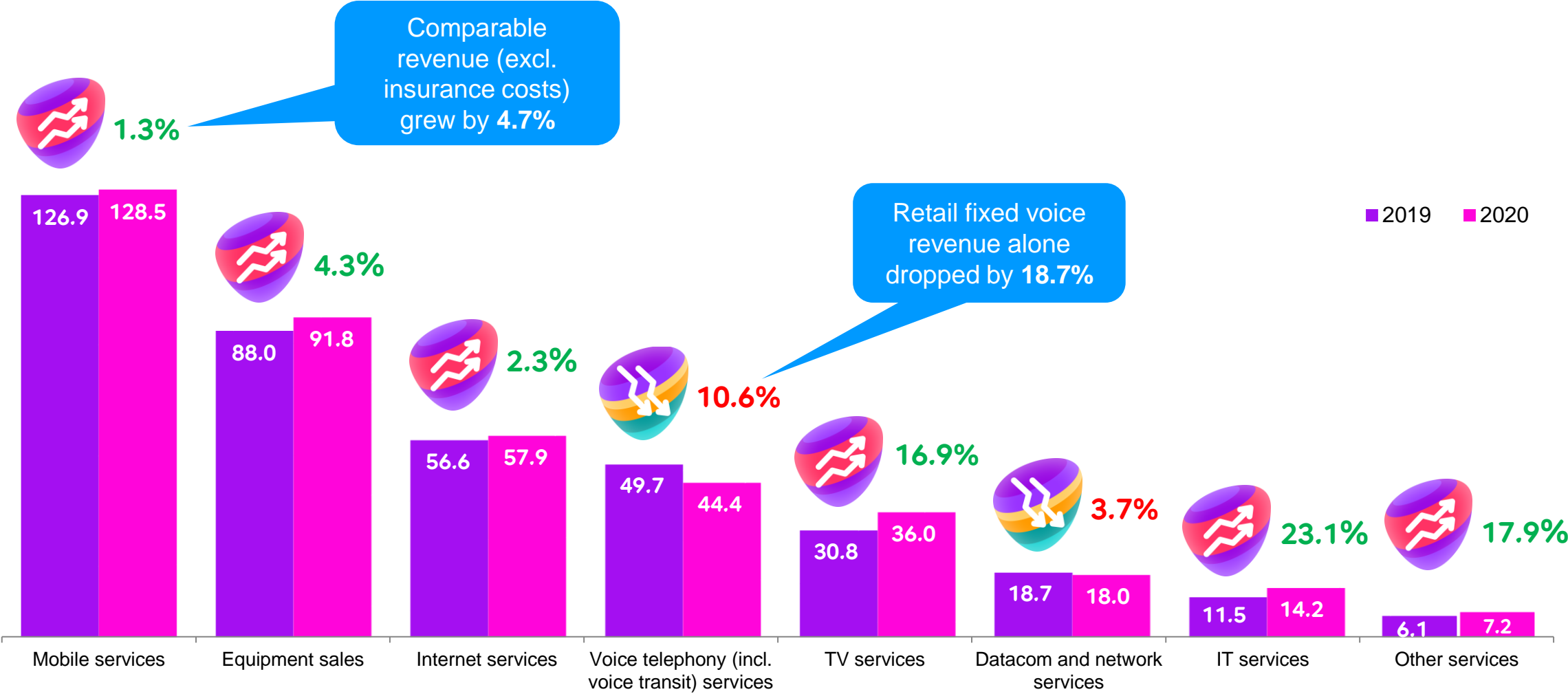
Consumers

61.4%

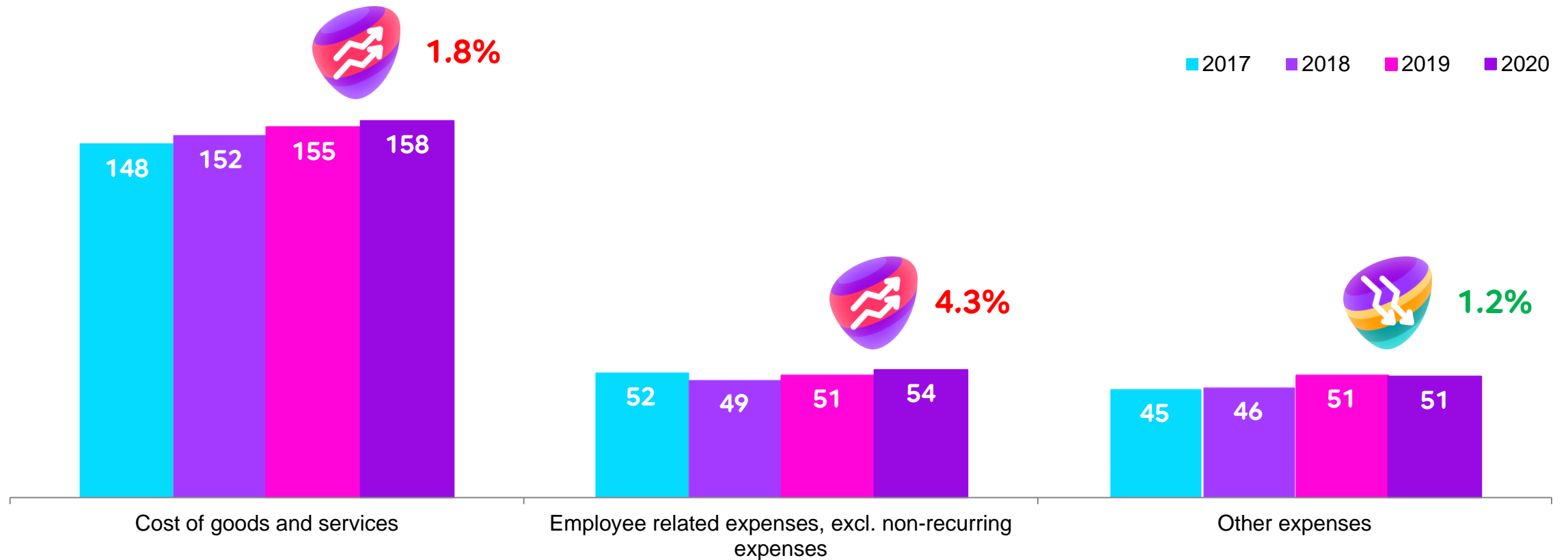


REVENUE BY SERVICES

(EUR million)



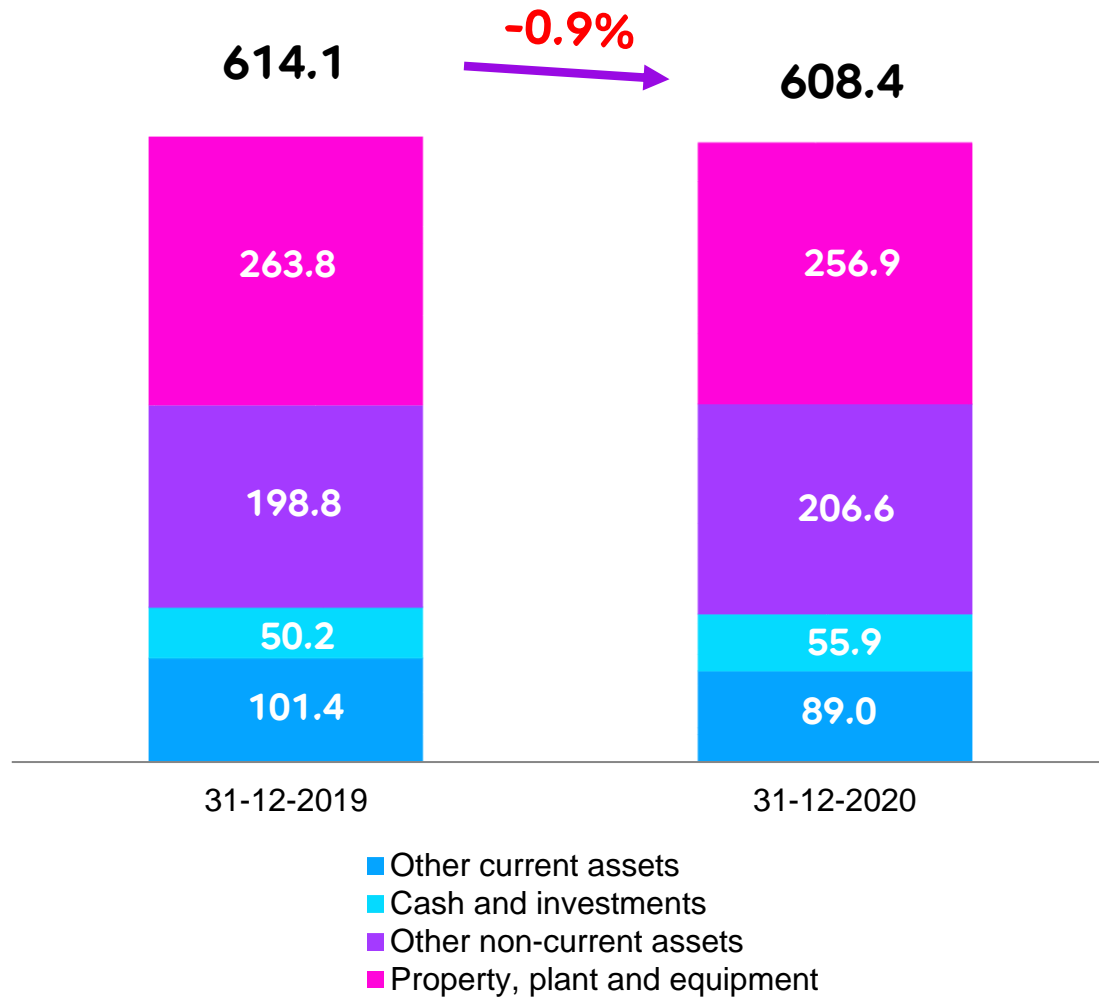
OPERATING EXPENSES (EUR million)



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



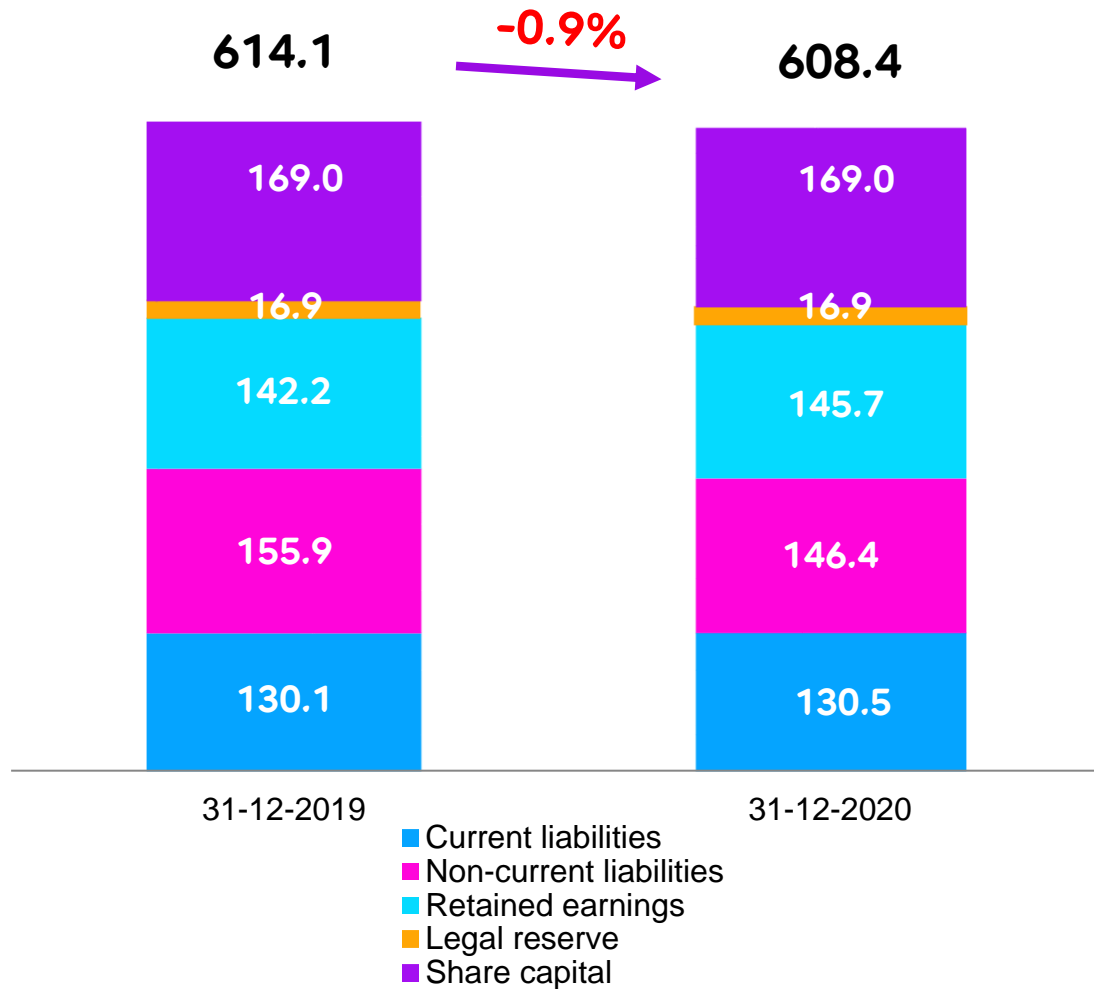
ASSETS (EUR million)



- **Non-current assets** amounted to 76.2% of total assets (31-12-2020)
- **Cash** alone amounted to 9.2%
- **Return on capital employed:** 15.1%
- **Return on average assets:** 11%



EQUITY AND LIABILITIES (EUR million)

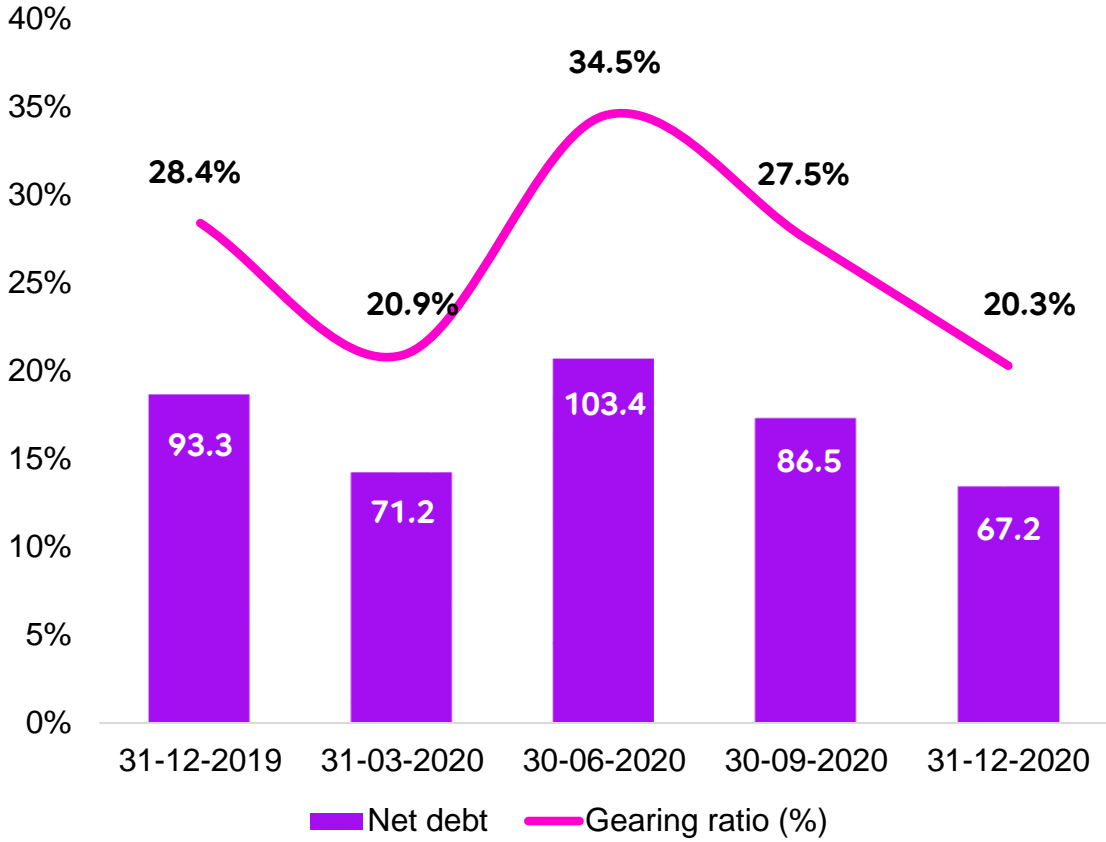
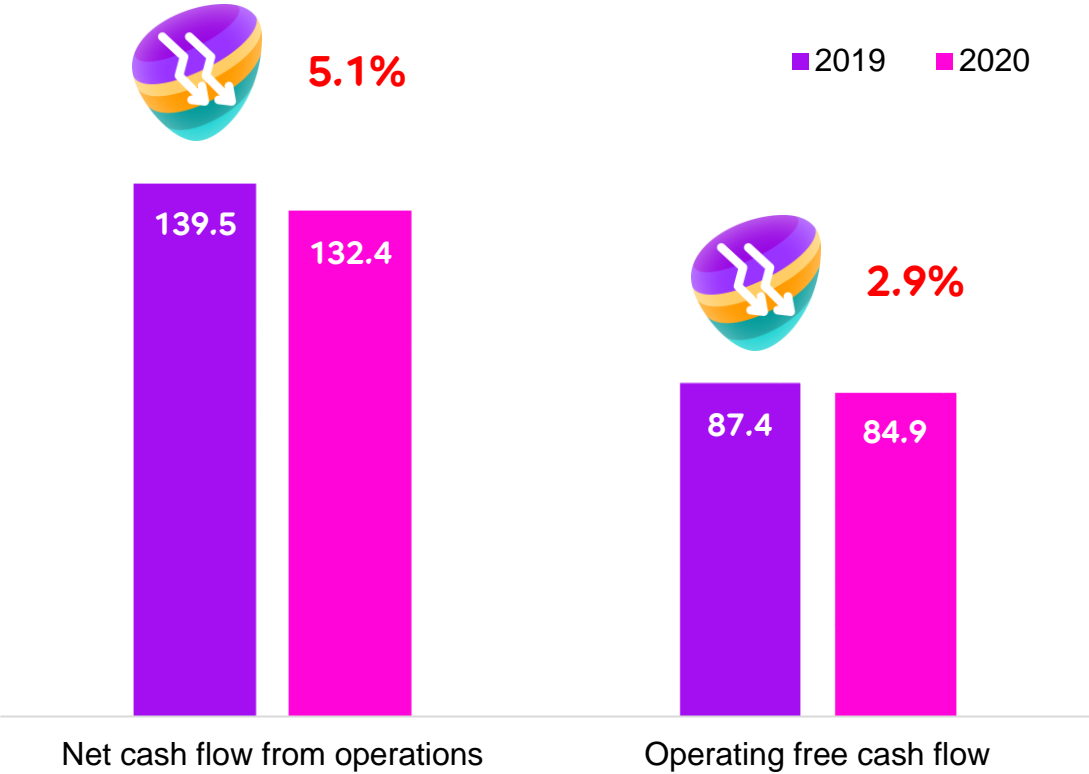


- During 2020 shareholders' **equity** increased by 1% and amounted to 54.5% of the total assets (31-12-2020)
- Total **borrowings** (31-12-2020) amounted to EUR 123.1 million: EUR 67.5 million – bank loans, EUR 52.4 million – vendor financing and EUR 3.2 – financial lease.
- **Gearing ratio**: 20.3%
- **Debt to equity**: 37.1%
- **Return on equity**: 17.4%



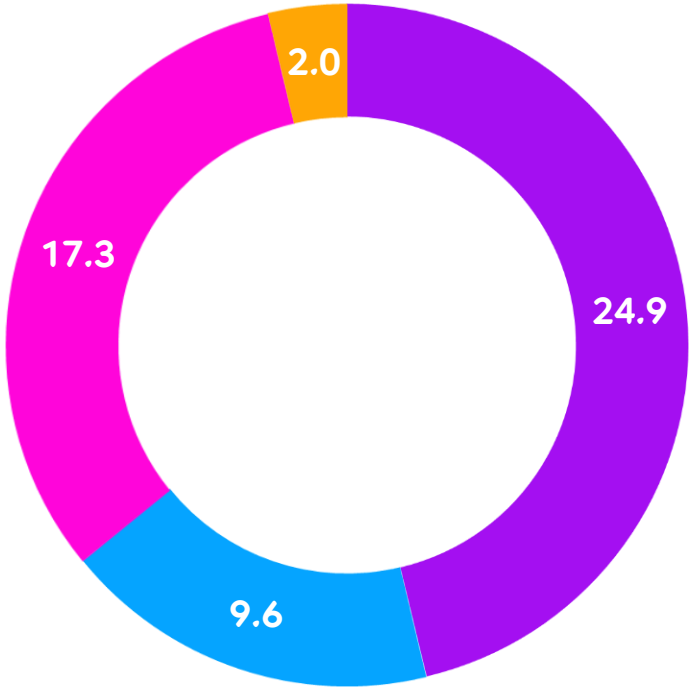
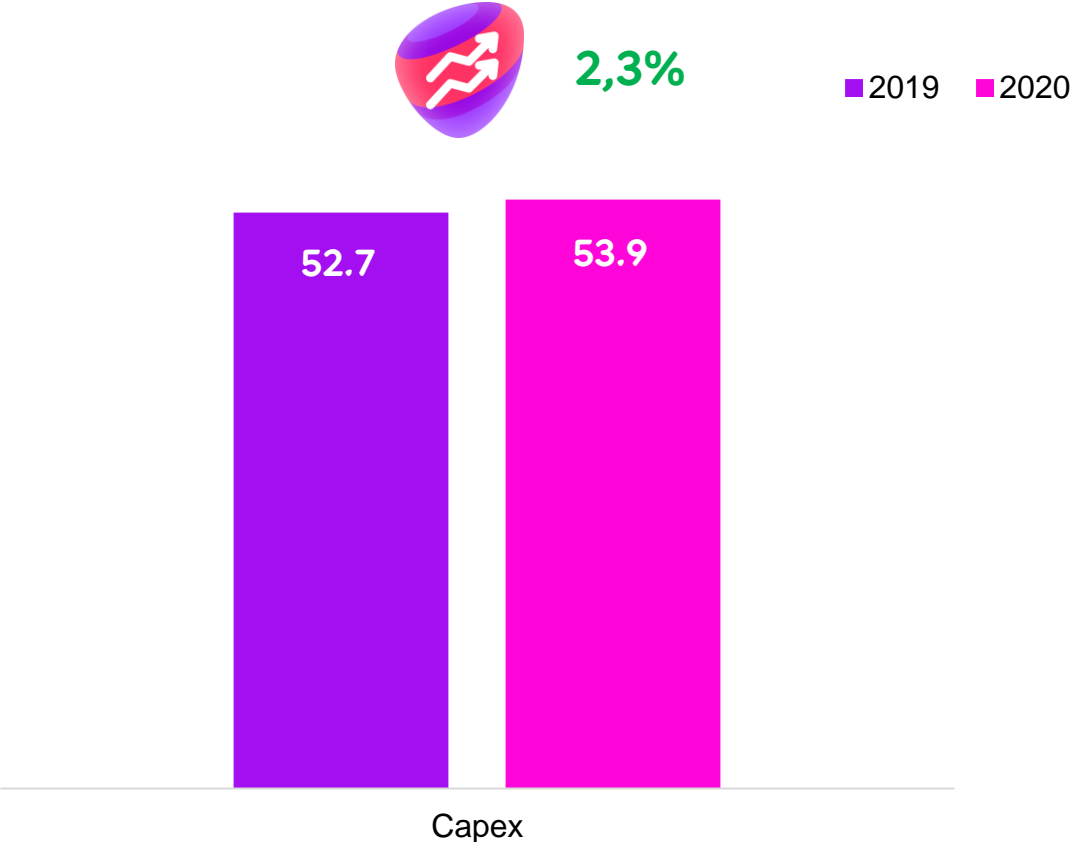
CASH FLOW & NET DEBT

(EUR million)



CAPEX & CAPEX BREAKDOWN 2020

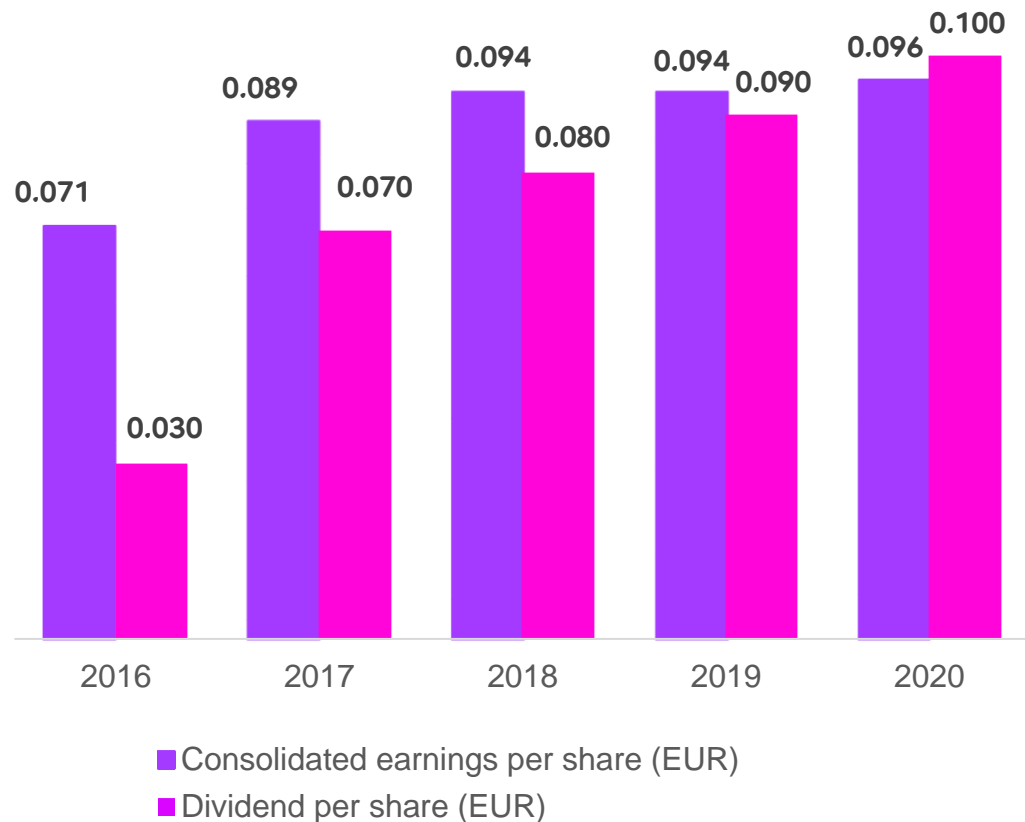
(EUR million)



■ Fixed network ■ Mobile network ■ IT systems ■ Other



DIVIDENDS



- Earnings and dividends are allocated to **582,613,138** shares
- In 2017 the Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay up to 80 per cent of free cash flow as dividends
- According to the Law, dividends should be paid from **retained earnings of the Company**
- As of 31 December 2020, retained earnings of the Company amounted to **EUR 145.7 million**
- On 27 April 2021, the Annual General Meeting of Shareholders approved allocation of **EUR 58.3 million for dividends** (EUR 0.10 per share) for the year 2020
- Dividends for the year 2020 will be paid-out on 25 May 2021



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 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 **12.6 thousand**

Shareholders as of 31-12-2020

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

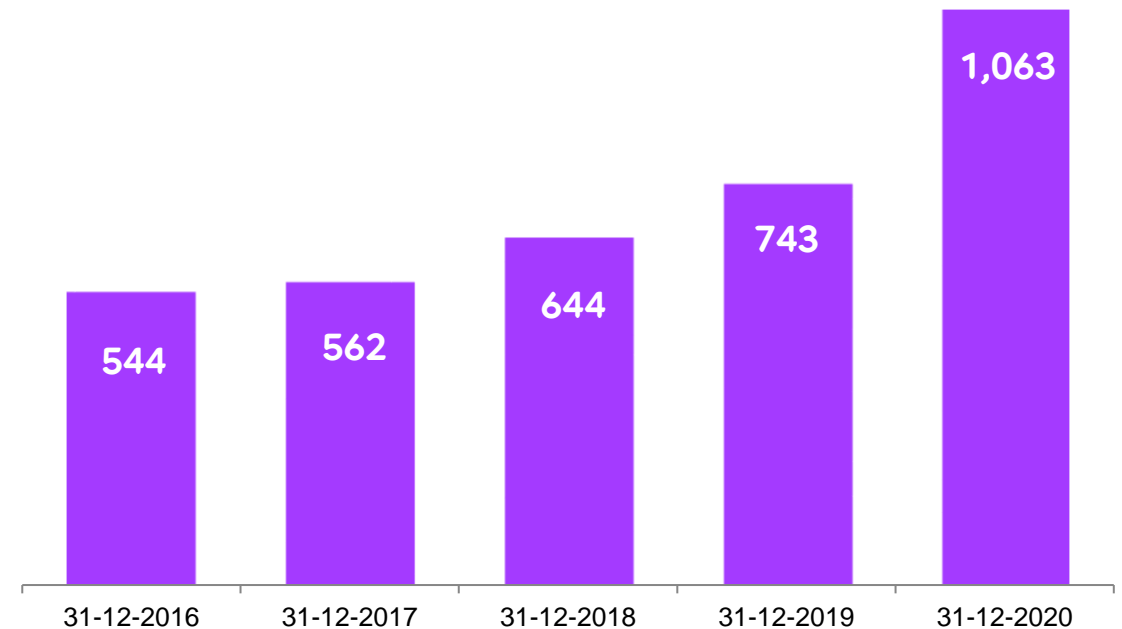


SHARES

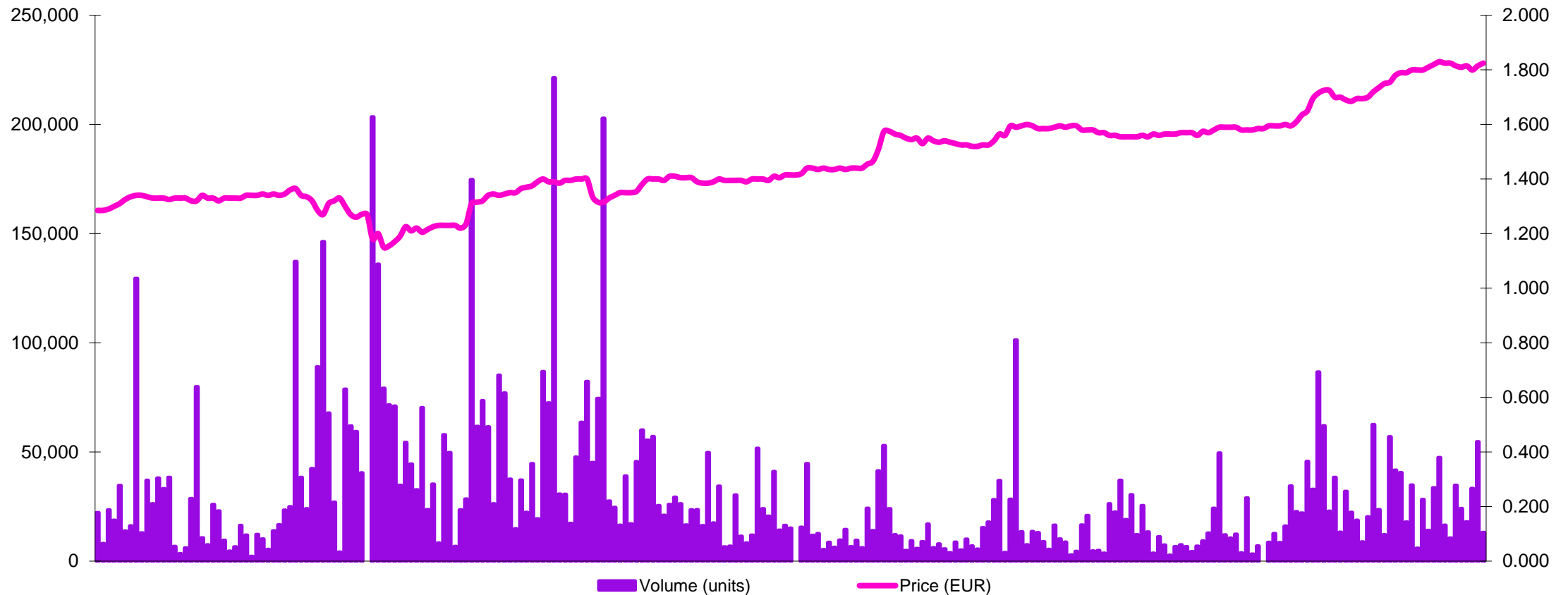
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during 2020: 7.6 million of shares or EUR 10.8 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2020	1.275
High	1.840
Low	1.135
31-12-2020	1.825

Market capitalization (EUR million)



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



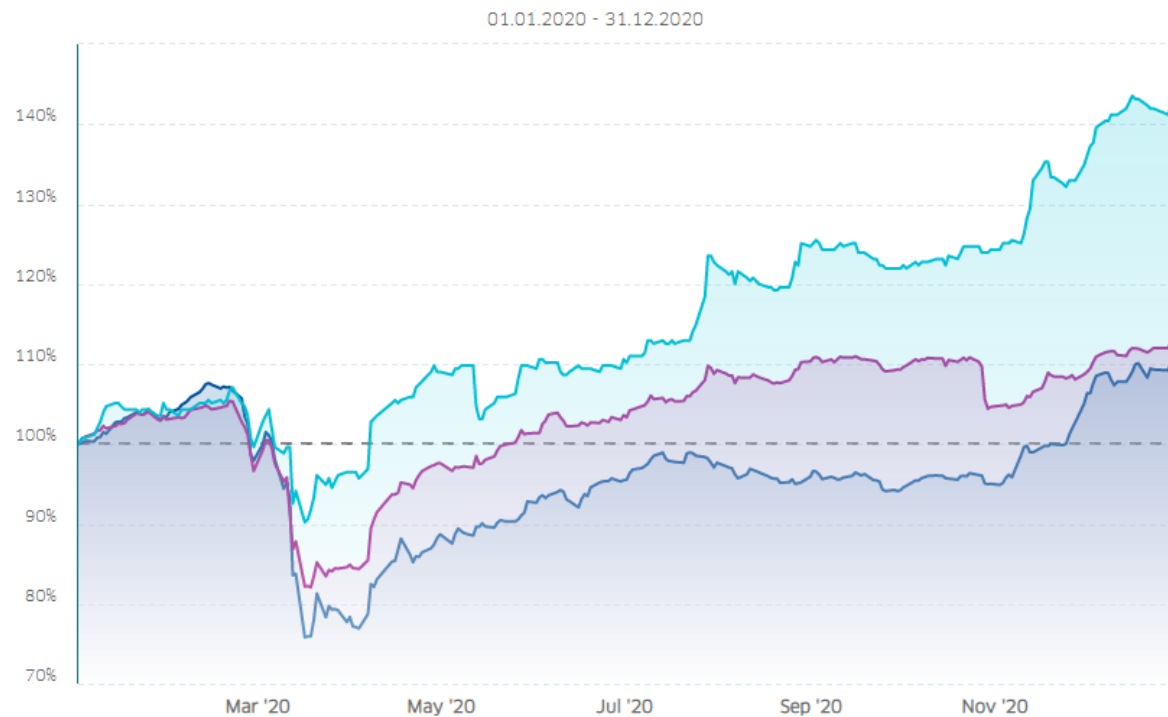
TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE SINCE BEGINNING OF LISTING



Source: Nasdaq Vilnius



THE COMPANY'S SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON IN 2020



INDEX EQUITY	OPENING VALUE	CLOSING VALUE	CHANGE %
■ OMX_Baltic_Benchmark_GI	992.83	1,104.74	+11.27
■ OMX Vilnius_GI	712.14	816.64	+14.67
■ TEL1L - Telia Lietuva	1.27	1.82	+43.14

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 in the bottom right corner. The text 'CORPORATE GOVERNANCE' is positioned in the upper left quadrant, overlaid on the purple bands.

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders was held on 27 April 2021
- The **Board** consist of 6 members elected for the 2-year term.
- On 27 April 2021, shareholders **re-elected** Douglas Lubbe, Agneta Wallmark, Claes Nycander, Hannu-Matti Mäkinen and Mindaugas Glodas for a new 2-year term of the Board and to **elect** Dovilė Grigienė as a new member of the Board
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** was elected the Company's independent auditor for the year 2021 and 2022
- The Board elects and recalls **CEO**



BOARD (from 27 April 2021)



Douglas Lubbe,
Chair of the Board,
member of the Remuneration Committee,
represents Telia Company AB



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



Claes Nycander,
Member of the Board,
Chair of the Remuneration Committee,
represents Telia Company AB



Hannu-Matti Mäkinen,
Member of the Board,
represents Telia Company AB



Dovilė Grigienė,
Independent member of the Board



Mindaugas Glodas,
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



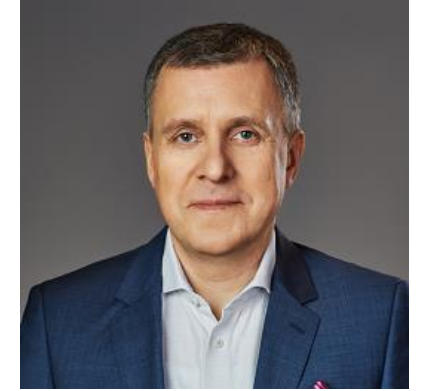
Nortautas Luopas,
Head of Consumer,
Head of Digitalization & Analytics



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



BUSINESS SUSTAINABILITY

The background features a series of diagonal stripes in shades of purple, magenta, and cyan, creating a modern and dynamic aesthetic.

ENVIRONMENTAL ACTION

CLIMATE & CIRCULARITY



DIGITAL INCLUSION

QUALITY OF LIFE & INNOVATION



EMPOWERMENT

DIVERSITY & INCLUSION



RESPONSIBLE BUSINESS

PRIVACY & SECURITY, FREEDOM OF
EXPRESSION, HEALTH AND WELLBEING
ETC.



WE CONTINUE OUR SUSTAINABILITY JOURNEY



DARING GOALS 2030

ZERO CO₂
throughout the value chain



ZERO WASTE
circular economy in
Telia's operations



100% ACTION
team effort



IN 2020 WE...



✓ REACHED 100% RENEWABLE ELECTRICITY USAGE

✓ BECAME CLIMATE NEUTRAL IN OUR OWN OPERATIONS

✓ ADOPTED SCIENCE BASED TARGETS (SBTi)

✓ OUR NEW SUPPLIERS ARE FILLING CO2 QUESTIONNAIRE



ALSO...

- ✓ SPENT AROUND EUR 400 THOUSAND TO HELP FIGHTING COVID-19
- ✓ WERE AWARDED THREE WINGS OF EQUALITY
- ✓ RECEIVED INTERNATIONAL AWARD FOR STRONG INPUT IN PROMOTING DIVERSITY

TO BE CONTINUED IN ANNUAL
SUSTAINABILITY REPORT





Telia

