



ANNUAL AUDITED RESULTS

FOR THE YEAR 2021

Telia Lietuva, AB





**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:



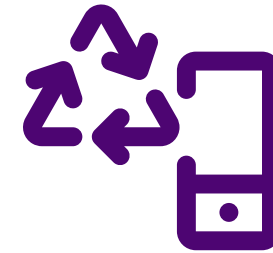
Customer care
24/7/365



Quality of operations'
management
confirmed by
ISO certificates



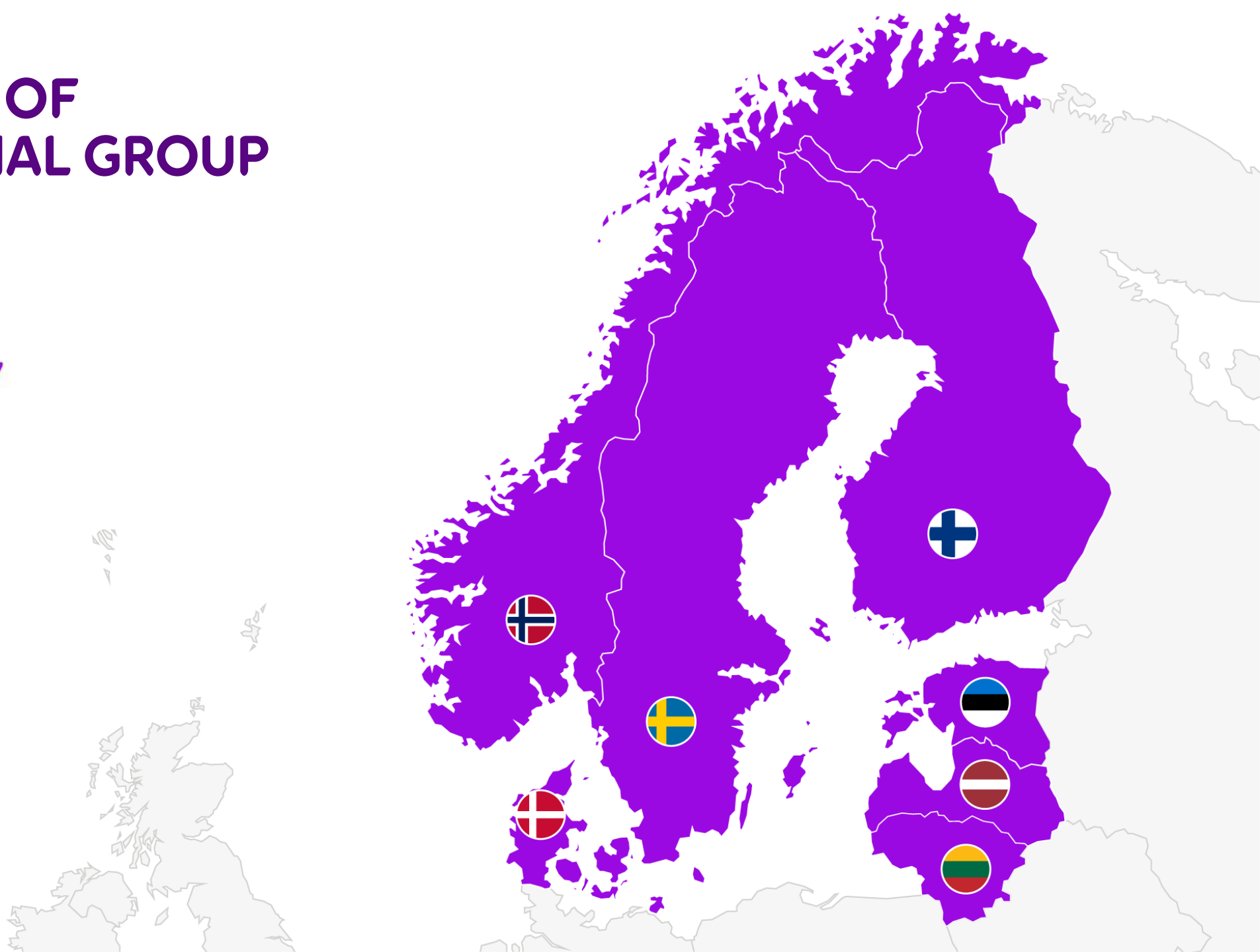
Team of 2,100
professionals



Sustainable and
responsible
business



WE ARE PART OF INTERNATIONAL GROUP



**OUR PURPOSE:
WE REINVENT
BETTER
CONNECTED
LIVING**



OUR VALUES



DARE

WE DARE TO:

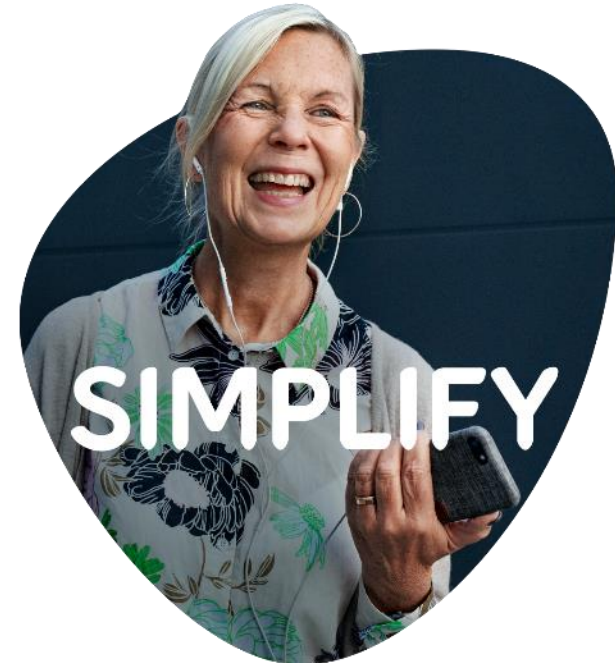
- innovate
- lead
- speak-up



CARE

WE CARE FOR:

- our customers
- each other
- our world



SIMPLIFY

WE SIMPLIFY:

- execution
- teamwork
- our operations



TELIA LIETUVA HAS AN ASSOCIATE

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**



HIGHLIGHTS OF 2021

#1

Record high revenue and EBITDA. **Double digit growth** in revenue from IT and broadband Internet services.

#2

Continued convergence journey: **80.5 thousand** of households are users of converged offer *Telia1*

#3

Radio access network upgrade project that started in 2021 led to surge in **CAPEX**: it was **1.7 times** higher than in 2020

#4

Kick-off of mobile network upgrade: more than **450 base stations** replaced with **Ericsson** equipment

#5

Completed **upgrade of 2 major data centers** and acquired a land lot for construction of a **new data center**

#6

Finished **customer care outlets renovation** project: over 2 years 30 retail outlets were upgraded

#7

Internet speed record: mobile data download speed of **104.5 Mbps** was reached at the year end (85.1 Mbps in 2020)

#8

During 2021 **share price** went up by **11.8%** and throughout the year market capitalisation was above **EUR 1 billion**

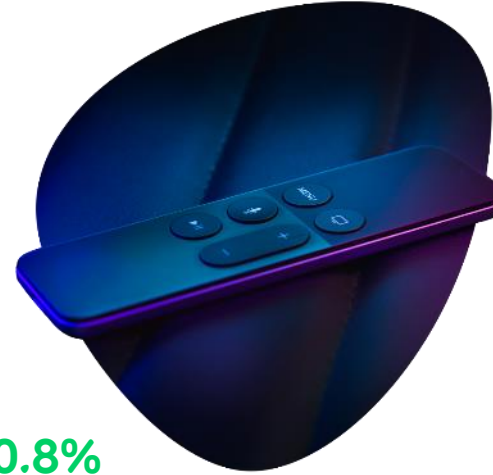
NUMBER OF CUSTOMERS



+8.6%



+1.0%



+0.8%



-11.9%

1,518

THOUSAND

of **mobile** service users

421

THOUSAND

of **broadband Internet** connections

255

THOUSAND

of **IPTV service** users

230

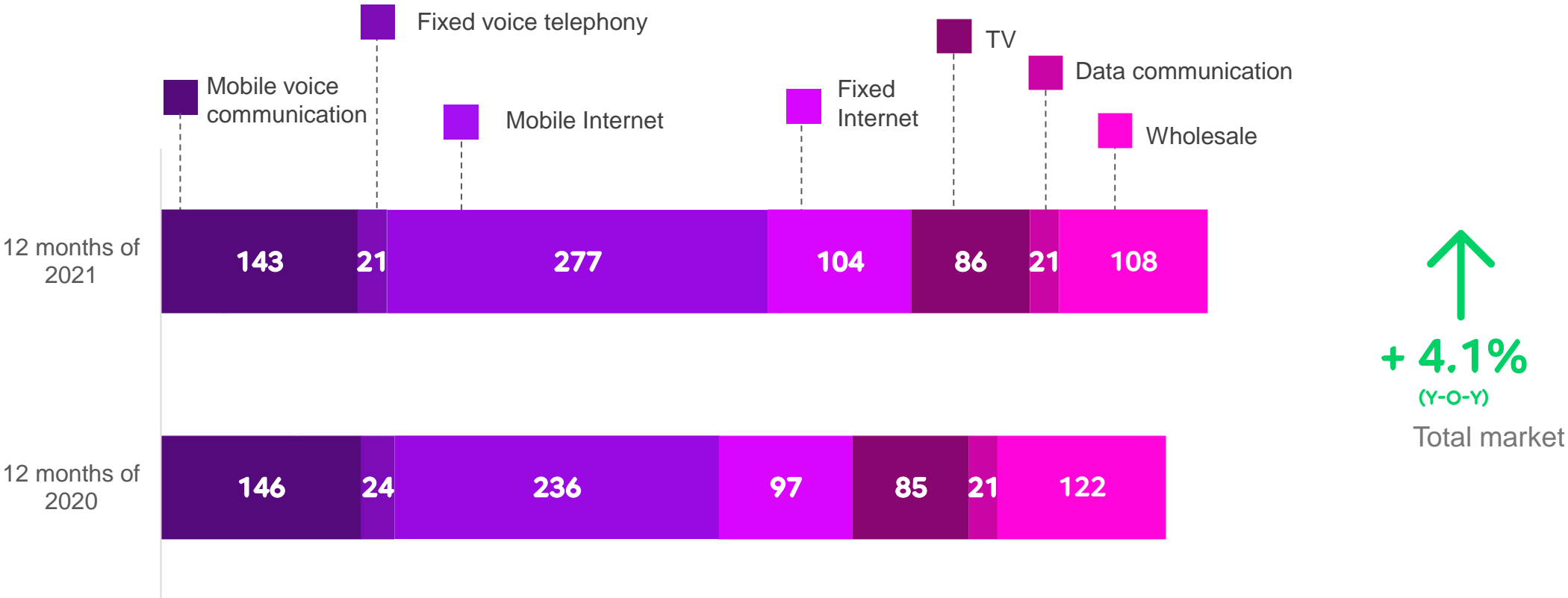
THOUSAND

of **fixed telephone** lines in service



TELECOMMUNICATIONS MARKET OF LITHUANIA

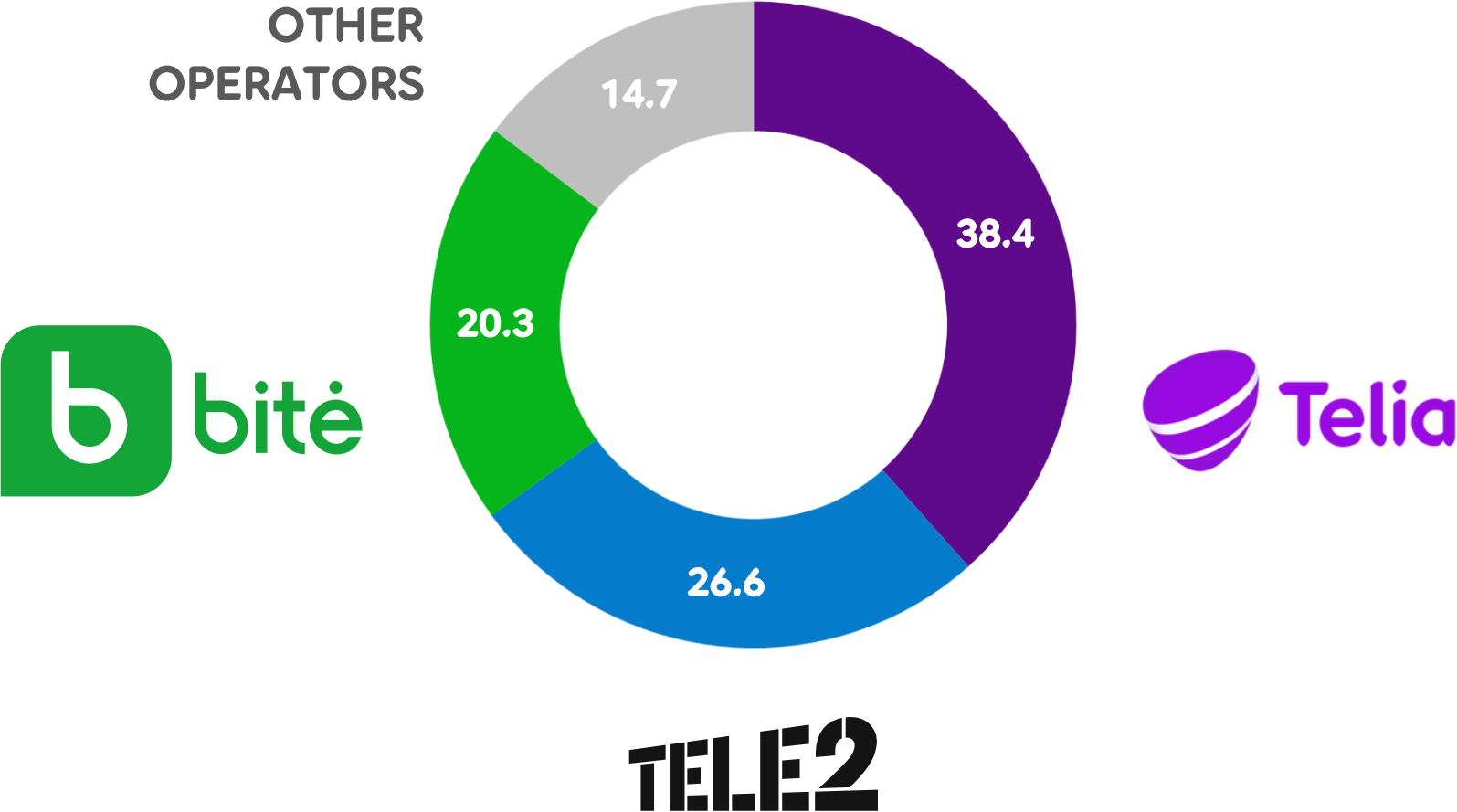
INTERNET DRIVES TELCO MARKET GROWTH (MEUR)



Source: Report of the Communications Regulatory Authority



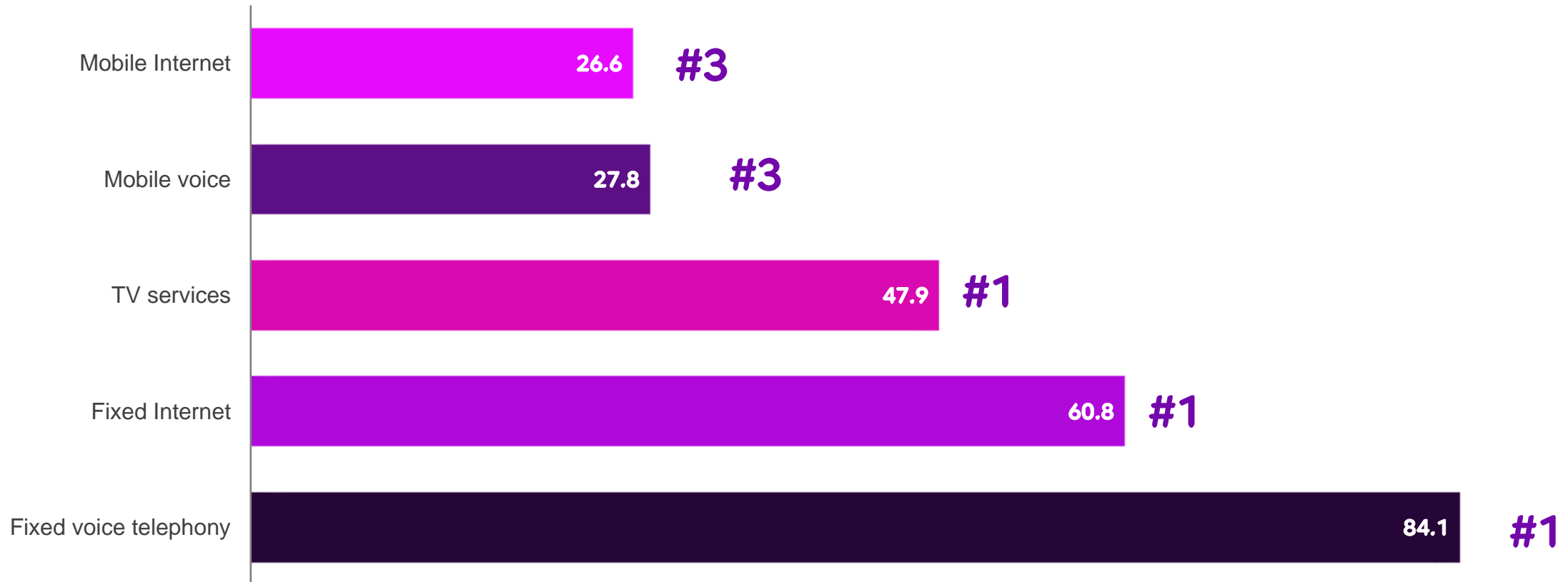
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2021 (%)



Source: Report of the Communications Regulatory Authority



TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE FOR Q4 2021 (%)



Source: Report of the Communications Regulatory Authority



MARKET: GROWING USAGE OF MOBILE DATA



↑
13.5%
(Y-O-Y)

Increasing usage of
mobile data

(uploaded/downloaded
250,515 TB of data per quarter)



↑
2.4%
(Y-O-Y)

Growing number of
FTTH/B connections

(accounts for **77.9%** of all
fixed Internet connections)



↑
2.0%
(Y-O-Y)

Growing number of
IPTV users

(accounts for **47.8%** of all
pay-TV service users)



MARKET PENETRATION



133.3

mobile
communications
subscribers

(per 100 inhabitants)



19.1

fixed **telephony**
lines

(per 100 households)



56.0

broadband
Internet access

(per 100 inhabitants)



46.9

pay-TV
subscribers

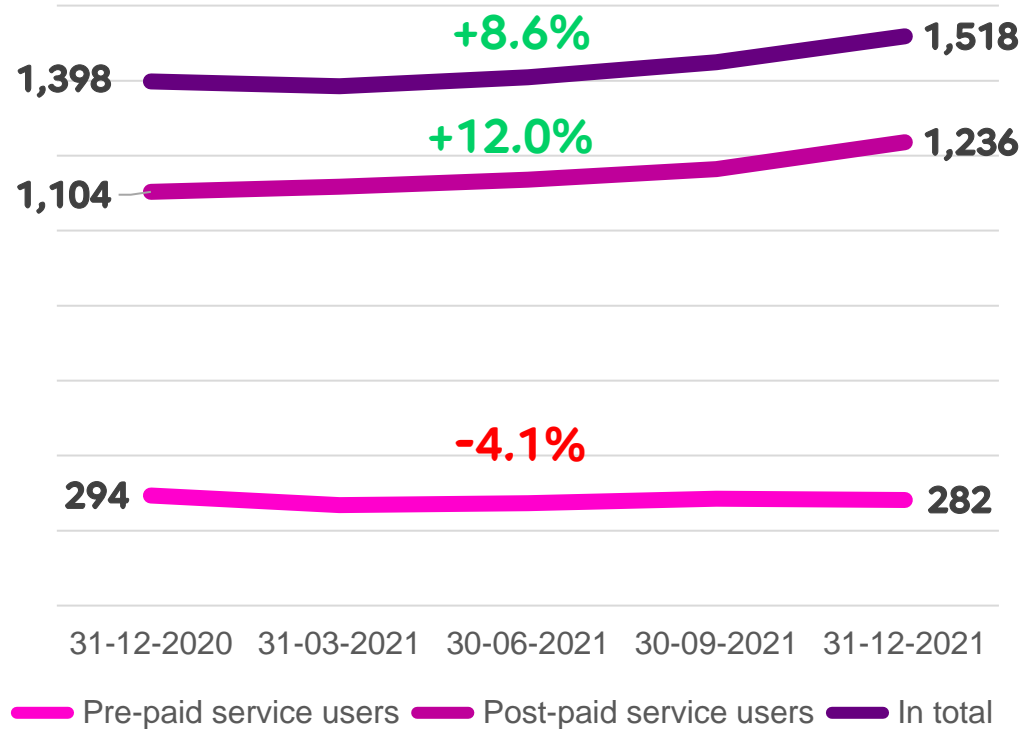
(per 100 households)



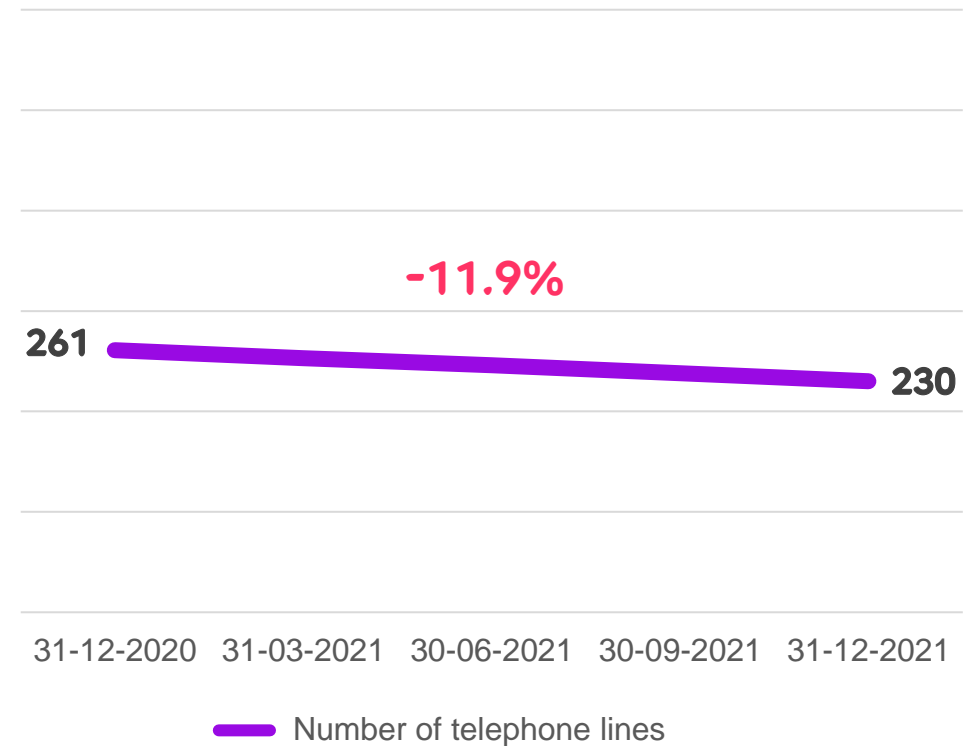
OPERATING AND FINANCIAL RESULTS

NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users (thousand)

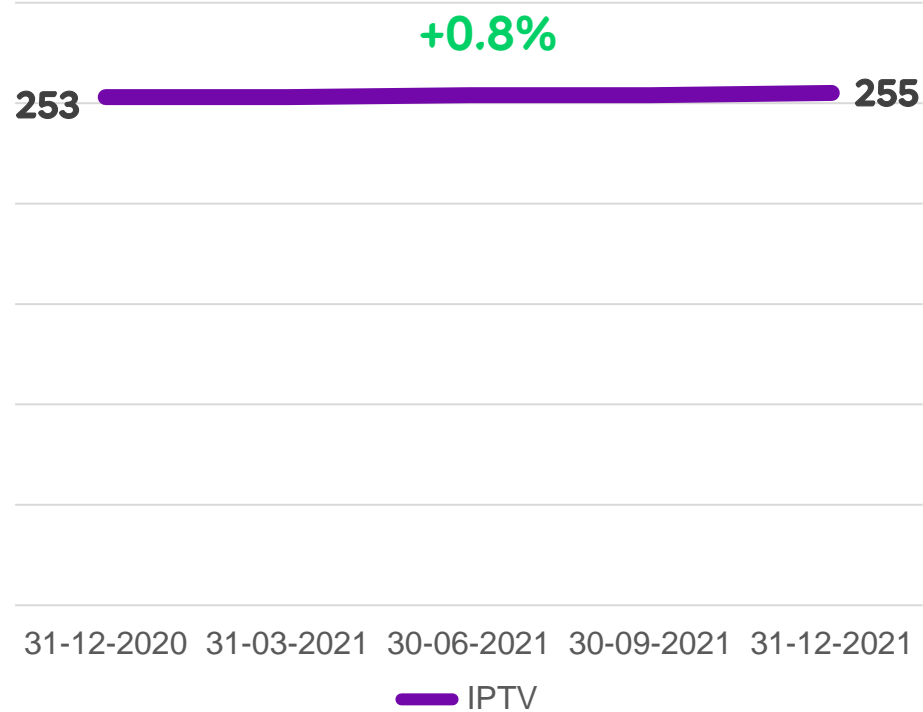


Number of fixed telephone lines (thousand)

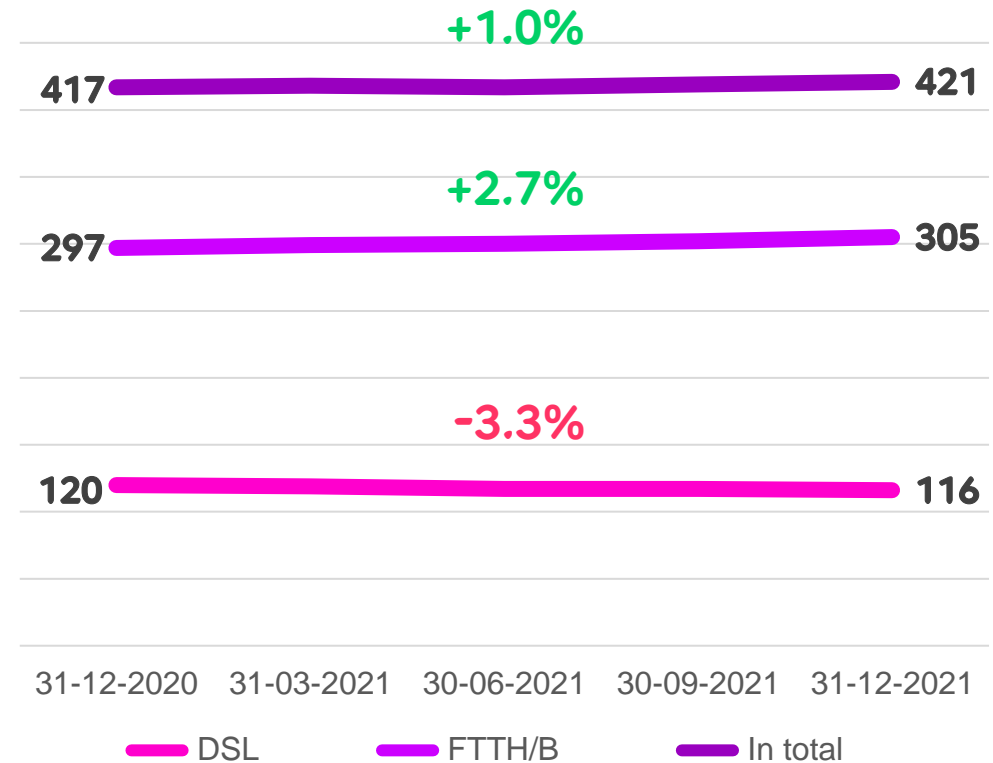


NUMBER OF IPTV AND BROADBAND INTERNET USERS

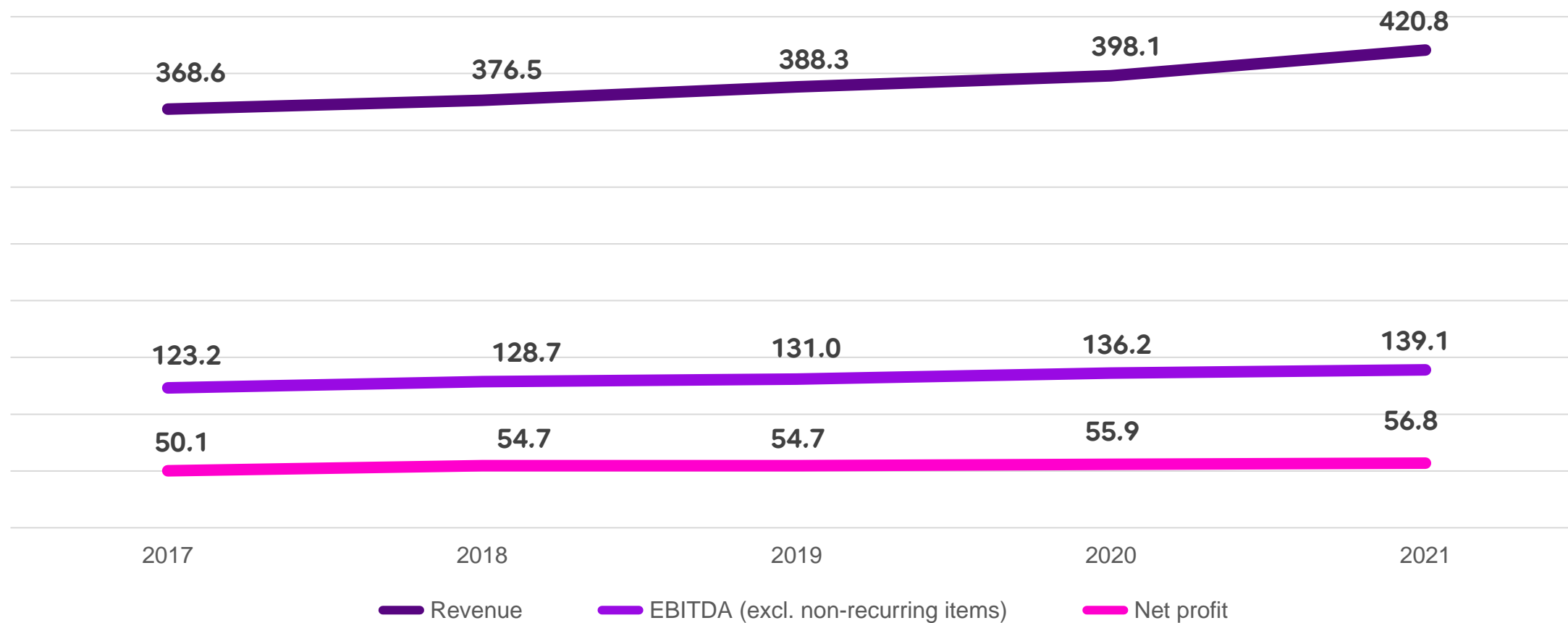
Number of TV service users (thousand)



Number of broadband Internet users (thousand)



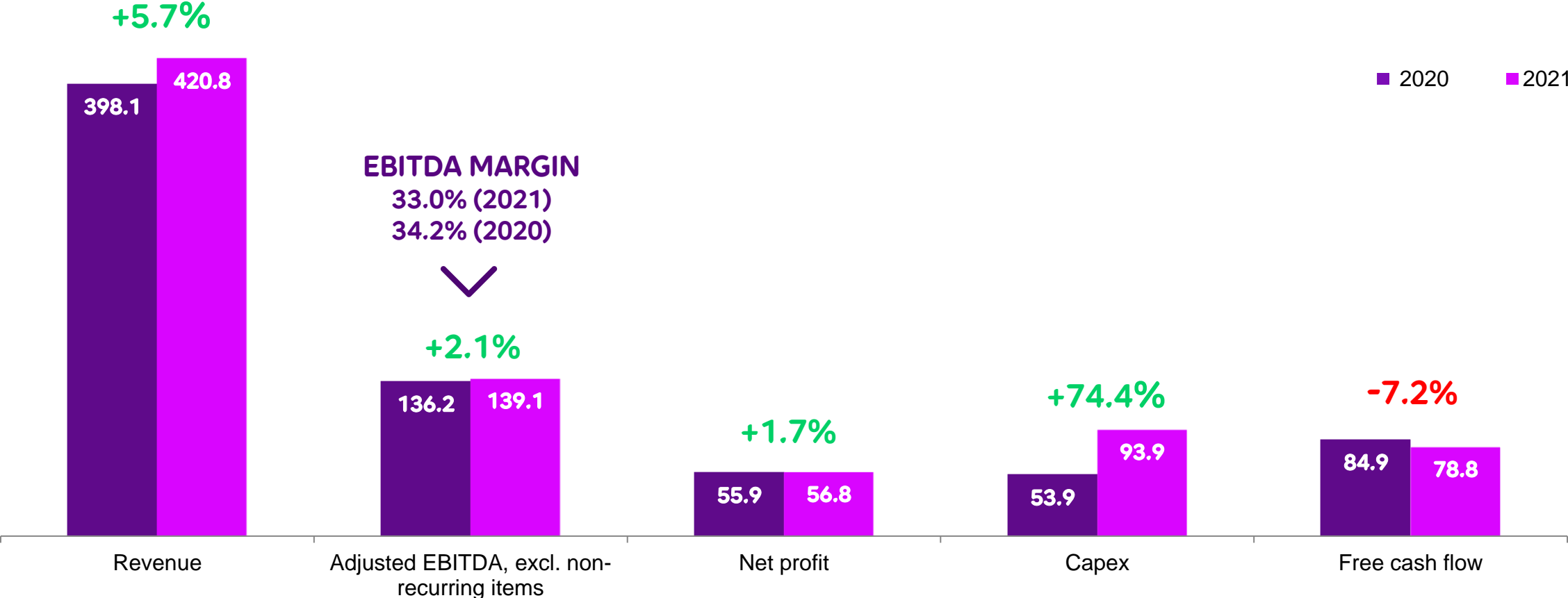
REVENUE, EBITDA & NET PROFIT (MEUR)



NOTE. Financial data for the years 2017-2020 is consolidated, for the year 2021 – standalone



DYNAMICS OF MAIN FINANCIAL INDICATORS (MEUR)

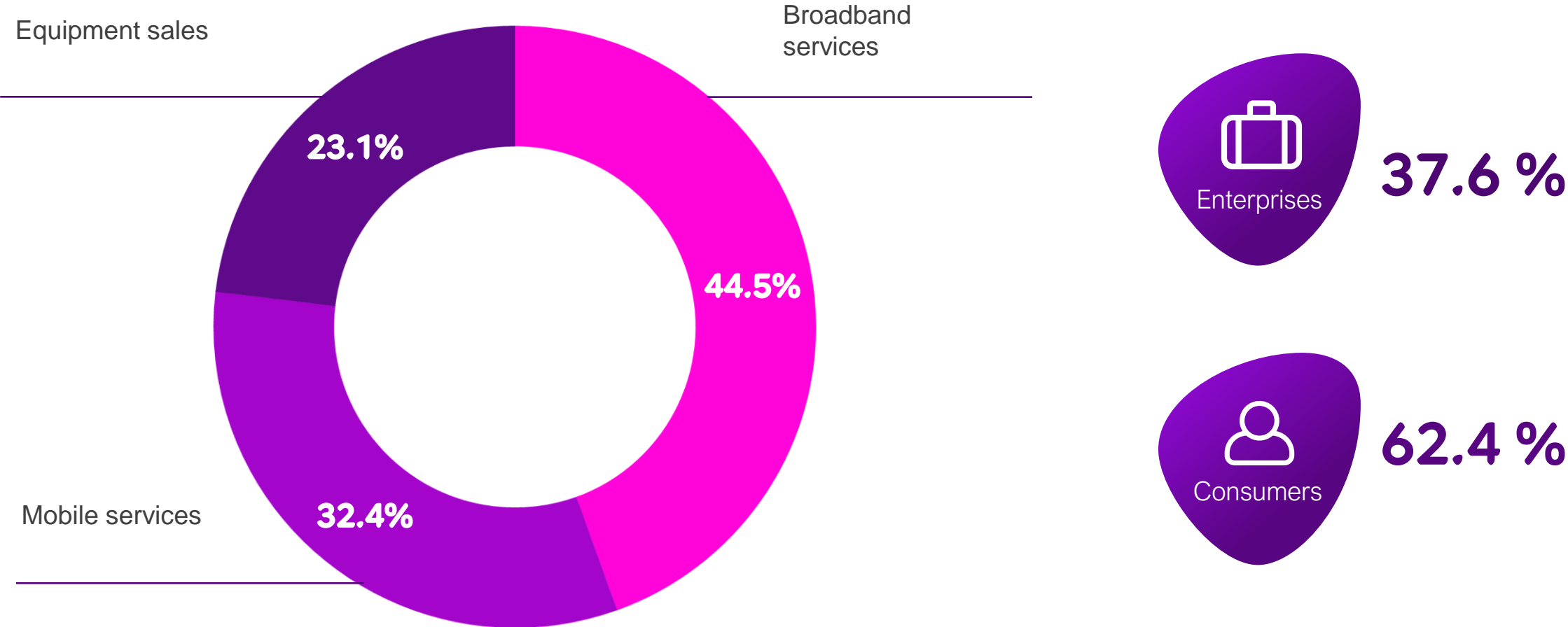


NOTES.

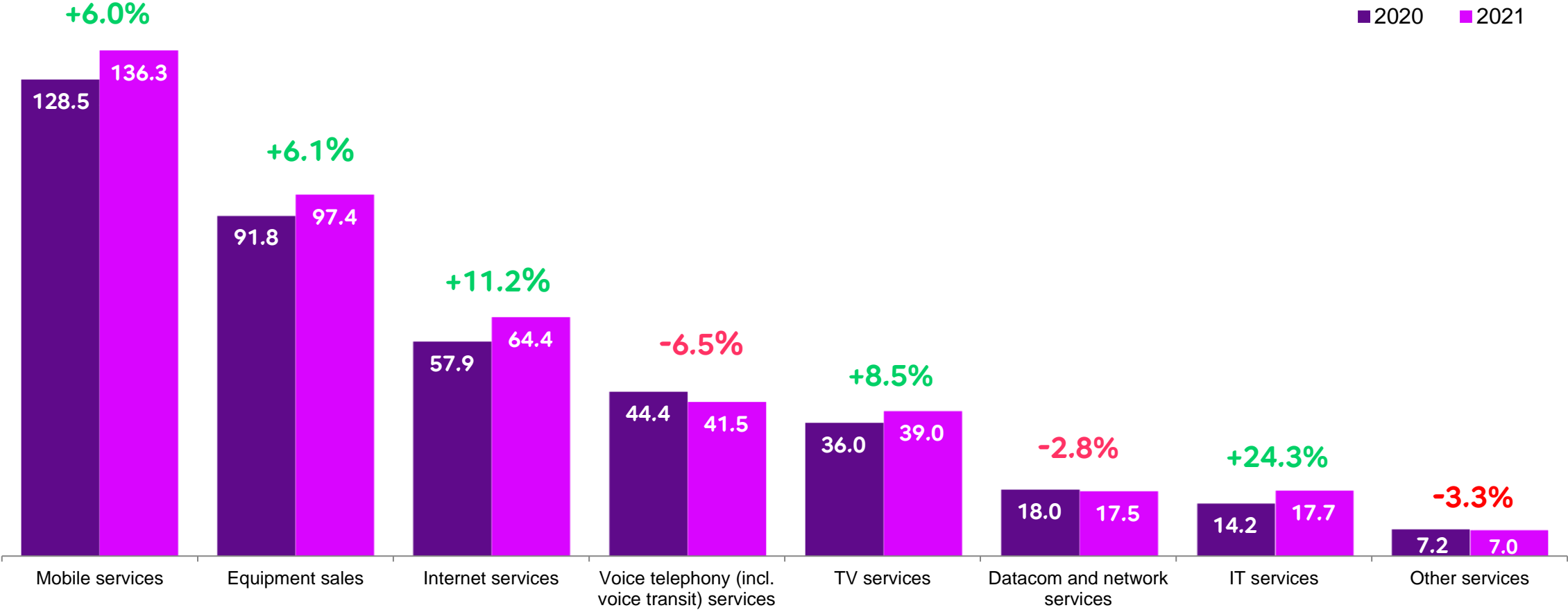
- Financial data for the year 2020 is consolidated, for the year 2021 – standalone
- During 2021, non-recurring redundancy charge amounted to EUR 858 thousand (EUR 1,321 thousand in 2020), other one-off expenses: EUR 943 thousand and non-recurring gain on sale of property: EUR 1,337 thousand



BREAKDOWN OF REVENUE FOR THE YEAR 2021



REVENUE BY SERVICES (MEUR)



NOTE. Financial data for the year 2020 is consolidated, for the year 2021 – standalone



OPERATING EXPENSES (MEUR)

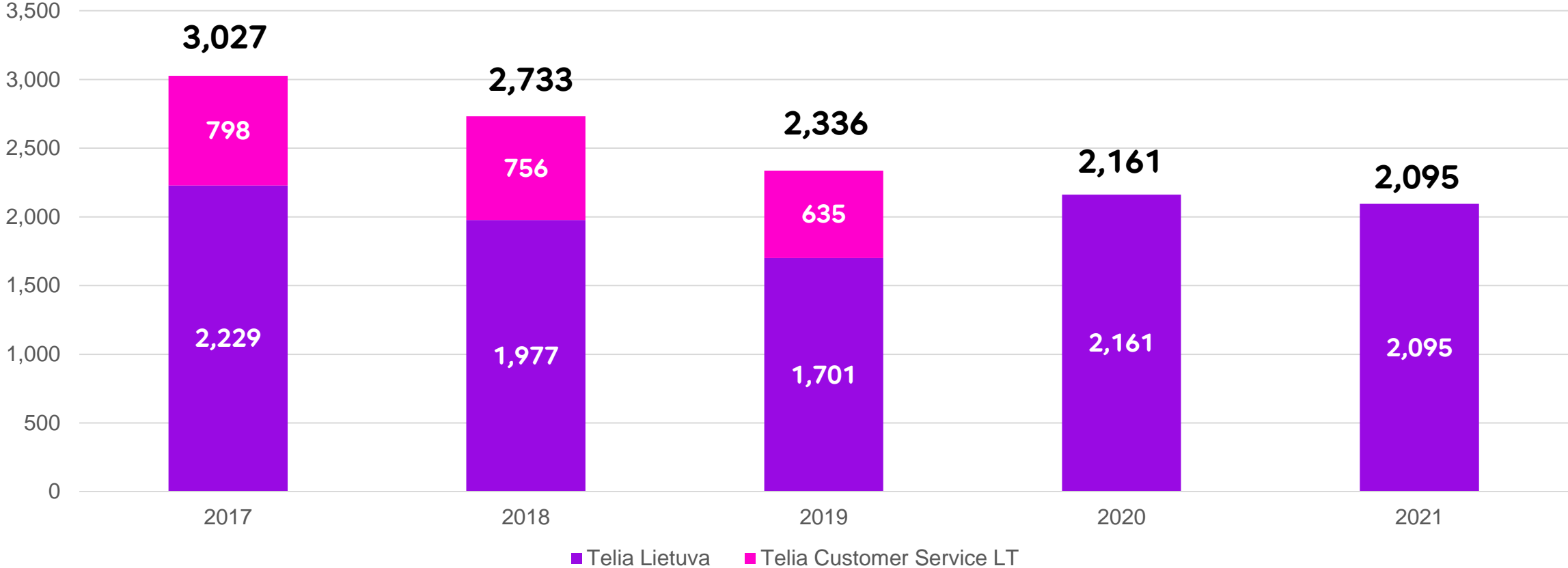


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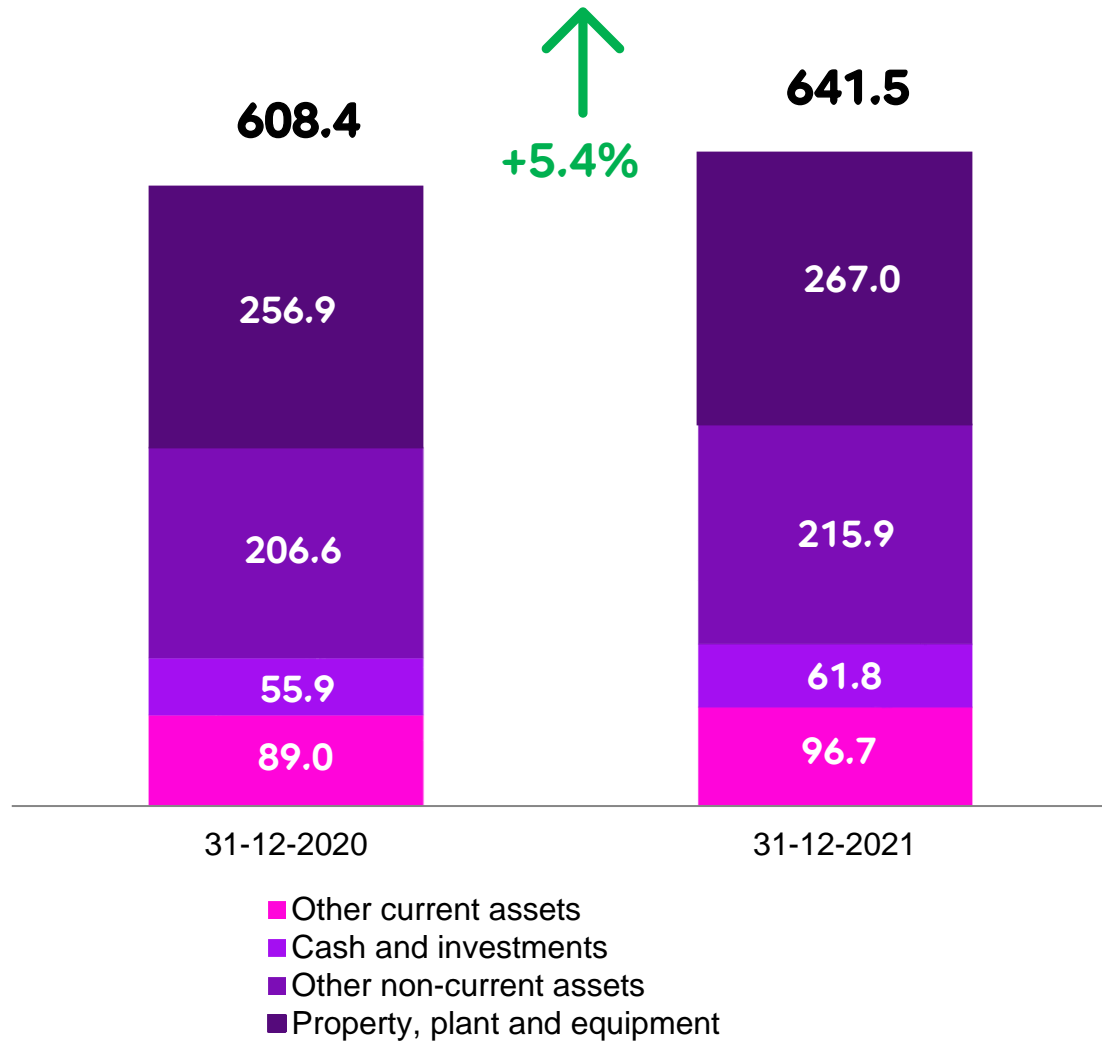
- Financial data for the year 2020 is consolidated, for the year 2021 – standalone
- During 2021, non-recurring redundancy charge amounted to EUR 858 thousand (EUR 1,321 thousand in 2020), other one-off expenses: EUR 943 thousand (none in 2020)



NUMBER OF EMPLOYEES



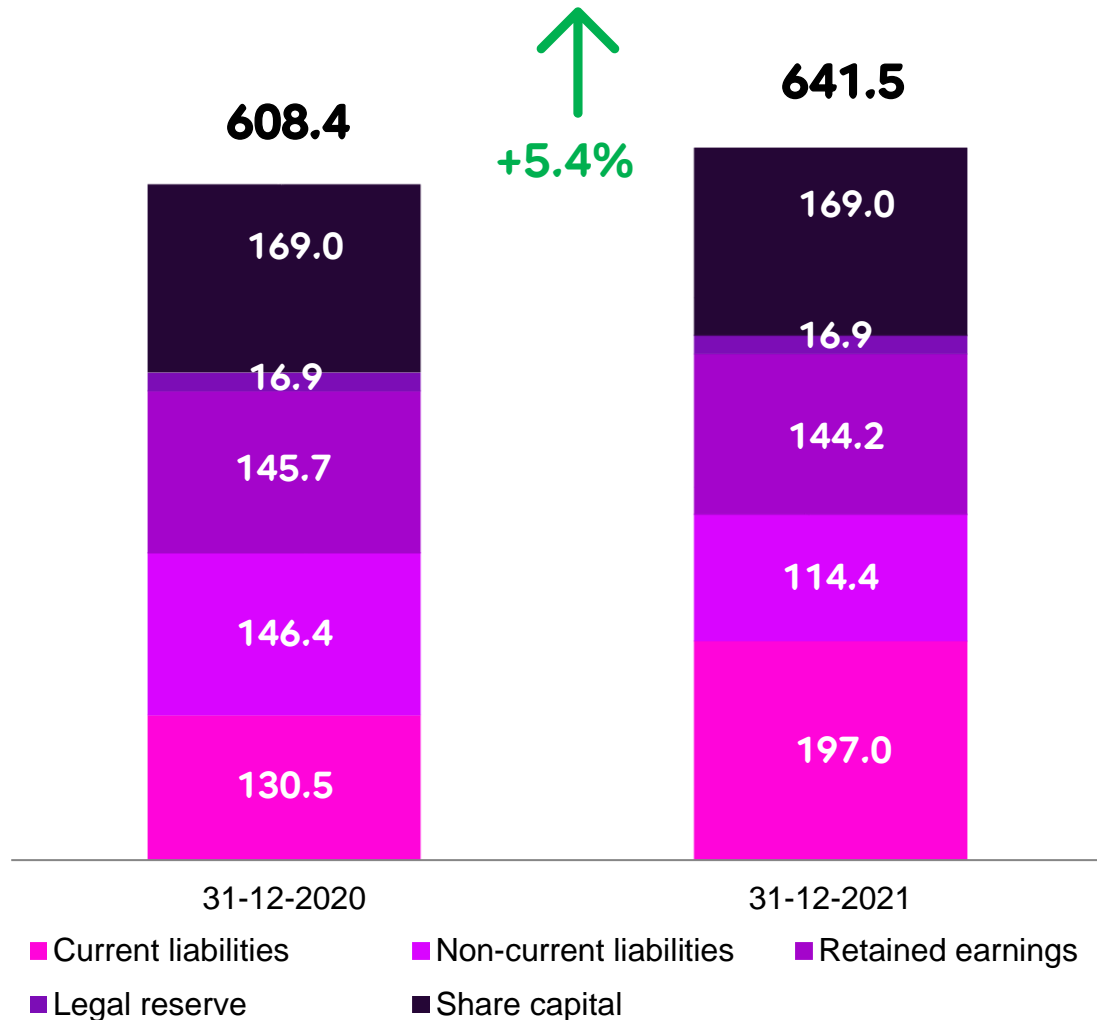
ASSETS (MEUR)



- **Non-current assets** amounted to 75.3% of total assets as of 31 December 2021 (76.2% a year ago)
- **Cash** alone amounted to 9.6% (9.2%)
- **Return on capital employed:** 13.4% (15.1%)
- **Return on average assets:** 9.9% (11%)
- **Current ratio:** 77.7% (110.2%)



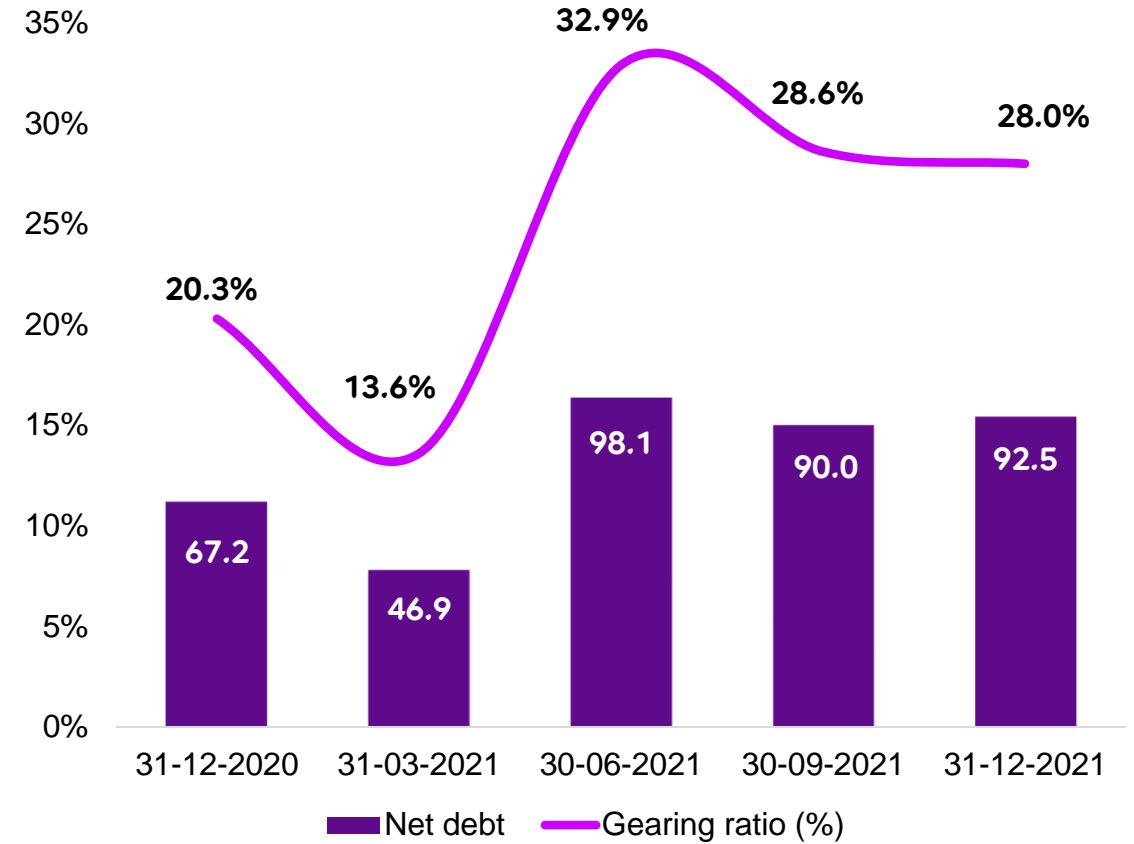
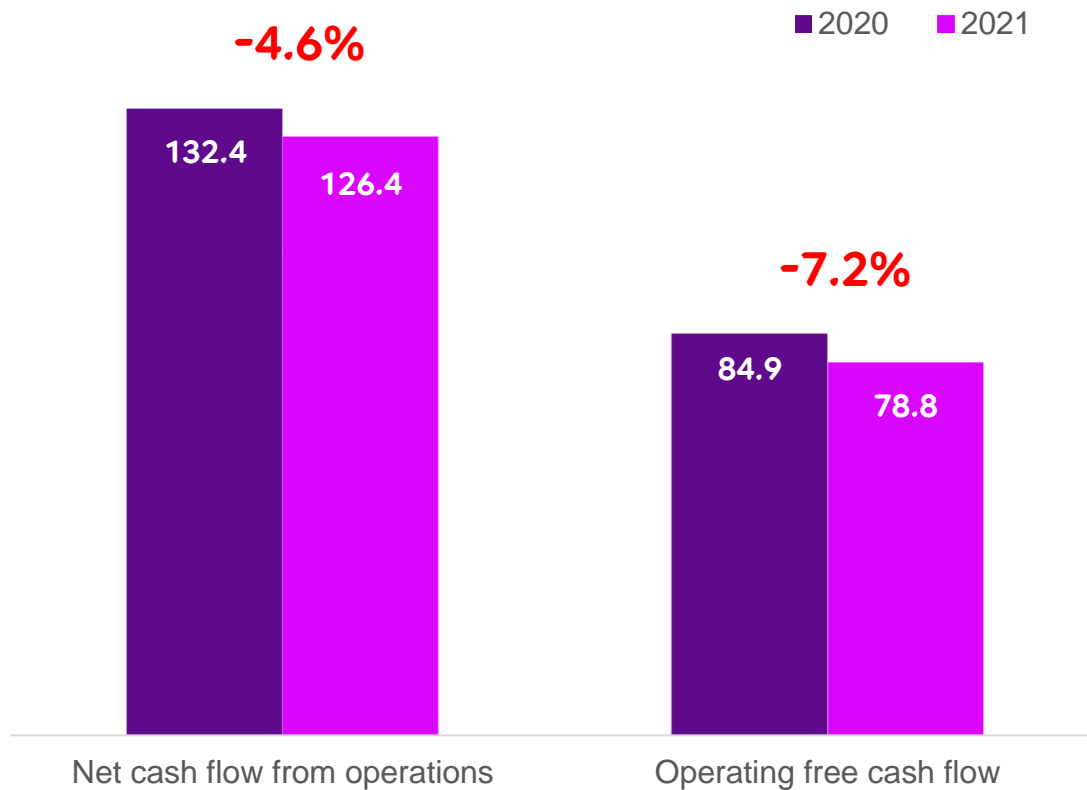
EQUITY AND LIABILITIES (MEUR)



- As of 31 December 2021, shareholders' **equity** amounted to 51.5% of the total assets (54.5% a year ago)
- Total **borrowings** (31-12-2021) amounted to EUR 154.3 million: EUR 30 million – bank loan, EUR 123.7 million – vendor financing and EUR 0.6 – financial lease.
- **Gearing ratio**: 28% (20.3%)
- **Debt to equity**: 46.7% (37.1%)
- **Return on equity**: 17.6% (17.4%)
- **Net debt to EBITDA**: 0.67 (0.50)



CASH FLOW & NET DEBT (MEUR)

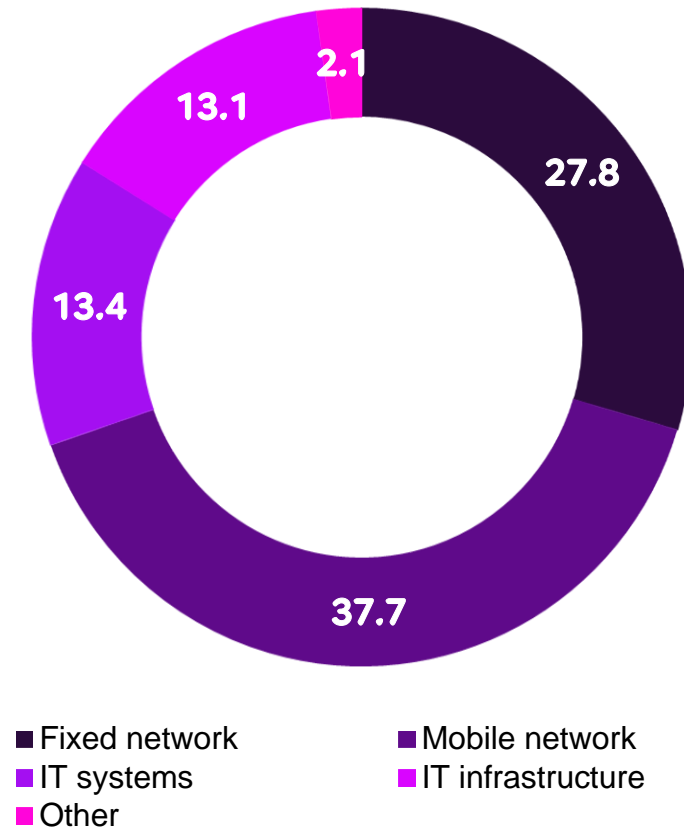
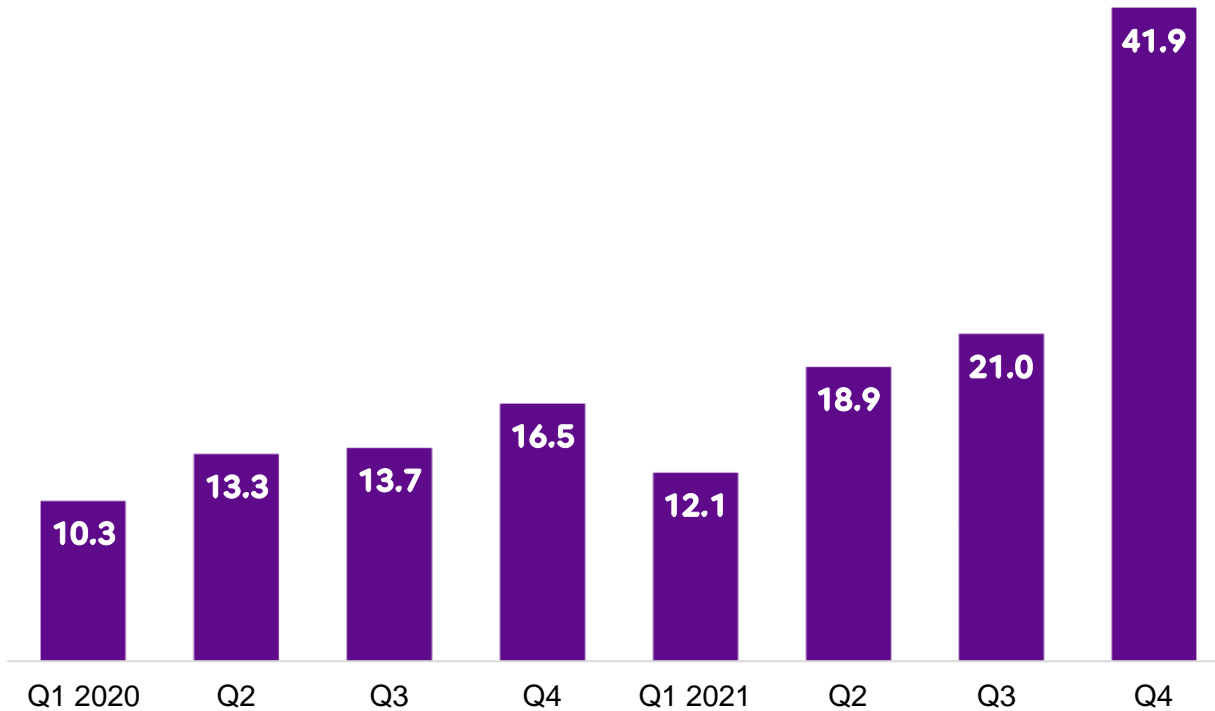


CAPEX & CAPEX BREAKDOWN FOR THE YEAR 2021 (MEUR)

Capex to Sales:

2021: 22.3%

2020: 13.5%

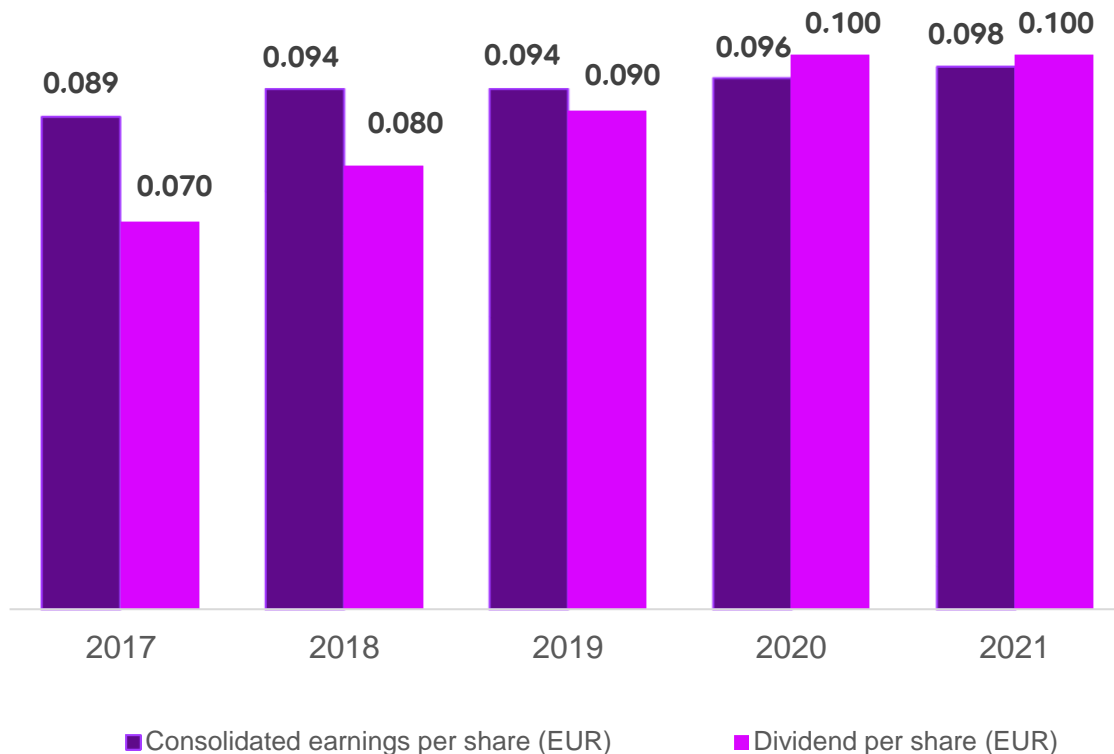


DIVIDENDS

Dividend payout ratio:

2021: 102%

2020: 104%



- 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
- As of 31 December 2021, **retained earnings** of the Company amounted to **EUR 144.2 million** or EUR 0.25 per share
- The Board proposed to pay **EUR 58.3 million of dividends** (EUR 0.10 per share) for the year 2021
- On 28 April 2022 **AGM shall approve** allocation of the profit for the year 2021

NOTE. Financial data for the years 2017-2020 is consolidated, for the year 2021 – standalone



SHARE PRICE

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 31-12-2021

TELIA COMPANY AB

OTHER

88.15%

11.85%

Part of shares and votes

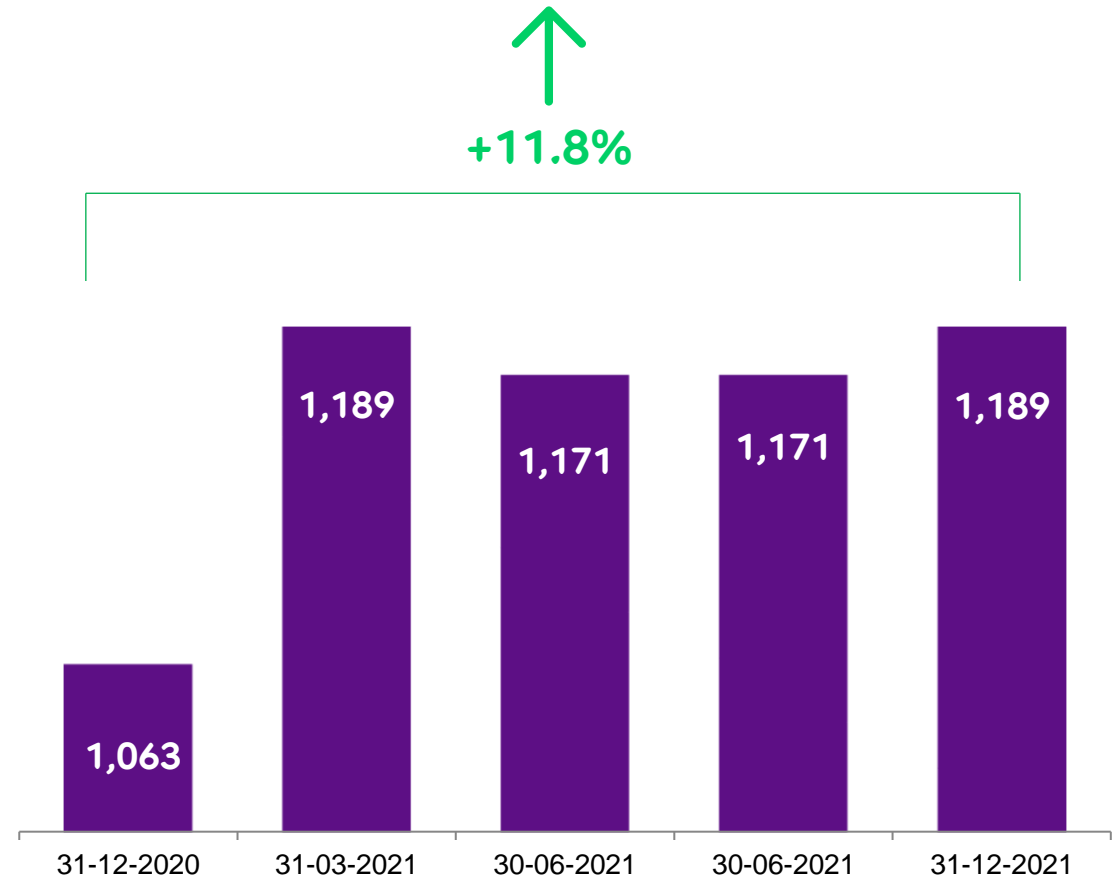


SHARES

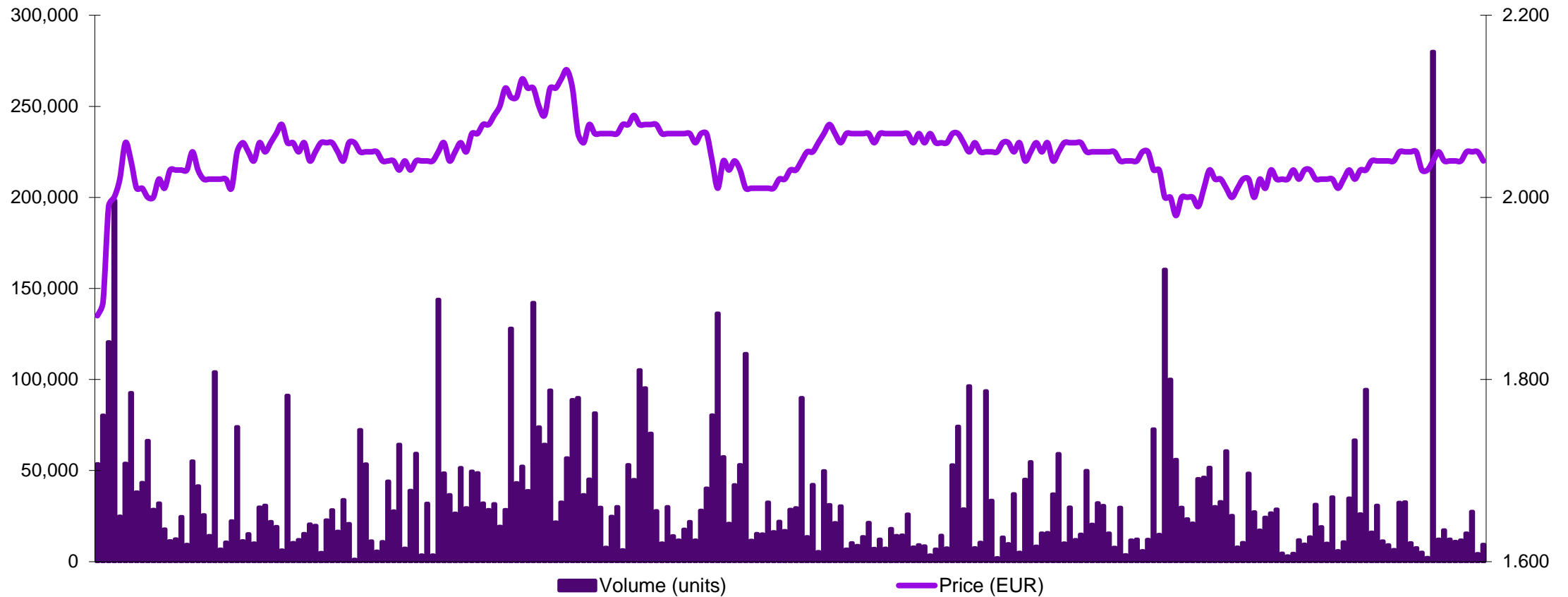
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-December 2021: 8.6 million of shares or EUR 17.5 million
- Share **price** on Nasdaq Vilnius:

01-01-2021	High	Low	31-12-2021
1.83 €	2.15 €	1.83 €	2.04 €

Market capitalization (MEUR)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2021



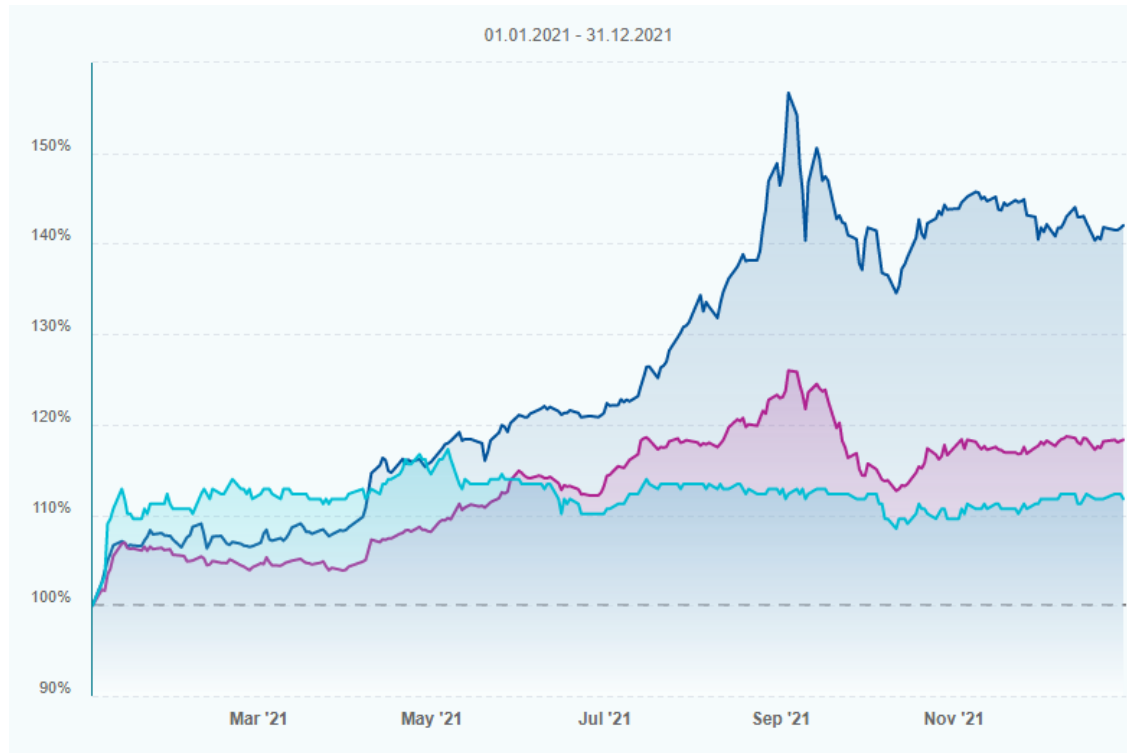
TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE SINCE BEGINNING OF LISTING



Source: Nasdaq Vilnius



THE COMPANY'S SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



	OPENING VALUE	CLOSING VALUE	CHANGE %
■	1,104.74	1,568.82	+42.01
■	816.64	966.13	+18.31
■	1.82	2.04	+11.78

■ OMX Baltic Benchmark GI

■ OMX Vilnius GI

■ TEL1L-
Telia Lietuva

Source: Nasdaq Vilnius

P/E ratio: **20.9** (19.0 a year ago)



CORPORATE GOVERNANCE

GOVERNING BODIES

- The **Annual General Meeting** of Shareholders will be held on 28 April 2022
- The **Board** consist of 6 members elected for the 2-year term.
- The current Board was elected on 27 April 2021
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is the Company's audit enterprise for 2021 & 2022
- The Board elects and recalls **CEO**

**GENERAL
MEETING OF
SHAREHOLDERS**



BOARD

AUDIT COMMITTEE

**REMUNERATION
COMMITTEE**



CEO



BOARD



**Douglas
Lubbe,**

Chair of the Board,
Member of the
Remuneration
Board, 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,
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 JANUARY 2020



MANAGEMENT TEAM



Dan Strömberg,
CEO



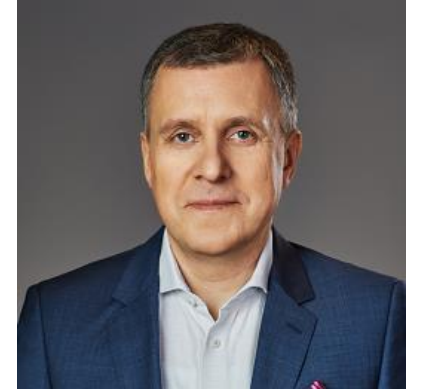
Nortautas Luopas,
Head of Consumer,
Head of Digitalization & Analytics



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

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





#IDOMIAU TIK
GYVENIMAS

