



Year-end Report
January-December 2020

Q4

STRONG CASH FLOW GENERATION

FOURTH QUARTER SUMMARY

- Net sales grew 2.7 percent to SEK 23,464 million (22,838) and like for like⁴, net sales declined 1.9 percent. Service revenues grew 4.0 percent to SEK 19,765 million (19,007) and like for like⁴, service revenues declined 2.1 percent. Adjusted EBITDA declined 5.5 percent to SEK 7,477 million (7,914) and like for like⁴, adjusted EBITDA declined 6.6 percent.
- COVID-19 had an estimated negative impact of SEK 400 million and SEK 200 million on service revenues and adjusted EBITDA, respectively.
- Operating income decreased to SEK -23,001 million (2,600) impacted by a capital loss from the disposal of Turkcell Holding of SEK -17,955 million, mainly related to reclassified accumulated foreign exchange losses which have no effect on total equity. The quarter was also impacted by an impairment of SEK -7,800 million related to goodwill in Finland.
- Operational free cash flow increased to SEK 2,856 million (977) and cash flow from operating activities increased to SEK 7,955 million (5,566), both mainly driven by changes in working capital.
- An agreement was signed to divest the Telia Carrier business for a value of SEK 9,450 million on a cash and debt free basis.
- For 2020, the Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 2.00 per share (2.45).
- Outlook 2021: Service revenues and adjusted EBITDA, in constant currency and excluding Telia Carrier, is expected to be flat or grow by low single digit, while cash CAPEX excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is expected to be in the range of SEK 14.5-15.5 billion.

19,765

Service revenues
Q4 2020
(SEK million)

7,477

Adjusted
EBITDA
Q4 2020
(SEK million)

12,095

Operational
free cash flow
full year 2020
(SEK million)

FULL YEAR SUMMARY

- Net sales grew 3.8 percent to SEK 89,191 million (85,965) and like for like⁴, net sales declined 3.4 percent.
- Operating income decreased to SEK -17,747 million (12,293) driven by the disposal of Turkcell Holding and the impairment related to goodwill in Finland.
- Total net income declined to SEK -22,756 million (7,261).

HIGHLIGHTS

SEK in millions, except key ratios, per share data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	23,464	22,838	2.7	89,191	85,965	3.8
Change (%) like for like ^{1,4}	-1.9			-3.4		
of which service revenues (external)	19,765	19,007	4.0	77,342	73,455	5.3
change (%) like for like ^{1,4}	-2.1			-3.4		
Adjusted ² EBITDA ¹	7,477	7,914	-5.5	30,702	31,017	-1.0
change (%) like for like ^{1,4}	-6.6			-3.0		
Margin (%)	31.9	34.7		34.4	36.1	
Adjusted ² operating income ¹	2,609	2,980	-12.4	11,560	13,452	-14.1
Operating income	-23,001	2,600		-17,747	12,293	
Income after financial items	-23,999	1,781		-21,065	9,354	
Net income from continuing operations	-24,365	1,366		-22,477	7,601	
Net income from discontinued operations ³	-80	4		-279	-341	-18.0
Total net income	-24,445	1,370		-22,756	7,261	
of which attributable to owners of the parent	-24,488	1,312		-22,912	7,093	
EPS total (SEK)	-5.99	0.32		-5.60	1.70	
Operational free cash flow, continuing operations ¹	2,856	977	192.3	12,095	12,571	-3.8
CAPEX excluding fees for licenses, spectrum and right-of-use assets in continuing operations ¹	4,170	4,006	4.1	13,640	14,113	-3.3

1). See Note 17 and/or section Definitions. 2) Adjustment items, see Note 3. 3) Discontinued operations, see Note 14. 4) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired companies and excluding the impact of any disposed companies, both in the current and in the comparable period.

COMMENTS BY ALLISON KIRKBY PRESIDENT & CEO

“The final quarter of 2020 and the start of 2021 has continued to be challenging for societies and businesses, across the Telia footprint and indeed across the globe. I am however proud that through these unprecedented and volatile times, Telia has remained resilient, keeping its operations going, workplaces running and enabling people to stay in touch with loved ones. Beyond connectivity, Telia's services, such as Crowd Insights, have supported authorities and countries in gaining insights which have helped them fight the pandemic. A clear illustration of using our technology for the good of others.

Our fourth quarter results were again sound and, as you have seen from our pre-announcement on January 20, particularly strong from an operational free cash flow perspective. Service revenues declined by 2.1 percent to SEK 19.8 billion on account of lower roaming and advertising revenues. As anticipated, we also experienced an increase in our operational cost base in the quarter, leading to EBITDA of SEK 7.5 billion. Cash CAPEX in the quarter totaled SEK 4.2 billion and operational free cash flow was SEK 2.9 billion.

“WE WILL BE LED BY OUR PURPOSE TO REINVENT BETTER CONNECTED LIVING”

Throughout the business, we have continued to make progress on our immediate priorities. Our network leadership in Sweden was confirmed through the Umlaut/P3 survey which concluded that Telia's network is the best in Sweden - for the fourth year in a row. Securing the largest block of 5G spectrum in the most attractive part of the available Swedish frequency band last week gives us an opportunity to further enhance and leverage our market leading position. In Finland we now cover 40 percent of the population with 5G and, importantly, we are seeing a positive impact on ARPU (average revenue per user) levels from 5G based subscriptions there. We are also making progress in Norway, both on 5G coverage and in the upgrade of our cable network. We continue to increase the number of converged customers in Sweden, now total 309,000. In the Baltics, we have seen a similar trend. On costs the fourth quarter was, as expected, challenging, owing



mainly to increased marketing spend in Sweden and Finland as well as to additions to customer service resources in Sweden.

In Sweden the consumer segment remained resilient, albeit enjoying less tailwind from price increases. After adjusting for COVID-19 effects, the enterprise segment turned to growth. The underlying strong performance was related to the public sector and our IT service operation.

In addition to an encouraging effect from the introduction of 5G in Finland, we have seen a positive impact from our content offerings, in turn inspiring customers to upgrade to 5G. We also see stability in our core offerings and strong growth in IT solutions, leading to service revenue growth in our enterprise segment for the fourth quarter, even including impacts from COVID-19. As we have announced separately, we have taken an impairment of SEK 7.8 billion related to the Finnish operation, mainly due to an increased investment need.

The enterprise segment was growing also in Norway during the quarter. Telia renewed its contract with the Norwegian police, a proof point for Telia being a credible alternative supplier to a customer with high security demands. We have seen a strong demand for our premium Telia X converged proposition, now being taken up by more than 10 percent of the consumer customer base.

The Baltics continue to deliver good results, albeit with mixed development in the various segments: the consumer side in both Estonia and Lithuania showed accelerating growth driven by convergence, while the

enterprise segment was hurt by the declining roaming revenues due to COVID-19. Denmark struggled with a challenging service revenue development.

Within TV & Media we are continuing to strengthen our market position in a tough COVID 19-impacted environment. The TV4 Group has never had a higher share of viewing in Sweden, and in Finland MTV is also increasing its share of viewing. Viewing on digital platforms is growing fast. Streaming time on TV4 Play increased by 32 percent, and customer intake on C More was a record high.

Our ambition, however, is to be more than resilient in a fast-moving and disruptive environment. Connectivity has become part of the very *fibre* of life. This is clear in the fact that the traffic on our networks is doubling every two years. We've started investing to scale up our 5G networks, to unleash the next wave of innovation across the Nordics and Baltics. And we've moved into media, entertainment and ICT in order to move beyond connectivity and provide a more complete, converged range of digital services for our customers.

Hence, we are today launching our updated strategy to create a Better Telia, to cater for the evolving needs that are emerging from living in an ever-more connected world. We will be led by our new purpose to "Reinvent better connected living". We will pivot from being a somewhat passive facilitator of connectivity, to being an active orchestrator of connected living, reinventing ourselves in order to reinvent better for our customers, and our owners. Our renewed strategy will return the company to growth and deliver sustainable value creation to our shareholders. Underpinning our growth strategy are four key pillars where we will excel relative to our peers: Inspiring our Customers; Connecting Everyone; Transforming to Digital; and Delivering Sustainably.

Taking our strategy to execution we will be enabled by a bold customer experience-led transformation program which is expected to yield an improved EBITDA less CAPEX of SEK 3 billion and SEK 5 billion by 2023 and 2025 respectively. As part of this program, we will reduce operational expenses by SEK 2 billion until 2023 and SEK 4 billion until 2025. I look forward to sharing the details of our strategy and transformation in our Investor Brief.

As part of our ambition to crystallize and grow the value of our infrastructure assets we are today creating a new business unit, Telia Asset Management, that will own and manage selected assets opening up the opportunity to bring in external investors and accelerate infrastructure development. We have for some time been working to identify such assets within our portfolio where

a special focus has been on our towers, in particular in markets where we act as a challenger, and we will now proactively identify relevant partners that could join us on this journey.

For the period up to 2023 we expect annual low single digit service revenue growth, low to mid-single digit EBITDA growth and a return to cash CAPEX of around 15 percent of net sales by 2023. For 2021 specifically, which will be a year of transition, we expect service revenue and EBITDA, excluding Telia Carrier, to show flat to low single digit percentage growth while cash CAPEX is expected to be in the range of SEK 14.5-15.5 billion as we roll out 5G and modernize our systems and existing networks.

All of this will create a strong base from which to sustainably grow our operational free cash flow going forward. This in turn will enable us to pay attractive returns to our shareholders whilst maintaining a robust capital structure. Our Board has therefore proposed an updated dividend policy under which Telia will distribute at least SEK 2.00 per share, with a firm ambition to grow dividends by a low to mid-single digit percentage.

Before concluding, I want to express my sincere gratitude to the whole Telia team for the hard work and commitment they have shown in a very tough year, with a lot of work being done from home. The engagement they show gives me immense energy and confidence in the future.

In summary, Telia now has a well-defined roadmap to enable growth, develop our assets, and reset our cost base, allowing us to reinvent better for our customers, employees, shareholders, and the societies of the Nordics and the Baltics. I do hope you all feel as excited about the future as I do!"

Allison Kirkby
President & CEO

In Comments by the President & CEO, all growth rates disclosed are based on the like for like definition and EBITDA refers to adjusted EBITDA, unless otherwise stated. See definitions for more information.

OUTLOOK FOR 2021

Service revenues, in constant currency and excluding Telia Carrier, is expected to be flat or grow by low single digit.

Adjusted EBITDA, in constant currency and excluding Telia Carrier, is expected to be flat or grow by low single digit.

Cash CAPEX, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is expected to be in the range of SEK 14.5-15.5 billion.

AMBITION FOR 2021-2023

Service revenues, in constant currency and excluding Telia Carrier, is expected to grow by low single digit.

Adjusted EBITDA, in constant currency and excluding Telia Carrier, is expected to grow by low to mid-single digit.

Cash CAPEX to net sales, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is expected to return to around 15 percent by 2023.

CREDIT RATING TARGET

Telia Company targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade of A- to BBB+.

DIVIDEND POLICY

Telia Company intends to follow a progressive dividend policy, with a floor of SEK 2.00 per share and an ambition for low to mid-single digit percentage growth.

The operational free cash flow is expected to cover the minimum level throughout the 2021-2023 period.

The structural part¹ of operational free cash flow is expected to cover the minimum level of dividend from 2022.

1) Telia Company consider the structural part of Operational free cash flow to be Operational free cash flow less contribution from change in working capital.

REVIEW OF THE GROUP, FOURTH QUARTER 2020

SALES AND EARNINGS

Net sales grew 2.7 percent to SEK 23,464 million (22,838) driven by the consolidation of TV and Media. Like for like, net sales declined 1.9 percent.

Service revenues increased 4.0 percent to SEK 19,765 million (19,007) driven by the consolidation of TV and Media. Like for like, service revenues decreased 2.1 percent driven by lower service revenues in the Nordic markets as well as for the TV and Media unit.

Adjusted EBITDA declined 5.5 percent to SEK 7,477 million (7,914) and the adjusted EBITDA margin declined to 31.9 percent (34.7). Like for like, adjusted EBITDA declined 6.6 percent driven mainly by Sweden and the TV and Media unit.

Adjustment items affecting operating income amounted to SEK -25,610 million (-380). 2020 was mainly impacted by an impairment related to goodwill in Finland and by a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses, see Notes 3, 13 and 14.

Income from associated companies and joint ventures decreased to SEK -17,919 million (312). 2020 was impacted by a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses. See Note 14.

Adjusted operating income declined 12.4 percent to SEK 2,609 million (2,980) due to lower adjusted EBITDA and income from associated companies.

Financial items totaled SEK -998 million (-819) of which SEK -927 million (-711) related to net interest expenses.

Income taxes amounted to SEK -366 million (-416). The effective tax rate was -1.5 percent (23.2). The effective tax rate was mainly impacted by non-deductible capital loss related to the disposal of Turkcell and non-deductible impairment related to goodwill in Finland.

Total net income amounted to SEK -24,445 million (1,370) of which SEK -24,365 million (1,366) from continuing operations and SEK -80 million (4) from discontinued operations.

Other comprehensive income increased to SEK 11,452 million (-998), mainly impacted by reclassified accumulated foreign exchange losses from the disposal

of Turkcell, partly offset by negative remeasurements of defined benefit pension plans, see Notes 1 and 14.

CASH FLOW

Cash flow from operating activities increased to SEK 7,995 million (5,566) mainly impacted by changes in working capital. This effect also impacted **Free cash flow** which increased to SEK 3,789 million (1,681).

Operational free cash flow, from continuing operations, increased to SEK 2,856 million (977) mainly driven by changes in working capital.

Cash flow from investing activities amounted to SEK -555 million (-6,855). 2020 was impacted by the disposal of Turkcell while 2019 was impacted by the acquisition of Bonnier Broadcasting. See Notes 13 and 14.

Cash flow from financing activities amounted to SEK -11,757 million (-1,719). 2020 was mainly impacted by repayment of matured debt whilst 2019 was mainly impacted by increased short-term borrowings.

FINANCIAL POSITION

CAPEX excluding right-of-use assets, increased to SEK 4,169 million (4,004). CAPEX excluding fees for license, spectrum and right-of-use assets, increased to SEK 4,170 million (4,006). Cash CAPEX increased to SEK 4,206 million (3,862).

Net debt was SEK 78,343 million at the end of the fourth quarter (80,309 at the end of the third quarter of 2020). The net debt/adjusted EBITDA ratio was 2.55x.

COVID-19 IMPACT

The COVID-19 pandemic has had a significant impact on how we live and work, the global economy and the global financial markets. In the fourth quarter Telia Company continued to be impacted, but less than in the previous quarter. Service revenue was impacted negatively by lower revenues from mainly roaming and advertising. In total, the negative service revenue impact is estimated to be around SEK 0.4 billion and the negative impact on EBITDA as well as on Operating Income is estimated to be around SEK 0.2 billion for the fourth quarter 2020. The negative impact on service revenues for the year 2020 is estimated to be around SEK 2.0 billion and the negative impact on EBITDA as well as Operating income is estimated to be around SEK 1.0 billion.

In accordance with our financial planning process impairment tests for all Cash Generating Units (CGU) have been performed during the fourth quarter which resulted in an impairment loss for the CGU Finland. The CGUs TV and Media, Norway and Denmark have recoverable amounts close to the carrying values and are sensitive to changes in the long-term plans or WACCs. See Note 13. The uncertainty surrounding COVID-19 and how the resurgence of the pandemic develops implies a risk also going forward. In 2021 we foresee a continued gradual improvement in advertising revenues and estimate the negative roaming revenue impact in the first quarter 2021 to be around SEK 0.2 billion compared to roaming revenues for the first quarter 2020. For the full year 2021 we estimate the roaming revenues to recover to a similar level as the roaming revenues in 2020. This, as well as mitigating activities, are reflected in the outlook, see page 5.

Financial markets have had a strong rebound from its lows during Q2, volatility has normalized and liquidity in most markets has returned. Telia Company's financial risk management is in all material aspects unchanged but with additional focus to maintain a continued strong liquidity position. Also, the debt capital market has rebounded and offers pre COVID-19 spread levels to the Telia Company credit. The refinancing need 12 months ahead remains limited. The general credit risk increase in previous quarters has somewhat decreased and there has been no need for any significant increases in Telia Company's allowances for expected credit losses in the fourth quarter 2020. For more information on risks related to the outbreak of COVID-19, see "Risks and uncertainties" page 46.

REVIEW OF THE GROUP, FULL YEAR 2020

SALES AND EARNINGS

Net sales grew 3.8 percent to SEK 89,191 million (85,965) driven by the consolidation of TV and Media. Like for like, net sales declined 3.4 percent.

Service revenues increased 5.3 percent to SEK 77,342 million (73,455) driven by the consolidation of TV and Media. Like for like, service revenues decreased 3.4 percent driven by lower service revenues in the Nordic markets as well as for the TV and Media unit.

Adjusted EBITDA decreased 1.0 percent to SEK 30,702 million (31,017) and the adjusted EBITDA margin declined to 34.4 percent (36.1). Like for like, adjusted EBITDA declined 3.0 percent.

Adjustment items affecting operating income amounted to SEK -29,307 million (-1,159). 2020 was impacted by an impairment related to goodwill in Finland and a net impairment as well as a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses, see Notes 3, 13 and 14.

Income from associated companies and joint ventures decreased to SEK -20,080 million (1,138). 2020 was impacted by a net impairment as well as a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses, see Note 14.

Adjusted operating income declined 14.1 percent to SEK 11,560 million (13,452) mainly due to increased depreciations and amortizations.

Financial items totaled SEK -3,318 million (-2,938) of which SEK -3,161 million (-2,778) related to net interest expenses.

Income taxes amounted to SEK -1,412 million (-1,753). The effective tax rate was -6.7 percent (18.7). The effective tax rate was mainly impacted by non-deductible capital loss related to the disposal of Turkcell and a non-deductible impairment related to goodwill in Finland.

Total net income amounted to SEK -22,756 million (7,261) of which SEK -22,477 million (7,601) from continuing operations and SEK -279 million (-341) from discontinued operations.

Other comprehensive income amounted to SEK 5,422 million (1,237). 2020 was mainly impacted by reclassified accumulated foreign exchange losses from the disposal of Turkcell, partly offset by negative translation differences in continuing operations related to EUR and NOK, as well as negative remeasurements on defined benefit pension plans. See Notes 1 and 14.

CASH FLOW

Cash flow from operating activities amounted to SEK 28,824 million (27,594) and **Free cash flow** amounted to SEK 15,114 million (12,369), 2019 was impacted by higher Cash CAPEX.

Operational free cash flow, from continuing operations, decreased to SEK 12,095 million (12,571).

Cash flow from investing activities amounted to SEK -3,466 million (-30,543). 2020 was positively impacted by the disposal of Turkcell while 2019 was impacted by the acquisition of Bonnier Broadcasting, net investments in short-term investments as well as higher cash CAPEX.

Cash flow from financing activities amounted to SEK -23,098 million (-14,712). 2020 was impacted by higher repayments related to matured debt. 2019 was affected by net increase in borrowings offset by the acquisition of Turkcell's 41.45 percent share in Fintur as well as higher repurchased treasury shares.

FINANCIAL POSITION

CAPEX excluding right-of-use assets, decreased to SEK 13,782 million (14,355). CAPEX excluding fees for license, spectrum and right-of-use assets, declined to SEK 13,640 million (14,113). Cash CAPEX decreased to SEK 13,705 million (15,160).

Goodwill and other intangible assets decreased to SEK 86,521 million (101,938), mainly due to an impairment in Finland as well as foreign exchange rate effects.

Property, plant and equipment decreased to SEK 70,893 million (78,163) mainly due to foreign exchange rate effects and Telia Carrier being classified as held for sale, see Note 14.

Investments in associated companies and joint ventures, pension obligation assets and other non-current assets decreased to SEK 3,445 million (14,567) mainly due to the disposal of Telia Company's holding in Turkcell as well as negative remeasurements on pension obligations.

Short-term interest-bearing receivables decreased to SEK 5,486 million (12,300), mainly due to net divestments of investment bonds.

Assets classified as held for sale increased to SEK 4,957 million (875) due to Telia Carrier being classified as assets held for sale, which was partly offset by the disposal of Moldcell. These effects also had an impact on **Liabilities directly associated with assets classified as held for sale**.

Long-term borrowings increased to SEK 100,239 million (99,899) mainly due to issued bonds, offset by amortized debt and a reclassification to **Short-term borrowings**.

Short-term borrowings decreased to SEK 8,345 million (19,779) mainly due to matured debt and repayment of loans under the revolving credit facility, partly offset by a reclassification from **Long-term borrowings**.

COVID-19 IMPACT FULL YEAR 2020

For information on COVID-19, see "Review of the Group, fourth quarter" and "Risks and uncertainties".

SIGNIFICANT EVENTS IN THE FIRST QUARTER

- On February 4, 2020, Telia Company, as the first telecommunications company in the Nordics, issued a green bond of EUR 500 million. The new hybrid bond has a maturity of 61.25 years with the first reset date after 6.25 years. The coupon is 1.375 percent and the re-offer yield has been set at 1.50 percent.
- On February 4, 2020, Telia Company announced that the Board of Transparency International Sweden has appointed Telia Company to its Corporate Supporters Forum (CSF), a forum for large Swedish companies with experience of operating internationally and in areas prone to corruption.
- On February 14, 2020, Fintur Holdings B.V., wholly-owned by Telia Company, agreed to sell its 100 percent holding in Moldcell to CG Cell Technologies DAC, for a transaction price of USD 31.5 million. The transaction was closed on March 24, 2020. See Note 14.
- On March 4, 2020, Telia Company announced that Allison Kirkby will take up her position of President and CEO on May 4, 2020.
- On March 26, 2020, Telia Company announced that the outlook for 2020 would not be reached and that the Company will give an updated 2020 outlook as soon as possible. This was related to increased uncertainty as COVID-19 impacts the TV and Media segment. In addition, the Board of Directors adjusted the dividend proposal to SEK 1.80 per share from the previous SEK 2.45.

SIGNIFICANT EVENTS IN THE SECOND QUARTER

- On April 1, after receiving approval from relevant authorities, the transaction with CapMan Infra targeting an accelerated roll-out of open fiber in Finland, was closed. See Note 14.
- On April 2, 2020, Telia Company held its Annual General Meeting and announced that the Board members Rickard Gustafson, Lars-Johan Jarnheimer, Nina Linander, Jimmy Maymann, Anna Settmann, Olaf Swantee and Martin Tivéus were re-elected. As new member of the board Ingrid Bonde and Jeanette Jäger were elected. Lars-Johan Jarnheimer was re-elected Chair of the Board and Ingrid Bonde was elected Vice-Chair of the Board.
- The Annual General Meeting decided upon a dividend to shareholders of SEK 1.80 per share and that the payment should be distributed in two tranches of SEK 0.90 each to be paid in April and October, respectively.
- The Annual General Meeting also approved the reduction of the share capital by way of cancellation of own shares and to increase the share capital by way of bonus issue. The resolutions were executed

on April 15, 2020, by registration with the Swedish Companies Registration Office, and the number of shares in the company was reduced to 4,089,631,702 instead of the previous 4,209,540,375. Further the Annual General Meeting approved implementation of a long-term incentive program 2020/2023.

- On April 9, 2020, Telia Company announced that Heli Partanen has been appointed as new CEO of Telia Finland and member of the Group Executive Management team of Telia Company.
- On April 21, 2020, a new bilateral revolving credit facility was signed between Telia Company and Nordea Bank Abp, Filial i Sverige.
- On April 30, 2020 Telia Company announced that in accordance with the resolution at the Annual General Meeting on April 2, 2020, 119,908,673 treasury shares previously repurchased had been cancelled. See note 7.
- On May 4, 2020 Telia Company announced that Christian Luiga, Chief Financial Officer and previously acting CEO and President, had submitted his resignation.
- On May 18, 2020 Telia Company announced that The European Commission had approved Telia Company's decision to license standalone OTT rights, in Sweden and Finland, to Discovery Networks.
- On May 24, 2020 Telia Company announced that its first major commercial 5G network in Sweden would be inaugurated in Stockholm the following day.
- On June 8, 2020 Telia Finland secured an 800 MHz frequency block on the 26 GHz band for EUR 7 million.
- On June 17, 2020 Telia Company signed an agreement to sell its 47.1 percent holding in Turkcell Holding, which owns 51.0 percent in the listed company Turkcell İletişim Hizmetleri, to the Turkey Wealth Fund for USD 530 million. See note 14.
- On June 22, 2020 Telia Company announced several changes to the Group Executive Management team.

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- On July 16, 2020 Telia Company announced that Dr. Rainer Deutschmann has been appointed Group Chief Operating Officer (COO) and that Per Christian Mørland has been appointed Group Chief Financial Officer (CFO) of Telia Company.
- On September 29, 2020 it was announced that the representative for AMF had informed the Chair of the Nomination Committee that it, due to reduced ownership in Telia Company, wanted to step down from the Nomination Committee. The Nomination

Committee then decided to offer the seat instead to Handelsbanken Funds that accepted the offer.

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- On October 6, 2020 it was announced that Telia Company reached an agreement to divest its Telia Carrier business to Polhem Infra for a value of SEK 9,450 million on a cash and debt free basis. The transaction is subject to regulatory approvals and is expected to be completed during the first half of 2021. See note 14.
- On October 6, 2020 it was announced that the Board of Directors had decided to propose an additional dividend of SEK 0.65 per share, bringing the total dividend for 2019 back to 2.45 which was originally proposed in January this year.
- On October 21, 2020 Telia Company announced it has entered strategic partnerships with Ericsson and Nokia respectively. The agreements are five year each and related to modernization of Telia Company's 4G networks and upgrades to 5G in Sweden, Finland and Estonia.
- On October 21, 2020 Telia Company announced that Per Carleö has been appointed as Head of Brand and member of the Group Executive Management.
- On October 22, 2020 Telia Company announced the completion of the disposal of its 47.1 percent stake in Turkcell Holding. See Note 14.
- On November 2, 2020 Telia Company gave notice of an Extraordinary General Meeting to be held in Stockholm on Wednesday, December 2, 2020.
- On November 20, 2020 Telia Company announced the issuance of a bond of EUR 500 million in a 10-year deal maturing in November 2030 under its existing EUR 12 billion EMTN (Euro Medium Term Note) program. See Note 9.
- On December 2, 2020 the Extraordinary General Meeting decided upon an extraordinary dividend to shareholders of SEK 0.65 per share.

SIGNIFICANT EVENTS AFTER THE END OF THE FOURTH QUARTER

- On January 19, 2021 it was announced that Telia Company secured a 120 MHz frequency block in the 3.5 GHz band in Sweden for EUR 75 million.
- On January 20, 2021 Telia Company announced that the operational free cash flow for the full year 2020 reached SEK 12.1 billion, which is above the outlook of "reaching the upper end of SEK 9.5-10.5 billion", and that the Board of Directors intends to propose a dividend of SEK 2.00 per share for 2020. Furthermore, a SEK 7,800 million non-cash impairment relating to goodwill in Finland was communicated.

TELIA COMPANY SHARE

The Telia Company share is listed on Nasdaq Stockholm and Nasdaq Helsinki. In 2020, the share price in Stockholm closed at year-end at SEK 33.96 (40.25). The highest share price was SEK 42.41 (44.70) and the lowest was SEK 30.29 (38.97). The number of shareholders at year end was approximately 490,000.

ORDINARY DIVIDEND TO SHAREHOLDERS

For 2020, the Board of Directors proposes to the Annual General Meeting (AGM) an ordinary dividend of SEK 2.00 per share (2.45), totaling SEK 8.2 billion (10.0). The dividend should be split and distributed into two tranches of SEK 1.00 per share and SEK 1.00 per share, respectively.

First distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for April 12, 2021, and that the first day of trading in shares excluding rights to dividend be set for April 13, 2021. The recommended record date at Euroclear Sweden for the right to receive dividend will be April 14, 2021. If the AGM votes to approve the Board's

proposals, the dividend is expected to be distributed by Euroclear Sweden on April 19, 2021.

Second distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for October 26, 2021, and that the first day of trading in shares excluding rights to dividend be set for October 27, 2021. The recommended record date at Euroclear Sweden for the right to receive dividend will be October 28, 2021. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on November 2, 2021.

ANNUAL GENERAL MEETING 2020

The Annual General Meeting (AGM) will be held on April 12, 2021, in Stockholm. Notice of the AGM will be posted on www.teliacompany.com and advertised in the newspapers at the beginning of March 2021.

SWEDEN



- Telia secured a 120 MHz frequency block in the 3.5 GHz band and announced the start of a multiyear infrastructure project with the ambition to more than double the capacity in the 4G network and at the same time deploy 5G across the country. Part of the project is also to establish new mobile sites to expand coverage and widen the Fixed Wireless Access (FWA) footprint. When the project is completed 5G will cover more than 90 percent of the country and 99 percent of the population.
- For the fourth consecutive year Telia won the award for best mobile network according to the world-leading and independent benchmarking company Umlaut (formerly P3). With 939 points out of 1,000, Telia secured the top position in all three measurement categories - voice, data and crowd-source quality.
- The decision was taken to early 2021 move the business responsibility for the Swedish part of the streaming service C More from Telia Company's TV and Media unit to Telia Sweden's organization. This to leverage on tools, competences and access knowledge as well as the best infrastructure in Sweden to further enhance the customer experience across platforms and devices.

HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	8,859	8,908	-0.5	33,740	34,905	-3.3
Change (%) like for like	-0.5			-3.4		
of which service revenues (external)	7,544	7,683	-1.8	29,734	30,274	-1.8
change (%) like for like	-1.8			-1.8		
Adjusted EBITDA	3,359	3,668	-8.4	13,506	13,932	-3.1
Margin (%)	37.9	41.2		40.0	39.9	
change (%) like for like	-8.4			-3.1		
Adjusted operating income	1,725	1,994	-13.5	6,800	7,600	-10.5
Operating income	1,849	1,957	-5.5	6,790	7,346	-7.6
CAPEX excluding fees for licenses, spectrum and right-of-use assets	866	856	1.2	2,806	3,548	-20.9
Subscriptions, (thousands)						
Mobile	6,246	6,132	1.9	6,246	6,132	1.9
of which machine to machine (postpaid)	1,306	1,123	16.3	1,306	1,123	16.3
Fixed telephony	665	853	-22.0	665	853	-22.0
Broadband	1,242	1,263	-1.7	1,242	1,263	-1.7
TV	929	861	7.9	929	861	7.9
Employees ¹	4,504	4,724	-4.7	4,504	4,724	-4.7

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 0.5 percent to SEK 8,859 million (8,908) as higher equipment sales was not enough to fully compensate for lower service revenues.

Service revenues like for like decreased by 1.8 percent as mobile revenues declined 2.1 percent mainly due to lower roaming and interconnect revenues, and as fixed revenues declined 1.6 percent from a continued pressure on fixed telephony and fiber installation revenues.

Adjusted EBITDA declined 8.4 percent to SEK 3,359 million (3,668) and the adjusted EBITDA margin declined to 37.9 percent (41.2). Adjusted EBITDA like for like declined 8.4 percent as a result from lower service revenues and higher operating expenses. The latter

mainly due to increased costs associated with resources and marketing and as the corresponding quarter last year contained a SEK 100 million positive impact from a pension refund, something that was not repeated in the fourth quarter of this year.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 1.2 percent to SEK 866 million (856).

Mobile subscriptions grew by 39,000 in the quarter driven mainly by the net addition of 48,000 postpaid subscriptions used for machine-to-machine services. Fixed broadband subscriptions declined 13,000 and TV subscriptions increased by 10,000 in the quarter.

FINLAND



- In mid-October, Telia and MTV jointly launched the service C More TV, which brings the popular entertainment programs of the C More streaming service to Telia customers' smart devices at an attractive price. The service has been enthusiastically received by consumers and after the first month more than 15,000 customers had the C More TV in use.
- It was decided that the business responsibility for the streaming service C More in Finland, in the beginning of 2021 will be moved from Telia Company's TV and Media unit into Telia Finland's organization. This to further enhance the customer experience across platforms and devices from leveraging on tools, competences as well as Telia's strong infrastructure and knowledge around access.
- After having conducted the annual review of carrying values a non-cash impairment amounting to SEK 7,800 million related to goodwill in Finland was recognized.

HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	3,977	4,271	-6.9	15,260	15,969	-4.4
Change (%) like for like	-3.6			-3.5		
of which service revenues (external)	3,231	3,412	-5.3	12,851	13,359	-3.8
change (%) like for like	-1.9			-2.9		
Adjusted EBITDA	1,154	1,254	-8.0	4,812	4,900	-1.8
Margin (%)	29.0	29.4		31.5	30.7	
change (%) like for like	-4.9			-1.0		
Adjusted operating income	355	417	-14.8	1,591	1,657	-4.0
Operating income	-7,418	290		-6,328	1,489	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	463	449	3.1	1,689	1,493	13.1
Subscriptions, (thousands)						
Mobile	3,165	3,184	-0.6	3,165	3,184	-0.6
of which machine to machine (postpaid)	277	270	2.6	277	270	2.6
Fixed telephony	20	23	-13.0	20	23	-13.0
Broadband	462	473	-2.3	462	473	-2.3
TV	558	600	-7.0	558	600	-7.0
Employees ¹	2,928	2,907	0.7	2,928	2,907	0.7

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 6.9 percent to SEK 3,977 million (4,271) and like for like, net sales declined 3.6 percent primarily driven by lower service revenues. The effect of exchange rate fluctuations was negative by 3.3 percent.

Service revenues like for like declined 1.9 percent partly attributable to declining fixed revenues but mainly due to lower mobile revenues that declined 2.1 percent driven mainly by lower revenues from roaming.

Adjusted EBITDA declined 8.0 percent to SEK 1,154 million (1,254) and the adjusted EBITDA margin declined to 29.0 percent (29.4). Adjusted EBITDA like for like declined 4.9 percent as a result of the decline in service revenues as well as a lower margin on equipment sales.

Operating income decreased to SEK -7,418 (290) impacted by an impairment of SEK -7,800 million related to goodwill. See Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 3.2 percent to SEK 463 million (449).

Mobile subscriptions declined by 14,000 and TV subscriptions declined by 16,000 in the quarter. Fixed broadband subscriptions increased by 6,000 in the quarter.

After having conducted the annual review of carrying values a non-cash impairment amounting to SEK 7,800 million related to goodwill in Finland was recognized. See Note 13.

NORWAY

- Telia continued to take big leaps towards becoming the first operator in Norway with a nationwide 5G network by 2023. And after already having launched the new network for customers in Oslo, Bergen, Trondheim and Lillestrøm, the roll-out will continue in 19 more cities and municipalities during the first half of 2021. Furthermore, as the first operator in Norway Telia also launched 5G based Fixed Wireless Access (FWA). First city out to have FWA was Trondheim with several more cities to be covered going forward as 5G coverage expands.
- A new and simpler mobile portfolio with also a clear focus on families was launched in November. The portfolio that now offers five tariffs compared to twelve previously, was highly appreciated by customers and saw good inflow primarily on the tariffs containing larger data volumes. Furthermore, the unlimited offering "Telia X" continued to enjoy good traction, adding more than 1,000 subscribers per week during the quarter.



HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	3,357	3,706	-9.4	13,373	14,666	-8.8
Change (%) like for like	0.1			0.1		
of which service revenues (external)	2,763	3,120	-11.4	11,338	12,884	-12.0
change (%) like for like	-2.1			-3.4		
Adjusted EBITDA	1,523	1,505	1.2	6,064	6,394	-5.2
Margin (%)	45.4	40.6		45.3	43.6	
change (%) like for like	11.6			4.1		
Adjusted operating income	395	150	164.2	1,663	2,184	-23.9
Operating income	349	57	511.9	1,502	1,934	-22.3
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	883	723	22.1	2,441	2,421	0.8
Subscriptions, (thousands)						
Mobile	2,247	2,276	-1.3	2,247	2,276	-1.3
of which machine to machine (postpaid)	107	85	25.1	107	85	25.1
Fixed telephony	40	49	-18.4	40	49	-18.4
Broadband	469	445	5.4	469	445	5.4
TV	469	480	-2.3	469	480	-2.3
Employees ¹	1,633	1,626	0.4	1,633	1,626	0.4

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 9.4 percent to SEK 3,357 million (3,706) and like for like, net sales increased 0.1 percent as increased equipment sales compensated for lower service revenues. The effect of exchange rate fluctuations was negative by 9.5 percent.

Service revenues like for like declined 2.1 percent to some less extent attributable to lower mobile revenues, but mainly due to fixed revenues declining by 3.5 percent. For mobile revenues, the decline was mainly the result from lower roaming and wholesale revenues, whereas fixed revenues declined primarily driven by pressure on TV revenues. Furthermore, other service revenues declined which also contributed to the decline.

Adjusted EBITDA increased 1.2 percent to SEK 1,523 million (1,505) and the adjusted EBITDA margin grew to 45.4 percent (40.6). Adjusted EBITDA like for like increased 11.6 percent as efficiencies gained on the cost side more than compensated for the negative impact from service revenues declining.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 22.1 percent to SEK 883 million (723).

Mobile subscriptions declined by 18,000 in the quarter driven mainly by the loss of prepaid subscriptions. TV subscriptions declined by 2,000 and fixed broadband subscriptions grew by 8,000 in the quarter.

DENMARK

- In Denmark the mobile market continued to overall be challenging but Telia again managed to do well on mobile subscription net intake with a gain of 10,000 subscriptions in the quarter. For the full year the subscription base increase summarized to 59,000 driven by a positive net addition development for nine out of the twelve months. On the operational side, the radical simplification to gain further efficiencies continued and for the full-year more than 2,000 products, services and price plans were closed-down.



HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	1,403	1,532	-8.4	5,464	5,675	-3.7
Change (%) like for like	-5.5			-3.0		
of which service revenues (external)	965	1,063	-9.2	3,976	4,262	-6.7
change (%) like for like	-6.2			-6.0		
Adjusted EBITDA	269	295	-8.9	1,029	1,056	-2.6
Margin (%)	19.1	19.2		18.8	18.6	
change (%) like for like	-5.4			-1.6		
Adjusted operating income	-17	58		-8	-4	111.2
Operating income	-21	45		-25	-45	-44.4
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	79	88	-9.8	288	286	0.8
Subscriptions, (thousands)						
Mobile	1,494	1,435	4.1	1,494	1,435	4.1
of which machine to machine (postpaid)	113	82	38.4	113	82	38.4
Fixed telephony	66	72	-8.3	66	72	-8.3
Broadband	68	81	-16.0	68	81	-16.0
TV	29	21	38.1	29	21	38.1
Employees ¹	731	710	3.0	731	710	3.0

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 8.4 percent to SEK 1,403 million (1,532) and like for like, net sales declined 5.5 percent as both equipment sales and service revenues declined. The effect of exchange rate fluctuations was negative by 2.9 percent.

Service revenues like for like declined 6.2 percent as both mobile and fixed revenues declined. Mobile revenues declined 5.7 percent due to mainly lower roaming revenues whereas fixed revenues declined 11.0 percent, driven mainly by lower revenues from TV and partly also from broadband.

Adjusted EBITDA declined 8.9 percent to SEK 269 million (295) and the adjusted EBITDA margin declined slightly to 19.1 percent (19.2). Adjusted EBITDA like for like declined 5.4 percent as lower operating expenses could not fully compensate for the pressure on service revenues.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 9.8 percent to SEK 79 million (88).

Mobile subscriptions increased in the quarter by 10,000 attributable to postpaid subscriptions used for machine-to-machine related services. Fixed broadband and TV subscriptions both declined by 2,000 in the quarter.

LITHUANIA

- A strategic five-year partnership with Ericsson was entered to modernize the mobile network and rollout of 5G across the country, something that will enable better digital experiences for customers as well as society and pave the way for more efficient network operations. Ericsson will be the sole partner to deliver radio access network technology, and over the next three years the plan is to upgrade around 2,000 sites, beginning 2021. This will further improve the current 4G network quality and also eventually ensure a fast and efficient upgrade to 5G, across the country.



HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	1,076	1,122	-4.2	4,151	4,045	2.6
Change (%) like for like	-0.8			3.6		
of which service revenues (external)	788	821	-4.1	3,167	3,096	2.3
change (%) like for like	-0.6			3.3		
Adjusted EBITDA	370	379	-2.4	1,497	1,430	4.7
Margin (%)	34.4	33.8		36.1	35.4	
change (%) like for like	1.1			5.7		
Adjusted operating income	111	204	-45.5	776	744	4.2
Operating income	107	190	-43.4	756	714	5.9
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	101	69	47.0	368	424	-13.2
Subscriptions, (thousands)						
Mobile	1,398	1,347	3.8	1,398	1,347	3.8
of which machine to machine (postpaid)	204	175	16.7	204	175	16.7
Fixed telephony	230	261	-11.9	230	261	-11.9
Broadband	417	419	-0.5	417	419	-0.5
TV	253	244	3.7	253	244	3.7
Employees ¹	1,598	1,737	-8.0	1,598	1,737	-8.0

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 4.2 percent to SEK 1,076 million (1,122) and like for like, net sales declined 0.8 percent driven by lower sale of equipment as well as lower service revenues. The effect of exchange rate fluctuations was negative by 3.4 percent.

Service revenues like for like declined 0.6 percent as a 5.0 percent growth for mobile revenues was more than offset by fixed service revenues declining by 4.5 percent. This due to a continued pressure on fixed telephony revenues and lower transit revenues, together more than offsetting a positive development for TV, broadband and business solutions revenues.

Adjusted EBITDA declined 2.4 percent to SEK 370 million (379) and the adjusted EBITDA margin increased to 34.4 percent (33.8). Adjusted EBITDA like for like grew 1.1 percent as lower operational expenses compensated for the slight decline in service revenues.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 47.0 percent to SEK 101 million (69).

Mobile subscriptions increased by 13,000 and fixed broadband and TV subscriptions increased in the quarter by 1,000 and 2,000, respectively.

ESTONIA

- Together with Ericsson and based on a technology called Dynamic Spectrum Sharing (DSS), Telia as the first Estonian operator launched 5G in three of the country's largest cities, Tallinn, Tartu, and Pärnu. The roll-out then continued during the quarter and reached some 20 locations in four cities at year-end.



HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	865	907	-4.6	3,321	3,333	-0.4
Change (%) like for like	-1.3			0.6		
of which service revenues (external)	643	669	-4.0	2,627	2,600	1.0
change (%) like for like	-0.4			2.0		
Adjusted EBITDA	281	280	0.4	1,153	1,146	0.6
Margin (%)	32.4	30.8		34.7	34.4	
change (%) like for like	4.1			1.6		
Adjusted operating income	108	110	-2.2	453	502	-9.6
Operating income	106	125	-15.3	446	512	-12.7
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	115	122	-6.0	366	422	-13.2
Subscriptions, (thousands)						
Mobile	1,112	1,068	4.1	1,112	1,068	4.1
of which machine to machine (postpaid)	353	305	15.7	353	305	15.7
Fixed telephony	226	245	-7.8	226	245	-7.8
Broadband	242	244	-0.8	242	244	-0.8
TV	208	212	-1.9	208	212	-1.9
Employees ¹	1,463	1,568	-6.7	1,463	1,568	-6.7

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 4.6 percent to SEK 865 million (907) and like for like, net sales declined 1.3 percent as service revenues as well as equipment sales declined. The effect of exchange rate fluctuations was negative by 3.3 percent.

Service revenues like for like declined 0.4 percent as growth in fixed revenues attributable to the majority of fixed services, was offset by a combination of a 3.3 percent decline for mobile revenues and lower other service revenues which are not part of neither mobile nor fixed services.

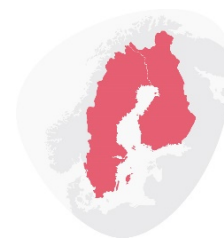
Adjusted EBITDA increased 0.4 percent to SEK 281 million (280) and the adjusted EBITDA margin increased

to 32.4 percent (30.8). Adjusted EBITDA like for like increased 4.1 percent as the negative impact from lower service revenues was more than compensated for by lower costs.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, declined 6.0 percent to SEK 115 million (122).

Mobile subscriptions increased by 7,000 in the quarter driven by the net addition of 7,000 postpaid subscriptions used for machine-to-machine services. Fixed broadband subscriptions and TV subscriptions both decreased by 1,000 in the quarter.

TV AND MEDIA



- The level of streaming continued to show a substantial growth, and TV4 Play/online (including also C More channels) saw an increase in the excess of 30 percent when it comes to streamed hours compared to the fourth quarter of last year. Also, the share of viewing for TV4's linear advertising-based stations amongst ages 15-64 reached 35.1 percent for the quarter. A significant increase versus 32.1 percent for the corresponding quarter last year and the highest Q4 number since the start of measuring share of viewing back in 1994.
- In addition to earlier in the year securing several high-quality rights, such as Champions League for the coming three years, and SHL until 2030 TV and Media continued to strengthen its Swedish sports content portfolio in the quarter from securing the rights to the European Football Championships 2024 and 2028, and TV4 also announced that it will show the FIFA World Cup 2026. The latter together with the Swedish public broadcaster SVT, who has the rights to the championship. In the quarter TV and Media also secured the rights for MTV and C More to show the FIFA World Cup 2026 in Finland, this in a first-ever partnership with the public broadcaster YLE.
- The decision was taken to early 2021 move the business responsibility for the streaming service C More from the TV and Media unit into the Swedish and Finnish organizations. This to further enhance the customer experience across platforms and devices from leveraging on tools, competences as well as Telia's strong infrastructure and knowledge around access and product bundling.

HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	2,340	751	211.6	7,429	751	944.8
Change (%) like for like	-4.9			-14.5		
of which service revenues (external)	2,340	711	229.2	7,429	711	944.8
change (%) like for like	-4.9			-14.5		
Adjusted EBITDA	200	108	85.2	758	108	601.9
Margin (%)	8.6	14.3		10.2	14.3	
change (%) like for like	-56.1			-47.9		
Adjusted operating income	-21	42		-55	42	
Operating income	-43	-44	-2.3	-120	-44	172.7
CAPEX excluding fees for licenses, spectrum and right-of-use assets	89	13		356	13	
Subscriptions, (thousands)						
TV	789	653	20.8	789	653	20.8
Employees	1,484	1,261	17.7	1,484	1,261	17.7

Note that the TV and Media segment that contains the former Bonnier Broadcasting business was established in December 2019 and hence the comparable periods last year only contain one month of financials.

Net sales amounted to SEK 2,340 million and like for like, net sales declined 4.9 percent.

Service revenues like for like declined 4.9 percent as mainly advertising revenues decreased by 6.8 percent due to mainly a weaker demand for advertising given the COVID-19 pandemic.

Adjusted EBITDA amounted to SEK 200 million and the adjusted EBITDA margin to 8.6 percent. Like for like adjusted EBITDA declined 56.1 percent driven by lower service revenues coupled with increased content costs.

CAPEX excluding fees for licenses, spectrum and right-of-use assets amounted to SEK 89 million.

Direct subscriptions video-on-demand (SVOD) grew by 142,000 in the quarter.

For information on impairment test for TV and Media, see Note 13.

OTHER OPERATIONS

HIGHLIGHTS

SEK in millions, except margins, operational data and changes	Oct-Dec 2020	Oct-Dec 2019	Chg %	Jan-Dec 2020	Jan-Dec 2019	Chg %
Net sales	2,175	2,283	-4.7	8,715	8,889	-2.0
Change (%) like for like	-1.4			-1.4		
of which Telia Carrier	1,270	1,336	-4.9	5,235	5,388	-2.8
of which Latvia	611	673	-9.2	2,381	2,408	-1.2
Adjusted EBITDA	321	426	-24.7	1,881	2,051	-8.3
of which Telia Carrier	225	232	-2.9	909	888	2.4
of which Latvia	201	214	-6.4	778	799	-2.6
Margin (%)	14.8	18.7		21.6	23.1	
Income from associated companies	-17,920	315		-20,073	1,150	
of which Turkey	-17,955	272		-20,246	990	
of which Latvia	37	44	-16.1	179	164	9.1
Adjusted operating income	-48	4		340	726	-53.2
Operating income	-17,930	-20		-20,770	387	
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	1,570	1,678	-6.4	5,323	5,499	-3.2
Subscriptions, (thousands)						
Mobile Latvia	1,307	1,299	0.6	1,307	1,299	0.6
of which machine to machine (postpaid)	341	325	5.1	341	325	5.1
Employees ¹	6,400	6,312	1.4	6,400	6,312	1.4

1) Fourth quarter and full year 2019 are restated for comparability see Note 1.

Net sales declined 4.7 percent to SEK 2,175 million (2,283) and like for like, net sales declined 1.4 percent. The effect of exchange rate fluctuations was negative by 3.3 percent.

Adjusted EBITDA declined 24.7 percent to SEK 321 million (426) and the adjusted EBITDA margin declined to 14.8 percent (18.7). Adjusted EBITDA like for like declined 23.1 percent driven by higher operational expenses.

In **Telia Carrier**, net sales declined 4.9 percent to SEK 1,270 million (1,336). Adjusted EBITDA declined 2.9 percent to SEK 225 million (232) and the adjusted EBITDA margin increased to 17.7 percent (17.4). Adjusted EBITDA like for like increased 1.8 percent.

In **Latvia**, net sales declined 9.2 percent to SEK 611 million (673). Adjusted EBITDA declined 6.4 percent to SEK 201 million (214) and the adjusted EBITDA margin grew to 32.9 percent (31.9). Adjusted EBITDA like for like declined 3.1 percent. The number of mobile subscriptions increased by 6,000 in the quarter mainly driven by the net addition of 8,000 postpaid subscriptions used for machine-to-machine related services.

Income from associated companies declined to SEK -17,920 million (315) impacted by a capital loss from the disposal of Turkcell of SEK -17,955 million, mainly related to reclassified accumulated foreign exchange losses.

In the second quarter of 2020 an agreement was signed to sell Telia Company's 47 percent ownership in Turkcell Holding which owns 51 percent in the listed company Turkcell İletişim Hizmetleri (Turkcell). The transaction was closed during the fourth quarter of 2020. See Note 14.

In the fourth quarter 2020 an agreement was signed to divest Telia Carrier to Polhem Infra. The transaction is subject to regulatory approvals and is expected to be completed during the first half of 2021. See Note 14.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

SEK in millions, except per share data and number of shares	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Continuing operations					
Net sales	4, 5	23,464	22,838	89,191	85,965
Cost of sales		-15,395	-14,997	-57,035	-54,082
Gross profit		8,069	7,841	32,156	31,884
Selling, administration and R&D expenses		-5,627	-5,458	-21,701	-20,178
Other operating income and expenses, net		-7,524	-95	-8,122	-551
Income from associated companies and joint ventures		-17,919	312	-20,080	1,138
Operating income	4	-23,001	2,600	-17,747	12,293
Financial items, net		-998	-819	-3,318	-2,938
Income after financial items	4	-23,999	1,781	-21,065	9,354
Income taxes		-366	-416	-1,412	-1,753
Net income from continuing operations		-24,365	1,366	-22,477	7,601
Discontinued operations					
Net income from discontinued operations	14	-80	4	-279	-341
Total net income		-24,445	1,370	-22,756	7,261
Items that may be reclassified to net income:					
Foreign currency translation differences from continuing operations	14	16,052	-2,429	10,936	624
Foreign currency translation differences from discontinued operations		–	37	433	146
Other comprehensive income from associated companies and joint ventures		–	96	-111	382
Cash flow hedges		-134	-39	14	-93
Cost of hedging		-75	-55	-100	54
Debt instruments at fair value through OCI		-5	-54	32	-28
Income taxes relating to items that may be reclassified		-170	-154	-125	361
Items that will not be reclassified to net income:					
Equity instruments at fair value through OCI		54	41	63	47
Remeasurements of defined benefit pension plans	1	-5,358	1,965	-7,166	-323
Income taxes relating to items that will not be reclassified		1,088	-405	1,457	64
Associates' remeasurements of defined benefit pension plans		–	0	-12	4
Other comprehensive income		11,452	-998	5,422	1,237
Total comprehensive income		-12,993	372	-17,335	8,498
Total net income attributable to:					
Owners of the parent		-24,488	1,312	-22,912	7,093
Non-controlling interests		43	57	156	167
Total comprehensive income attributable to:					
Owners of the parent		-12,981	374	-17,237	8,161
Non-controlling interests		-12	-2	-99	337
Earnings per share (SEK), basic and diluted		-5.99	0.32	-5.60	1.70
of which continuing operations		-5.97	0.32	-5.53	1.77
Number of shares (thousands)					
Outstanding at period-end	7	4,089,632	4,112,681	4,089,632	4,112,681
Weighted average, basic and diluted		4,089,632	4,123,397	4,090,367	4,172,356
EBITDA from continuing operations	17	7,622	7,564	30,194	30,017
Adjusted EBITDA from continuing operations	3, 17	7,477	7,914	30,702	31,017
Depreciation, amortization and impairment losses from continuing operations		-12,704	-5,276	-27,861	-18,863
Adjusted operating income from continuing operations	3, 17	2,609	2,980	11,560	13,452

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEK in millions	Note	Dec 31, 2020	Dec 31, 2019
Assets			
Goodwill and other intangible assets	6, 13	86,521	101,938
Property, plant and equipment	6	70,893	78,163
Film and program rights, non-current		1,312	1,063
Right-of-use assets	6	14,814	15,640
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	10	3,445	14,567
Deferred tax assets		1,449	1,849
Long-term interest-bearing receivables	8, 10	11,233	10,869
Total non-current assets		189,668	224,088
Film and program rights, current		2,706	1,990
Inventories		1,918	1,966
Trade and other receivables and current tax receivables	10	13,815	16,738
Short-term interest-bearing receivables	8, 10	5,486	12,300
Cash and cash equivalents	8	8,133	6,116
Assets classified as held for sale	8, 14	4,957	875
Total current assets		37,014	39,984
Total assets		226,683	264,072
Equity and liabilities			
Equity attributable to owners of the parent		62,836	91,047
Equity attributable to non-controlling interests		1,118	1,409
Total equity		63,954	92,455
Long-term borrowings	8, 10	100,239	99,899
Deferred tax liabilities		9,845	11,647
Provisions for pensions and other long-term provisions		11,787	8,407
Other long-term liabilities		757	1,377
Total non-current liabilities		122,627	121,330
Short-term borrowings	8, 10	8,345	19,779
Trade payables and other current liabilities, current tax payables and short-term provisions		28,430	29,904
Liabilities directly associated with assets classified as held for sale	8, 14	3,325	604
Total current liabilities		40,101	50,287
Total equity and liabilities		226,683	264,072

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

SEK in millions	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019 ²
Cash flow before change in working capital		7,032	6,932	29,707	27,909
Increase/decrease Film and program right assets and liabilities ¹		-207	161	-1,148	152
Increase/decrease other operating receivables, liabilities and inventory		2,503	-1,154	4,322	73
Change in working capital		2,297	-993	3,173	225
Amortization and impairment of Film and program rights ¹		-1,334	-372	-4,057	-541
Cash flow from operating activities		7,995	5,566	28,824	27,594
of which from continuing operations		7,995	5,547	28,802	29,576
of which from discontinued operations		–	19	22	-1,983
Cash CAPEX	17	-4,206	-3,886	-13,710	-15,224
Free cash flow	17	3,789	1,681	15,114	12,369
of which from continuing operations		3,789	1,685	15,097	14,415
of which from discontinued operations		–	-4	17	-2,047
Cash flow from other investing activities		3,651	-2,969	10,243	-15,319
Total cash flow from investing activities		-555	-6,855	-3,466	-30,543
of which from continuing operations		-555	-6,832	-3,462	-30,665
of which from discontinued operations		–	-23	-5	122
Cash flow before financing activities		7,440	-1,289	25,358	-2,949
Cash flow from financing activities		-11,757	-1,719	-23,098	-14,712
of which from continuing operations		-11,757	-1,713	-23,096	-14,697
of which from discontinued operations		–	-6	-2	-15
Cash flow for the period		-4,317	-3,008	2,259	-17,661
of which from continuing operations		-4,317	-2,998	2,244	-15,785
of which from discontinued operations		–	-10	15	-1,875
Cash and cash equivalents, opening balance		12,940	9,110	6,210	22,591
Cash flow for the period		-4,317	-3,008	2,259	-17,661
Exchange rate differences in cash and cash equivalents		-291	108	-137	1,280
Cash and cash equivalents, closing balance		8,332	6,210	8,332	6,210
of which from continuing operations		8,332	6,116	8,332	6,116
of which from discontinued operations		–	94	–	94

See Note 17 section Operational free cash flow for further information.

1) Total cash out flow from acquired Film and program rights is the total of Increase/decrease Film and program right assets and liabilities and Amortization and impairment of Film and program rights. 2) Restated, see Note 1.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

SEK in millions	Owners of the parent	Non-controlling interests	Total equity
Opening balance, January 1, 2019	97,387	5,050	102,438
Dividends	-9,850	-166	-10,016
Share-based payments	32	–	32
Acquisition and transfer of treasury shares ¹	-4,974	–	-4,974
Changes in non-controlling interests ²	311	-3,812	-3,502
Cancellation of treasury shares, net effect ³	–	–	–
Bonus issue, net effect ³	–	–	–
<i>Total transactions with owners</i>	<i>-14,482</i>	<i>-3,978</i>	<i>-18,460</i>
Total comprehensive income	8,161	337	8,498
Effect of equity transactions in associated companies	-20	–	-20
Closing balance, December 31, 2019	91,047	1,409	92,455
Change in accounting principles in associated companies ⁴	-12	–	-12
Adjusted opening balance, January 1, 2020	91,035	1,409	92,443
Dividends	-10,020	-192	-10,212
Share-based payments	16	–	16
Acquisition and transfer of treasury shares ¹	-956	–	-956
Cancellation of treasury shares, net effect ³	–	–	–
Bonus issue, net effect ³	–	–	–
Reclassification of Inflation reserve ⁵	–	–	–
<i>Total transactions with owners</i>	<i>-10,959</i>	<i>-192</i>	<i>-11,151</i>
Total comprehensive income	-17,237	-99	-17,335
Effect of equity transactions in associated companies	-2	–	-2
Closing balance, December 31, 2020	62,836	1,118	63,954

1) Acquisition and transfer of treasury shares, see Note 7. 2) Mainly relates to acquisition of Turkcell's 41.45 percent share in Fintur, see Note 14. 3) For information on cancellation of treasury shares and bonus issue of shares, see Note 7. 4) Transition effect of IFRS 15 and IFRS 9 for Turkcell, which is a publicly listed company and therefore included with one-quarter lag. 5) Reclassification of Inflation reserve due to disposal of Turkcell.

NOTE 1. BASIS OF PREPARATION

GENERAL

Telia Company's consolidated financial statements for the fourth quarter and for the twelve-month period ended December 31, 2020, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act as well as standard RFR 2 Accounting for Legal Entities and other statements issued by the Swedish Financial Reporting Board. For the group this Interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and for the parent company in accordance with the Swedish Annual Accounts Act. The accounting policies adopted, and computation methods used are consistent with those followed in the Annual and Sustainability Report 2019. All amounts in this report are presented in SEK millions, unless otherwise stated. Rounding differences may occur.

SEGMENTS

From July 1, 2020 the segment TV and Media, including the acquired Bonnier Broadcasting businesses (TV4/MTV/C More), also contains Telia Company's former product area Media and Entertainment (former part of Other operations).

CHANGE IN ACCOUNTING ESTIMATES

During the fourth quarter 2020 Telia Company changed the method for calculating the discount rate for the defined benefit pension plans for the Swedish operation. Telia Company no longer adjust the discount rate with the difference between the long-term inflation target of the central bank and the actual market inflation. Telia Company also changed the mortality table which is used when calculating the pension obligation. The changes led to a total net increase of the pension obligation and a corresponding decrease in Other comprehensive income of SEK 4,387 million in the fourth quarter, whereof SEK 2,628 million related to the discount rate method and SEK 1,758 million related to the mortality table.

RESTATEMENT OF FINANCIAL AND OPERATIONAL DATA

In the first quarter 2020 the remaining holding companies in discontinued operations were reclassified to continuing operations. As a result of the reclassification, cash flow from financing activities for the twelve-month period of 2019 has been restated with SEK -3,684 million from discontinued operations to continuing operations. The restated amount relates to the cash flow effect from the acquisition of non-controlling interest in Fintur in the second quarter 2019, see Note 14. Total cash flow from financing activities for the twelve-month period of 2019 is unchanged.

As a result of the implementation of the new operating in Norway, Denmark, Lithuania and Estonia as of January 2020, CAPEX excluding fees for licenses, spectrum and right-of-use assets and Segment assets and liabilities as well as employees have been restated as presented in the table below

Revenues from invoicing fees referring to both mobile and fixed services have been restated for the historical period. This implies that revenues from invoicing fees have been reclassified from mobile and fixed service revenues to other service revenues, leaving the total service revenues unchanged.

For further information on restatements, see the Annual and Sustainability Report 2019 Note C1.

Amounts in SEK millions except employees	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Group
CAPEX excluding fees for licenses, spectrum and right-of-use assets, fourth quarter 2019	–	–	-123	-30	-30	-36	–	218	–
CAPEX excluding fees for licenses, spectrum and right-of-use assets, Jan-Dec 2019	–	–	-462	-116	-102	-127	–	807	–
Employees, Dec 31, 2019	-9	-19	-248	-84	-222	-228	–	810	–
Disaggregation of revenues, fourth quarter 2019 (invoice fee)									
Mobile Subscription Revenues	-84	-25	-29	-16	–	–	–	–	-155
Other Mobile Service Revenues	-9	-19	–	–	–	–	–	–	-27
Total Mobile Service Revenues	-93	-43	-29	-16	–	–	–	–	-182
Other Fixed Service Revenues	-61	-25	–	–	-5	–	–	–	-91
Total Fixed Service Revenues	-61	-25	–	–	-5	–	–	–	-91
Other Service Revenues	153	69	29	16	6	–	–	–	273
Disaggregation of revenues, Jan-Dec 2019 (invoice fee)									
Mobile Subscription Revenues	-348	-89	-137	-67	-8	–	–	–	-649
Other Mobile Service Revenues	-37	-75	–	–	–	–	–	–	-113
Total Mobile Service Revenues	-385	-164	-137	-67	-8	–	–	–	-761
Other Fixed Service Revenues	-259	-99	–	–	-10	–	–	–	-368
Total Fixed Service Revenues	-259	-99	–	–	-10	–	–	–	-368
Other Service Revenues	644	263	137	67	18	–	–	–	1,129
Segment assets, Dec 31, 2019	–	-7	-1,181	-399	-506	-262	–	2,354	–
Segment liabilities, Dec 31, 2019	–	–	-324	-133	–	–	–	458	–

NOTE 2. REFERENCES

For more information regarding:

- Sales and earnings, Cash flow and Financial position, see pages 6-8.
- Significant events in the first, second, third and fourth quarter, see pages 9-10.
- Significant events after the end of the fourth quarter, see page 10.
- Risks and uncertainties, see page 46.

NOTE 3. ADJUSTMENT ITEMS

ADJUSTMENT ITEMS WITHIN OPERATING INCOME, CONTINUING OPERATIONS

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Within EBITDA	145	-350	-508	-1,000
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:	-	-	-	-
Sweden	124	-37	-10	-255
Finland	-2	-127	-37	-168
Norway	-46	-70	-161	-227
Denmark	-4	-14	-17	-41
Lithuania	-4	-6	-13	-22
Estonia	-2	-1	-7	-5
TV and Media	-23	-86	-64	-86
Other operations	73	-24	-164	-211
Capital gains/losses	28	15	-35	15
Within Depreciation, amortization and impairment losses¹	-7,800	-23	-7,910	-151
Within Income from associated companies and joint ventures²	-17,955	-8	-20,889	-8
Total adjustment items within operating income, continuing operations	-25,610	-380	-29,307	-1,159

1) Fourth quarter 2020 includes an impairment of SEK -7,800 million related to goodwill in Finland. Full year 2020 also includes an impairment of SEK -110 million relating to remeasurement of the Finnish real estate companies, see Note 14. Full year 2019 include an impairment of SEK -129 million of capitalized development expenses within Other operations following a management decision regarding a cancellation of a development project for a new IT system. 2) Fourth quarter 2020 includes a capital loss amounting to SEK -17,955 million from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses. Full year 2020 also includes a net impairment of SEK -2,928 million related to the holding in Turkcell, see Note 14.

ADJUSTMENT ITEMS WITHIN EBITDA, DISCONTINUED OPERATIONS (REGION EURASIA)

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Within EBITDA	-80	-11	-287	-161
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.	-	-10	-13	-157
Impairment loss on remeasurement to fair value less costs to sell	-	-1	-	-4
Capital gains/losses ¹	-	-	-193	-
Transaction warranties, net	-80	-	-80	-
Total adjustment items within EBITDA, discontinued operations	-80	-11	-287	-161

1) Capital gains/losses full year 2020 relate to the disposal of Moldcell, see Note 14.

NOTE 4. SEGMENT INFORMATION

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales				
Sweden	8,859	8,908	33,740	34,905
<i>of which external</i>	8,831	8,868	33,581	34,762
Finland	3,977	4,271	15,260	15,969
<i>of which external</i>	3,911	4,202	15,026	15,763
Norway	3,357	3,706	13,373	14,666
<i>of which external</i>	3,354	3,702	13,356	14,650
Denmark	1,403	1,532	5,464	5,675
<i>of which external</i>	1,385	1,508	5,385	5,585
Lithuania	1,076	1,122	4,151	4,045
<i>of which external</i>	1,056	1,112	4,089	3,981
Estonia	865	907	3,321	3,333
<i>of which external</i>	841	883	3,223	3,235
TV and Media	2,340	751	7,429	751
<i>of which external</i>	2,340	711	7,429	711
Other operations	2,175	2,283	8,715	8,889
Total segments	24,053	23,481	91,454	88,233
Eliminations	-588	-642	-2,263	-2,268
Group	23,464	22,838	89,191	85,965
Adjusted EBITDA				
Sweden	3,359	3,668	13,506	13,932
Finland	1,154	1,254	4,812	4,900
Norway	1,523	1,505	6,064	6,394
Denmark	269	295	1,029	1,056
Lithuania	370	379	1,497	1,430
Estonia	281	280	1,153	1,146
TV and Media	200	108	758	108
Other operations	321	426	1,881	2,051
Total segments	7,477	7,914	30,702	31,017
Eliminations	–	–	–	–
Group	7,477	7,914	30,702	31,017
Operating income				
Sweden	1,849	1,957	6,790	7,346
Finland	-7,418	290	-6,328	1,489
Norway	349	57	1,502	1,934
Denmark	-21	45	-25	-45
Lithuania	107	190	756	714
Estonia	106	125	446	512
TV and Media	-43	-44	-120	-44
Other operations	-17,930	-20	-20,770	387
Total segments	-23,001	2,600	-17,747	12,293
Eliminations	–	–	–	–
Group	-23,001	2,600	-17,747	12,293
Financial items, net	-998	-819	-3,318	-2,938
Income after financial items	-23,999	1,781	-21,065	9,354

SEK in millions	Dec 31, 2020	Dec 31, 2020	Dec 31, 2019	Dec 31, 2019
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Sweden	46,824	12,273	48,692	12,403
Finland ¹	44,248	4,784	54,303	4,808
Norway ¹	51,769	5,128	58,370	4,543
Denmark ¹	7,504	1,870	8,578	1,636
Lithuania ¹	6,425	1,330	7,207	1,120
Estonia ¹	5,484	971	5,797	878
TV and Media	13,278	1,900	13,677	2,716
Other operations ¹	23,812	6,452	38,777	9,305
Total segments	199,343	34,707	235,400	37,407
Unallocated	22,383	124,695	27,797	133,606
Assets and liabilities held for sale	4,957	3,325	875	604
Total assets/liabilities, group	226,683	162,727	264,072	171,616

1) 2019 restated, see Note 1.

NOTE 5. NET SALES

	Oct-Dec 2020									
SEK in millions	Sweden	Finland	Norway	Den- mark	Lithua- nia	Estonia	TV and Media	Other opera- tions	Elimina- tions	Total
Mobile subscription revenues	3,158	1,576	1,567	627	290	228	–	311	–	7,756
Interconnect	129	101	98	57	45	18	–	13	–	461
Other mobile service revenues	130	139	209	73	8	3	–	13	–	575
Total mobile service revenues	3,417	1,816	1,874	757	343	249	–	337	–	8,792
Telephony	450	22	29	45	54	27	–	0	–	627
Broadband	1,178	177	321	47	143	145	1	2	–	2,013
TV	475	147	388	16	90	70	703	–	–	1,889
Business solutions	741	651	109	54	60	64	–	21	–	1,700
Other fixed service revenues	998	348	9	12	92	86	-0	1,021	–	2,566
Total fixed service revenues	3,842	1,344	856	174	440	392	704	1,044	–	8,795
Advertising revenues	–	0	–	–	–	–	1,595	–	–	1,595
Other service revenues	286	71	33	34	5	2	41	110	–	582
Total service revenues¹	7,544	3,231	2,763	965	788	643	2,340	1,491	–	19,765
Total equipment revenues¹	1,287	680	591	421	269	198	–	255	–	3,699
Total external net sales	8,831	3,911	3,354	1,385	1,056	841	2,340	1,746	–	23,464
Internal net sales	28	66	3	18	19	24	0	429	-588	–
Total net sales	8,859	3,977	3,357	1,403	1,076	865	2,340	2,175	-588	23,464

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time.

SEK in millions	Oct-Dec 2019									
	Sweden ²	Finland ²	Norway ²	Den- mark ²	Lithua- nia ²	Estonia	TV and Media	Other opera- tions	Elimina- tions	Total ²
Mobile subscription revenues	3,203	1,655	1,721	686	287	245	–	325	–	8,120
Interconnect	169	102	117	53	41	18	–	15	–	516
Other mobile service revenues	119	167	246	91	10	4	–	22	–	658
Total mobile service revenues	3,491	1,924	2,084	829	338	267	–	361	–	9,295
Telephony	537	20	42	47	63	30	–	0	–	738
Broadband	1,176	186	338	56	143	147	1	-0	–	2,047
TV	463	176	462	35	88	68	229	-	–	1,521
Business solutions	737	650	111	51	57	61	–	20	–	1,687
Other fixed service revenues	991	380	26	13	127	89	–	1,080	–	2,706
Total fixed service revenues	3,904	1,412	980	202	477	396	230	1,100	–	8,700
Advertising revenues	–	1	–	–	–	–	473	–	–	473
Other service revenues	289	76	56	31	6	7	8	67	–	539
Total service revenues¹	7,683	3,412	3,120	1,063	821	669	711	1,527	–	19,007
Total equipment revenues¹	1,185	789	582	445	291	214	–	326	–	3,832
Total external net sales	8,868	4,202	3,702	1,508	1,112	883	711	1,854	–	22,838
Internal net sales	39	70	5	24	11	24	40	429	-642	–
Total net sales	8,908	4,271	3,706	1,532	1,122	907	751	2,283	-642	22,838

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time. 2) Restated, see Note 1.

SEK in millions	Jan-Dec 2020									
	Sweden	Finland	Nor-way	Den-mark	Lithua-nia	Estonia	TV and Media	Other operations	Elimina-tions	Total
Mobile subscription revenues	12,600	6,408	6,367	2,586	1,151	946	–	1,267	–	31,325
Interconnect	520	411	406	225	169	72	–	121	–	1,924
Other mobile service revenues	522	569	884	335	39	11	–	43	–	2,403
Total mobile service revenues	13,643	7,388	7,656	3,146	1,359	1,030	–	1,430	–	35,652
Telephony	1,927	102	138	191	229	115	–	2	–	2,703
Broadband	4,704	706	1,260	208	572	583	4	11	–	8,048
TV	1,810	555	1,613	82	364	281	2,460	–	–	7,165
Business solutions	2,874	2,579	439	192	235	249	–	87	–	6,656
Other fixed service revenues	3,700	1,248	74	47	386	356	1	4,277	–	10,088
Total fixed service revenues	15,015	5,190	3,524	719	1,786	1,585	2,464	4,375	–	34,659
Advertising revenues	–	2	–	–	–	–	4,822	–	–	4,825
Other service revenues	1,075	271	159	110	21	13	142	415	–	2,206
Total service revenues¹	29,734	12,851	11,338	3,976	3,167	2,627	7,429	6,221	–	77,342
Total equipment revenues¹	3,848	2,175	2,017	1,409	922	596	–	882	–	11,848
Total external net sales	33,581	15,026	13,356	5,385	4,089	3,223	7,429	7,103	–	89,191
Internal net sales	158	234	18	80	63	98	0	1,612	-2,263	–
Total net sales	33,740	15,260	13,373	5,464	4,151	3,321	7,429	8,715	-2,263	89,191

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time.

SEK in millions	Jan-Dec 2019									
	Sweden ²	Finland ²	Nor- way ²	Den- mark ²	Lithua- nia ²	Estonia	TV and Media	Other opera- tions	Elimina- tions	Total ²
Mobile subscription revenues	12,661	6,559	7,085	2,820	1,102	947	–	1,294	–	32,469
Interconnect	646	403	485	201	157	72	–	126	–	2,090
Other mobile service revenues	564	696	1,007	322	42	18	–	51	–	2,700
Total mobile service revenues	13,871	7,657	8,578	3,343	1,301	1,038	–	1,471	–	37,259
Telephony	2,286	138	187	184	268	124	–	0	–	3,188
Broadband	4,585	735	1,359	239	569	575	1	0	–	8,063
TV	1,843	645	1,922	143	326	258	229	–	–	5,366
Business solutions	2,808	2,551	495	190	216	236	–	73	–	6,568
Other fixed service revenues	3,773	1,340	132	62	398	341	–	4,400	–	10,445
Total fixed service revenues	15,295	5,408	4,095	818	1,776	1,534	230	4,474	–	33,631
Advertising revenues	–	4	–	–	–	–	473	–	–	477
Other service revenues	1,108	289	211	101	18	28	8	324	–	2,088
Total service revenues¹	30,274	13,359	12,884	4,262	3,096	2,600	711	6,270	–	73,455
Total equipment revenues¹	4,488	2,404	1,766	1,322	886	635	–	1,008	–	12,510
Total external net sales	34,762	15,763	14,650	5,585	3,981	3,235	711	7,278	–	85,965
Internal net sales	142	206	15	91	64	98	40	1,611	-2,268	–
Total net sales	34,905	15,969	14,666	5,675	4,045	3,333	751	8,889	-2,268	85,965

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time. 2) Restated, see Note 1.

NOTE 6. INVESTMENTS

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
CAPEX	6,463	4,788	18,355	16,076
Intangible assets	816	875	2,911	3,124
Property, plant and equipment	3,353	3,129	10,871	11,231
Right-of-use assets ¹	2,294	783	4,573	1,721
Acquisitions and other investments	560	12,745	641	13,140
Asset retirement obligations	524	1,803	537	2,021
Goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations	–	10,940	–	11,062
Equity instruments	36	2	104	57
Total continuing operations including assets held for sale	7,023	17,531	18,996	29,214
Total discontinued operations	–	18	12	92
<i>of which CAPEX</i>	<i>–</i>	<i>18</i>	<i>11</i>	<i>91</i>
Total investments	7,023	17,550	19,008	29,306
<i>of which CAPEX</i>	<i>6,463</i>	<i>4,806</i>	<i>18,367</i>	<i>16,167</i>

1) Right-of-use assets in the fourth quarter 2020 mainly relate to reassessed lease terms for existing lease contracts. Full year 2020 also include new leases of office space in Finland of SEK 0.9 billion.

NOTE 7. TREASURY SHARES

At the date for the annual general meeting held on April 2, 2020, Telia Company held 119,908,673 treasury shares. The annual general meeting approved a reduction of the share capital of SEK -395 million by way of cancellation of all treasury shares held and a corresponding increase of the share capital of SEK 395 million by way of bonus issue, which were executed during the second quarter of 2020.

As of December 31, 2020 Telia Company held no treasury shares and the total number of issued and outstanding shares was 4,089,631,702.

The total price for the repurchased shares under the share buy-back program during the twelve month period 2020 was SEK 945 million and transaction costs, net of tax, amounted to SEK -1 million.

During May 2020 Telia Company transferred 380,741 shares to the participants in the “Long Term Incentive program 2017/2020” (LTI program), via a share swap agreement with an external party, at an average price of SEK 32.30 per share. The total cost for the transferred shares was SEK 12 million and transaction costs, net of tax, amounted to SEK 0 million.

In total the acquisitions of treasury shares under the share buy-back program and the transfer of shares under the LTI program reduced other contributed capital within parent shareholder's equity by SEK 956 million during the twelve-months period ended December 31, 2020 (SEK 4,974 million during the twelve-months period ended December 31, 2019).

NOTE 8. NET DEBT

SEK in millions	Dec 31, 2020 ²	Dec 31, 2019 ²
Long-term borrowings	100,655	99,980
<i>of which lease liabilities, non-current</i>	12,600	12,127
Less 50 percent of hybrid capital ¹	-10,267	-7,947
Short-term borrowings	8,620	19,823
<i>of which lease liabilities, current</i>	2,946	3,012
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-4,205	-3,717
Less long-term bonds at fair value through OCI	-5,297	-5,450
Less short-term investments	-2,832	-8,426
Less cash and cash equivalents	-8,332	-6,210
Net debt, continuing and discontinued operations	78,343	88,052

1) 50 percent of hybrid capital is treated as equity, consistent with market practice for this type of instrument, and reduces net debt. 2) Net debt is based on the total Telia Company group including net debt related to discontinued operations and assets held for sale.

Derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA) are part of the balance sheet line items Long-term interest-bearing receivables and Short-term interest-bearing receivables. Hybrid capital is part of the balance sheet line item Long-term borrowings.

Long-term bonds at fair value through OCI are part of the balance sheet line item Long-term interest-bearing receivables. Short-term investments are part of the balance sheet line item Short-term interest-bearing receivables.

NOTE 9. LOAN FINANCING AND CREDIT RATING

On November 20, Telia Company issued a 10-year bond of EUR 500 million (SEK 5.1 billion) to a yield of 0.197 percent and with a coupon of 0.125 percent. The issue was made under the existing EUR 12 billion EMTN (Euro Medium Term Note) program. The main rationale behind the issue was to re-finance maturing debt and to tap long-dated duration at attractive levels which fits well into Telia Company's long-term maturity profile and funding strategy.

On November 20, a tender offer for buying back outstanding Telia bonds in EUR maturing during 2021-2024 was also announced. The offer resulted in buy backs of a total nominal amount of EUR 310 million (SEK 3.1 billion) and issued debt with a remaining nominal amount of SEK 500 million matured during the quarter. Further, on November 2, the remaining draw down under the syndicated revolving credit facility amounting to EUR 350 million (SEK 3.7 billion) was repaid.

The 12-month bilateral revolving credit facility of SEK 4 billion that was signed between Telia Company and Nordea Bank ABP, Filial i Sverige on April 21, 2020 was cancelled by Telia Company with effect as of December 30, 2020. The strong liquidity position together with the existing syndicated credit facility is deemed adequate to meet liquidity needs until April 2021 without this additional facility that was entered into as a precautionary measure at the outbreak of COVID -19.

The credit rating of Telia Company remained unchanged during the fourth quarter 2020. Moody's rating for long-term borrowings is Baa1 with a stable outlook. The Standard & Poor long-term rating is BBB+ and the short-term rating is A-2, both with a stable outlook.

NOTE 10. FINANCIAL INSTRUMENTS – FAIR VALUES

Long-term and short-term borrowings ¹ SEK in millions	Dec 31, 2020		Dec 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Long-term borrowings				
Open-market financing program borrowings in fair value hedge relationships	51,628	55,249	50,945	55,574
Interest rate swaps	134	134	230	230
Cross-currency interest rate swaps	3,907	3,907	2,694	2,694
Subtotal	55,669	59,290	53,870	58,498
Open-market financing program borrowings	31,345	41,992	32,475	42,255
Other borrowings at amortized cost	1,042	1,042	1,508	1,420
Subtotal	88,055	102,323	87,852	102,173
Other long-term liabilities				
Lease liabilities	12,183		12,046	
Total long-term borrowings	100,239		99,899	
Short-term borrowings				
Open-market financing program borrowings in fair value hedge relationships	5,131	5,317	6,807	6,841
Interest rate swaps	8	8	22	22
Cross-currency interest rate swaps	143	143	–	–
Subtotal	5,282	5,468	6,828	6,863
Utilized bank overdraft and short-term credit facilities at amortized cost	213	213	7,838	7,846
Open-market financing program borrowings	–	–	1,422	1,431
Other borrowings at amortized cost	179	179	723	783
Subtotal	5,674	5,861	16,811	16,923
Other short-term liabilities				
Lease liabilities	2,671		2,968	
Total short-term borrowings	8,345		19,779	

1) For financial assets the carrying amount is a reasonable approximation of fair value. For information on fair value estimation, see the Annual and Sustainability Report 2019, Note C3 to the consolidated financial statements.

Financial assets and liabilities by fair value hierarchy level ¹ SEK in millions	Dec 31, 2020				Dec 31, 2019			
	Carrying value	of which			Carrying value	of which		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets at fair value								
Equity instruments at fair value through OCI	473	–	–	473	319	–	–	319
Equity instruments at fair value through income statement	18	–	–	18	13	–	–	13
Long- and short-term bonds at fair value through OCI	8,513	7,263	1,250	–	14,677	12,667	2,010	–
Derivatives designated as hedging instruments	3,129	–	3,129	–	3,651	–	3,651	–
Derivatives at fair value through income statement	1,049	–	1,049	–	170	–	170	–
Total financial assets at fair value by level	13,181	7,263	5,427	490	18,830	12,667	5,831	332
Financial liabilities at fair value								
Derivatives designated as hedging instruments	3,802	–	3,802	–	2,791	–	2,791	–
Derivatives at fair value through income statement	917	–	917	–	532	–	532	–
Contingent consideration liabilities	–	–	–	–	41	–	–	41
Total financial liabilities at fair value by level	4,719	–	4,719	–	3,365	–	3,323	41

1) For information on fair value hierarchy levels and fair value estimation, see the Annual and Sustainability Report 2019, Note C3 to the consolidated financial statements and the section below.

FAIR VALUE MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these equity instruments, Telia Company has a market approach to derive the fair value. Telia Company's primary valuation technique used for estimating the fair value of unlisted equity instruments in level 3 is based on the most recent transaction for the specific company if such transaction has been recently done. If there have been significant changes in circumstances between the transaction date and the balance sheet date that, in the assessment of Telia Company, would have a material impact on the fair value, the carrying value is adjusted to reflect the changes.

The fair values for contingent consideration liabilities have been estimated using a discounted cash flow method where the present value of the expected future payments is considered. Contingent consideration liabilities as of December 31, 2019, mainly related to the acquisition of Fello, which was paid during the third quarter 2020. Other contingent considerations are not material.

The table below presents the movements in level 3 instruments for the twelve-month period ended December 31, 2020.

Movements within Level 3, fair value hierarchy SEK in millions	Assets, Jan-Dec 2020			Liabilities, Jan-Dec 2020
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total	Contingent considerations
Level 3, opening balance	319	13	332	41
Changes in fair value	63	–	63	–
<i>of which recognized in other comprehensive income</i>	63	–	63	–
Purchases/capital contributions	99	5	104	–
Settlements	-7	–	-7	-41
Exchange rate differences	-2	–	-2	–
Level 3, closing balance	473	18	491	–

Movements within Level 3, fair value hierarchy SEK in millions	Assets, Jan-Dec 2019			Liabilities, Jan-Dec 2019
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total	Contingent considerations
Level 3, opening balance	272	13	286	–
Changes in fair value	46	–	46	–
<i>of which recognized in other comprehensive income</i>	46	–	46	–
Purchases	70	–	70	41
Disposals	-69	–	-69	–
Level 3, closing balance	319	13	332	41

NOTE 11. CONTINGENT LIABILITIES, COLLATERAL PLEDGED AND LITIGATIONS

As of December 31, 2020, the maximum potential future payments that Telia Company could be required to make under issued financial guarantees totaled SEK 311 million (309 at the end of 2019, continuing operations), of which SEK 295 million (294 at the end of 2019, continuing operations) referred to guarantees for pension obligations. Collateral pledged totaled SEK 43 million (45 at the end of 2019).

In September 2019, London arbitration proceedings were initiated against Telia Company and Turkcell under the Share Purchase Agreement related to the divestment of the subsidiary Kcell in Kazakhstan in 2018. The total claim against Telia Company and

Turkcell amounts to USD 66 million (equivalent to SEK 594 million) plus interest, of which Telia Company's share amounts to USD 45 million (equivalent to SEK 405 million). The arbitration proceedings are still in an early stage and includes significant uncertainties. During December 2020, the parties have engaged in mediation discussions, but no settlement has yet been reached. As per December 31, 2020, a provision has been recognized. The expense is recognized within discontinued operations (Note 14).

For other ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2019.

NOTE 12. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As of December 31, 2020, contractual obligations totaled SEK 21,765 million (10,990 at the end of 2019, continuing operations), of which SEK 15,728 million (7,760 at the end of 2019), related to film and program

rights. The increase in contractual obligations is mainly related to film and program rights as well as network modernization in Norway.

NOTE 13. BUSINESS COMBINATIONS AND IMPAIRMENT TESTS

BONNIER BROADCASTING

On December 2, 2019 Telia Company acquired Bonnier Broadcasting, including the brands TV4, C More and Finnish MTV, from Bonnier AB at an enterprise value of SEK 9.2 billion with an additional consideration of maximum SEK 1 billion. The additional (deferred) consideration was to be based on operational performance on revenues and EBITDA for the period July 1, 2018 to June 30, 2019 (i.e. not a contingent consideration). As per December 31, 2019 the additional amount was estimated to SEK 800 million. The preliminary purchase price allocation disclosed in the

Annual and Sustainability Report 2019 has been adjusted in the second quarter 2020. The total cost of the combination was reduced by with SEK -223 million, of which SEK -285 million related to the additional consideration. In addition, goodwill was reduced by SEK -184 million and fair value of intangible assets was reduced by SEK -55 million, (whereof customer relationships by SEK -22 million and brands by SEK -32 million). Further, related deferred tax liability was reduced by SEK -9 million and current liabilities by SEK -7 million.

SEK in millions	Bonnier Broadcasting
Cost of combination	10,447
<i>of which cash consideration paid</i>	<i>10,447</i>
Fair value of net assets acquired	
Intangible assets	6,513
<i>of which customer relationships</i>	<i>4,072</i>
<i>of which brands</i>	<i>2,128</i>
<i>of which software</i>	<i>313</i>
Film and program rights, non-current	1,029
Other non-current assets	753
Non-current assets	8,295
Film and program rights, current	1,977
Other current assets	1,109
Cash and cash equivalents	715
Current assets	3,802
Total assets acquired	12,096
Deferred tax liabilities	-1,278
Other non-current liabilities	-349
Non-current liabilities	-1,627
Current liabilities	-2,433
Total liabilities assumed	-4,060
Total fair value of net assets acquired	8,036
Goodwill	2,410

The net cash flow effect from the business combination was SEK 9,155 million (cash consideration SEK 9,870 million paid at closing less cash and cash equivalents SEK 715 million) in the fourth quarter of 2019. The cash flow effect in the second quarter of 2020 was SEK 577 million, of which SEK 515 million related to the additional consideration and SEK 61 million related to the original

purchase price. Goodwill refers to, among other things, future customers, market position and workforce. No part of goodwill is expected to be deductible for tax purposes. Acquisition-related costs of SEK 170 million have been recognized as other operating expenses, whereof SEK 15 million in 2020.

Allocation of goodwill and intangible assets with indefinite useful lives

Goodwill from the Bonnier Broadcasting acquisition has been allocated to cash generating units (CGUs) and reportable segments as follows:

SEK in millions	Dec 31, 2020	Share, %
TV and Media	1,477	61
Sweden	824	34
Finland	109	5
Total	2,410	100

The goodwill was allocated pro rata based on the net present value of forecast synergies by CGU. Brands with indefinite useful lives of SEK 2,128 million were all allocated to TV and Media.

IMPAIRMENT TESTS

TV and Media is negatively impacted by COVID-19. The impairment test for the cash generating unit TV and Media has not identified any impairment need as of December 31, 2020. However, the estimated recoverable amount for TV and Media was in the proximity of the carrying values as of December 31, 2020 and the CGU is sensitive to changes in WACC or the assumptions in the long-term plan.

Based on the annual impairment test for the cash generating unit Finland a goodwill impairment loss of SEK 7,800 million has been recognized in the fourth quarter 2020. For both 2018 and 2019 the sensitivity analysis showed that the recoverable amount for Finland was very close to the carrying value. COVID-19, a slightly weaker underlying performance as well as increased network investments versus the original business plan have resulted in the need for the impairment of goodwill in Finland. After the impairment the carrying value of goodwill allocated to CGU Finland per December 31, 2020 amounts to SEK 25,803

million (34,929) and total goodwill for the group amounts to SEK 63,313 million (75,696).

Based on the annual impairment tests performed in the fourth quarter, no impairment need was identified as of December 31, 2020 for any of the other cash generating units of the group. However, the estimated recoverable amounts for the cash generating units Denmark and Norway remain in the proximity of the carrying values also as of December 31, 2020 and the CGUs are sensitive for changes in WACC and other assumptions in the long-term plan.

The recoverable amounts for TV and Media and Finland have been determined based on value in use, applying discounted cash flow calculations. The value in use calculations were based on forecasts approved by management. The key assumptions used in the value in use calculations are presented in the tables below. Management believes the terminal growth rates do not exceed the average growth rates for markets in which Telia Company operates.

Years/Percent	TV and Media	Finland
Forecast period (years)	5	5
Post-tax WACC rate (%)	7.1	4.5
Pre-tax WACC rate (%)	8.5	5.8
Terminal growth rate of free cash flow (%)	1.8	1.9

5-year period/Percent	TV and Media	Finland
Sales growth, lowest in period (%)	2.4	1.3
Sales growth, highest in period (%)	13.4	2.5
EBITDA margin, lowest in period (%)	6.3	32.1
EBITDA margin, highest in period (%)	14.2	35.3
CAPEX-to-sales, lowest in period (%)	1.7	16.0
CAPEX-to-sales, highest in period (%)	3.6	17.7

Sensitivity analysis

The upper part of the following table sets out how many percentage points each key assumption approximately must change, all else being equal, in order for the recoverable value to equal carrying value. The lower part of the table first shows the SEK billion effect on the

recoverable value of the cash generating unit, should there be a one percentage point upward shift in WACC. Finally, it sets out the absolute SEK billion change of the recoverable value that would equal carrying value.

Percentage points, SEK in billions	TV and Media	Finland
Sales growth each year in the 5-year period (%)	-0.1	0.0
EBITDA margin each year in the 5-year period and beyond (%)	-0.1	0.0
CAPEX-to-sales ratio each year in the 5-year period and beyond (%)	0.0	0.0
Terminal growth rate (%)	-0.4	0.0
Post-tax WACC rate (%)	0.0	0.0
Effect of a one percentage-point upward shift in WACC (SEK in billions)	-1.4	-6.6
Change in the recoverable value to equal the carrying value (SEK in billions)	0.0	0.0

For more information on impairment tests, see Annual and sustainability report 2019.

NOTE 14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

CLASSIFICATION**Eurasia**

Former segment region Eurasia (including holding companies) was classified as held for sale and discontinued operations since December 31, 2015. Ncell in Nepal was disposed in 2016 and Tcell in Tajikistan was disposed in 2017. Azericell in Azerbaijan, Geocell in Georgia, the associated company Rodnik in Kazakhstan, Ucell in Uzbekistan and Kcell in Kazakhstan were disposed in 2018. Moldcell in Moldova was disposed on March 24, 2020. After the disposal of Moldcell, Telia Company has no operations classified as discontinued operations.

DISPOSALS

On February 14, 2020, Telia Company signed an agreement to divest its holding in Moldcell S.A. (Moldcell) in Moldova to CG Cell Technologies DAC, for a transaction price of SEK 323 million (USD 31.5 million), corresponding to a cash and debt free value of SEK 0.4 billion. The transaction was not subject to any conditions and was completed on March 24, 2020. The disposal resulted in a capital loss of SEK -193 million for the group in the first quarter 2020, whereof accumulated foreign exchange losses reclassified from equity to net income from discontinued operations of SEK -172 million. The reclassification of accumulated exchange losses had no effect on equity. The transaction had a positive cash flow effect for the group in the first quarter 2020 of SEK 312 million (price received less cash and cash equivalents in the entity sold).

On July 31, 2020 Telia Company divested all of its 12.25 percent interest in the Afghan mobile operator Roshan to Aga Khan Fund for Economic Development. The transaction had no material effects on the financial statements.

ACQUISITION OF NON-CONTROLLING INTEREST IN FINTUR

On April 2, 2019, Telia Company acquired Turkcell's 41.45 percent minority share in Fintur at a price of EUR 353 million (SEK 3,684 million) based on their proportional share of the cash in Fintur. As a result of the transaction, Telia Company was the sole owner of Fintur Holdings B.V. (Fintur) and Moldcell in Moldova until the disposal.

All effects related to the acquisition were recognized directly in equity, including Telia Company's 24 percent share of Turkcell's reported effects from the transaction, as the total transaction was treated as a transaction with owners in their capacity as owners. The transaction resulted in a net increase of equity attributable to parent shareholders (retained earnings) of SEK 295 million and a decrease of equity attributable to non-controlling interests of SEK 3,815 million in the second quarter of 2019. The cash flow effect from the transaction (price paid) of SEK -3,684 million was recognized within financing activities. The cash flow effect is reclassified in the comparative figures for 2019 from discontinued operations to continuing operations, due to the

reclassification of the holding companies to continuing operations in the first quarter 2020.

PROVISION FOR SETTLEMENT AMOUNT AGREED WITH THE US AND DUTCH AUTHORITIES

The US and Dutch authorities have investigated historical transactions related to Telia Company's entry into Uzbekistan in 2007. On March 19, 2019, Telia Company paid the last remaining part of the disgorgement amount, USD 208.5 million (SEK 1,920 million), to the Dutch Public Prosecution Service (Openbaar Ministerie, OM). Thereby, Telia Company has completed all financial obligations under the global settlement agreements and no further disgorgement claim will be made against Telia Company by the Swedish prosecutor or by any other authority related to this matter. There was no material effect on net income in 2019.

For more information, see the Annual and Sustainability Report 2019.

ASSETS HELD FOR SALE

Finland

The transaction with CapMan Infra, where Telia Company acquired 40 percent of the new fiber company which takes over Telia Finland's existing SDU fiber roll-out business, was closed on April 1, 2020. Telia Company's fiber assets in Finland which were classified as held for sale as of March 31, 2020 and amounted to SEK 449 million, were sold to the new fiber company as part of this transaction.

During the first quarter 2020, Telia Company signed an agreement to divest the Finnish real estate companies Kiinteistö Oy Sturenportti and Helsingin Teollisuuskatu 13 Oy to YIT Rakennus Oy (YIT) and to lease new properties from YIT. The real estate companies were classified as held for sale since March 31, 2020 and were remeasured to fair value less costs to sell, which resulted in an impairment of SEK 110 million in the first quarter 2020. The divestment was closed on October 12, 2020 and the transaction resulted in a capital gain of SEK 28 million in the fourth quarter 2020. The cash flow effect in the fourth quarter was SEK 270 million. The remaining part of the price (SEK 270 million) will be received during 2021.

Turkcell Holding

On June 17, 2020, Telia Company signed an agreement to sell its 47.1 percent holding in Turkcell Holding A.S.,

which owns 51.0 percent in the listed company Turkcell İletişim Hizmetleri A.S., to the state-owned Turkey Wealth Fund for a purchase price of USD 530 million. Telia Company's holding was prior to the signed agreement classified as an associated company in the financial statements. The holding was classified as held for sale from June 2020 and was remeasured to fair value less costs to sell which was estimated to USD 530 million (SEK 4,771 million) based on the purchase price in the signed agreement. The remeasurement resulted in an impairment of SEK 3,488 million in the second quarter 2020. Due to changes in foreign exchange rates, SEK 560 million of the impairment was reversed in the third quarter 2020. The transaction was closed on October 22, 2020 and resulted in a capital loss of SEK 17,955 million in the fourth quarter, whereof accumulated foreign exchange losses reclassified from equity to net income of SEK 18,019 million. The reclassification of accumulated exchange losses had no effect on total equity. The transaction had a positive cash flow effect in the fourth quarter 2020 of SEK 4,641 million. The transaction included, a full and global settlement of all shareholder disputes and litigations connected to Turkcell and Turkcell Holding.

Telia Carrier

On October 5, 2020 Telia Company signed an agreement to sell its international carrier business, Telia Carrier, to Polhem Infra for a value of SEK 9,450 million on a cash and debt free basis. Polhem Infra is jointly owned by the Swedish Pension Funds; First AP Fund, Third AP Fund and Fourth AP Fund. Telia Carrier is classified as held for sale since September 30, 2020. The transaction is expected to generate a capital gain of approximately SEK 7 billion at closing. For 2020 Telia Carrier reported external net sales of SEK 4,352 million, an adjusted EBITDA of SEK 909 million and operating income of SEK 375 million. In connection with the divestment Telia Company has established a long-term strategic partnership with Telia Carrier securing continuous provision and development of network solutions to Telia's customers. The transaction is subject to regulatory approvals (relating to e.g. competition and foreign direct investments) in, inter alia, the EU and the US, and is expected to be completed during the first half of 2021.

NET INCOME FROM DISCONTINUED OPERATIONS (REGION EURASIA)

SEK in millions, except per share data	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	–	160	96	603
Expenses and other operating income, net	–	-107	-79	-604
Operating income	–	53	16	-1
Financial items, net	–	26	-22	1
Income after financial items	–	79	-6	0
Income taxes	–	-6	–	-50
Net income before remeasurement and gain/loss on disposal	–	74	-6	-51
Impairment loss on remeasurement to fair value less costs to sell ¹	–	-70	–	-290
Loss on disposal of Moldcell in Moldova (including cumulative Moldcell exchange loss in equity reclassified to net income of SEK -172 million) ²	–	–	-193	–
Loss from net changes in provisions for transaction warranties	-80	–	-80	–
Net income from discontinued operations	-80	4	-279	-341
EPS from discontinued operations (SEK)	-0.02	0.00	-0.07	-0.07
Adjusted EBITDA	–	64	30	157

1) Non-tax deductible. 2) Non-taxable gain/loss.

ASSETS CLASSIFIED AS HELD FOR SALE

SEK in millions	Telia Carrier Dec 31, 2020	Eurasia Dec 31, 2019
Goodwill and other intangible assets	86	129
Property, plant and equipment	2,148	327
Right-of-use assets	1,097	95
Other non-current assets	534	29
Other current assets	891	200
Cash and cash equivalents	199	94
Assets classified as held for sale	4,957	875
Long-term borrowings	416	81
Long-term provisions	848	10
Other long-term liabilities	620	131
Short-term borrowings	275	43
Other current liabilities	1,166	338
Liabilities associated with assets classified as held for sale	3,325	604
Net assets classified as held for sale	1,631	271

NOTE 15. RELATED PARTY TRANSACTIONS

In the twelve-month period ended December 31, 2020, Telia Company purchased goods and services for SEK 27 million (9) and sold goods and services for SEK 6 million (7) from/to related parties. These related party transactions are based on commercial terms.

NOTE 16. FINANCIAL KEY RATIOS

The key ratios presented in the table below are based on the total Telia Company group including both continuing and discontinued operations.

	Dec 31, 2020	Dec 31, 2019
Return on equity (% , rolling 12 months) ¹	neg.	8.4
Return on capital employed (% , rolling 12 months) ¹	neg.	6.6
Equity/assets ratio (%) ¹	24.6	31.3
Net debt/adjusted EBITDA ratio (multiple, rolling 12 months)	2.55	2.82
Parent owners' equity per share (SEK) ¹	15.36	22.14

1) Equity is adjusted by weighted ordinary dividend (SEK 2.00 for 2020), see the Annual and Sustainability Report 2019 section Definitions for key ratio definitions.

NOTE 17. ALTERNATIVE PERFORMANCE MEASUREMENT

In addition to financial performance measures prepared in accordance with IFRS, Telia Company presents non-IFRS financial performance measures, for example EBITDA, Adjusted EBITDA, Adjusted operating income, continuing operations, CAPEX, CAPEX excluding right-of-use assets, CAPEX excluding license and spectrum fees, Cash CAPEX, Free cash flow, Operational free cash flow, Net debt, Net debt/Adjusted EBITDA ratio and Adjusted EBITDA margin. These alternative measures are considered to be important performance indicators for investors and other users of the Interim report. The alternative performance measures should be considered as a complement to, but not a substitute for, the information prepared in accordance with IFRS. Telia Company's definitions of these non-IFRS measures are described in this note and in the Annual and Sustainability Report 2019. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

SERVICE REVENUES

Starting 2021 Service revenues, in constant currency and excluding Telia Carrier is part of Telia Company's

Outlook, see page 5. For 2020 service revenues totaled SEK 77,342 million which together with equipment sales of SEK 11,848 million represented net sales of SEK 89,191 million. In Telia Carrier service revenues 2020 amounted to SEK 4,352 million. Service revenues excluding Telia Carrier 2020 amounted to SEK 72,991 million.

EBITDA AND ADJUSTED EBITDA

Telia Company considers EBITDA as a relevant measure to be able to understand profit generation before investments in tangible, intangible and right-of-use assets. To assist the understanding of Telia Company's underlying financial performance we believe it is also useful to analyze adjusted EBITDA. Adjustment items within EBITDA are specified in Note 3. Starting 2021 Adjusted EBITDA, in constant currency and excluding Telia Carrier is part of Telia Company's Outlook, see page 5. For 2020 adjusted EBITDA in Telia Carrier amounted to SEK 909 million. Adjusted EBITDA excluding Telia Carrier 2020 amounted to SEK 29,792 million.

Continuing operations

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income	-23,001	2,600	-17,747	12,293
Income from associated companies and joint ventures	17,919	-312	20,080	-1,138
Total depreciation/amortization/write-down	12,704	5,276	27,861	18,863
EBITDA	7,622	7,564	30,194	30,017
Adjustment items within EBITDA (Note 3)	-145	350	508	1,000
Adjusted EBITDA	7,477	7,914	30,702	31,017

Discontinued operations

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income	–	53	16	-1
Income from associated companies and joint ventures	–	–	–	0
Total depreciation/amortization/write-down	–	–	–	-3
Capital gains/losses on disposals	–	–	-193	0
Loss from net changes in provisions for transaction warranties	-80	–	-80	–
EBITDA	-80	53	-257	-4
Adjustment items within EBITDA (Note 3)	80	11	287	161
Adjusted EBITDA	–	64	30	157

ADJUSTED OPERATING INCOME, CONTINUING OPERATIONS

Telia Company considers Adjusted operating income, continuing operations, as a relevant measure to be able to understand the underlying financial performance of Telia Company.

Adjustment items within operating income, continuing operations are specified in Note 3.

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income	-23,001	2,600	-17,747	12,293
Adjustment items within Operating income (Note 3)	25,610	380	29,307	1,159
Adjusted operating income, continuing operations	2,609	2,980	11,560	13,452

CAPEX, CAPEX EXCLUDING RIGHT-OF-USE ASSETS, CAPEX EXCLUDING LICENSE AND SPECTRUM FEES AND CASH CAPEX

Telia Company considers CAPEX, CAPEX excluding right-of-use assets, CAPEX excluding license and spectrum fees and Cash CAPEX as relevant measures to understand the group's investments in intangible, tangible and right-of-use assets (excluding goodwill, assets acquired in business combinations and asset retirement obligations). Starting 2021 Cash CAPEX, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is part of Telia Company's Outlook, see page 5. For 2020 Cash CAPEX in Telia Carrier amounted to SEK 493 million. Cash CAPEX, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, 2020 amounted to SEK 13,038 million.

Starting 2021 Cash CAPEX to net sales, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is part of Telia Company's Ambition 2021-2023, see page 5.

Cash CAPEX excluding Telia Carrier and fees for license, spectrum and right-of-use assets for 2020 amounted to SEK 13,038 million. Net sales excluding Telia Carrier for 2020 amounted to SEK 84,839 million. Cash CAPEX to net sales, excluding Telia Carrier and fees for license, spectrum and right-of-use assets for 2020 amounted to 15.4 percent.

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Continuing operations				
Investments in intangible assets	816	875	2,911	3,124
Investments in property, plant and equipment	3,353	3,129	10,871	11,231
CAPEX excluding right-of-use assets	4,169	4,004	13,782	14,355
Investments in right-of-use assets	2,294	783	4,573	1,721
CAPEX	6,463	4,788	18,355	16,076
Excluded: Right-of-use assets	-2,294	-783	-4,573	-1,721
Net of not paid investments and additional payments from previous periods ¹	37	-141	-77	805
Cash CAPEX	4,206	3,862	13,705	15,160

CAPEX	6,463	4,788	18,355	16,076
Excluded: Investments in license and spectrum fees	1	1	-142	-242
CAPEX excluding license and spectrum fees	6,464	4,789	18,213	15,834
Excluded: Investments in right-of-use assets	-2,294	-783	-4,573	-1,721
CAPEX excluding fees for license, spectrum and right-of-use assets	4,170	4,006	13,640	14,113

1) Full year 2019 relates mainly to spectrums in Sweden, which were acquired in 2018 and paid in beginning of 2019.

FREE CASH FLOW

Telia Company considers Free cash flow as a relevant measure to be able to understand the group's cash flow from operating activities and after CAPEX.

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operating activities	7,995	5,566	28,824	27,594
Cash CAPEX (paid intangible and tangible assets)	-4,206	-3,886	-13,710	-15,224
Free cash flow, continuing and discontinued operations	3,789	1,681	15,114	12,369

OPERATIONAL FREE CASH FLOW

Telia Company considers Operational free cash flow as a relevant measure to be able to understand the cash flows that Telia Company is in control of. From the reported free cash flow from continuing operations dividends from associated companies are deducted, as these are dependent on the approval of boards and the annual general meetings of the associated companies. Licenses and spectrum payments are excluded as they generally refer to a longer period than just one year.

Operational free cash flow in continuing operations represented earlier Telia Company's outlook and Telia Company intended to distribute a minimum of 80 percent of operational free cash flow including dividends from associated companies, net of taxes. Starting 2021 the dividend policy is updated, see page 5. Telia Company consider the structural part of Operational free cash flow to be Operational free cash flow less contribution from change in working capital.

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operating activities from continuing operations	7,995	5,547	28,802	29,576
Cash CAPEX from continuing operations	-4,206	-3,862	-13,705	-15,160
Free cash flow, continuing operations	3,789	1,685	15,097	14,415
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	46	24	172	1,161
Excluded: Dividends from associates from continuing operations	-41	-198	-218	-365
Excluded: Taxes paid on dividends from associates from continuing operations	–	10	–	10
Repayments of lease liabilities	-938	-543	-2,955	-2,651
Operational free cash flow	2,856	977	12,095	12,571
Dividends from associated companies, net of taxes	41	188	218	355
Operational free cash flow that forms the basis for dividend	2,897	1,165	12,314	12,926

NET DEBT

Telia Company considers Net debt to be a relevant measure to be able to understand the group's indebtedness. Net debt is specified in Note 8.

NET DEBT/ADJUSTED EBITDA RATIO (MULTIPLE, ROLLING 12 MONTHS)

Telia Company considers net debt in relation to adjusted EBITDA as a relevant measure to be able to understand the group's financial position.

SEK in millions, except for multiple	Dec 31, 2020	Dec 31, 2019
Net debt	78,343	88,052
Adjusted EBITDA continuing operations accumulated current year	30,702	31,017
Adjusted EBITDA continuing operations previous year	–	–
Adjusted EBITDA discontinued operations accumulated current year	30	157
Adjusted EBITDA discontinued operations previous year	–	–
Excluding: Disposed operations	-30	–
Adjusted EBITDA rolling 12 months excluding disposed operations	30,702	31,174
Net debt/adjusted EBITDA ratio (multiple)	2.55x	2.82x

ADJUSTED EBITDA MARGIN

Telia Company considers Adjusted EBITDA in relation to net sales as a relevant measure to be able to understand the group's profit generation and to be used as a comparable benchmark.

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	23,464	22,838	89,191	85,965
Adjusted EBITDA	7,477	7,914	30,702	31,017
Adjusted EBITDA margin (%), continuing operations	31.9	34.7	34.4	36.1

PARENT COMPANY

CONDENSED INCOME STATEMENTS

SEK in millions	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	180	104	564	500
Gross income	180	104	564	500
Operating expenses and other operating income, net	-346	-378	-1,071	752
Operating income	-166	-274	-507	1,252
Financial income and expenses	-7,256	591	-8,634	6,147
Income after financial items	-7,422	317	-9,140	7,399
Appropriations	861	2,047	3,670	5,395
Income before taxes	-6,561	2,364	-5,470	12,794
Income taxes	-338	-524	-706	-551
Net income	-6,898	1,839	-6,176	12,243

Financial income and expenses in the fourth quarter 2020 amounted to SEK -7,256 million (591), negatively impacted by an impairment related to the subsidiary Telia Finland Oyj of SEK -8,300 million offset by exchange rate gains. Appropriations decreased to SEK 861 million (2,047) mainly due to reduced group contributions from subsidiaries.

Operating expenses and other operating income, net, for full year 2020 amounted to SEK -1,071 million (752). 2019 was impacted by a reversal of a short-term provision regarding the Uzbekistan investigations resulting in a positive net effect of SEK 1,931 million. See Note 14 for further information.

Financial income and expenses in full year 2020 amounted to SEK -8,634 million (6,147), negatively impacted by impairments of SEK -14,965 million (-24,016), mainly related to the subsidiary Telia Finland Oyj, offset by dividends from subsidiaries amounting to SEK 6,269 million (33,027). Furthermore, Financial income and expenses 2020 were positively impacted by exchange rate gains.

Appropriations decreased to SEK 3,670 million (5,395) mainly due to a net provision of the equalization reserve.

CONDENSED BALANCE SHEETS

SEK in millions	Dec 31, 2020	Dec 31, 2019
Assets		
Non-current assets	178,700	199,830
Current assets	36,111	42,759
Total assets	214,811	242,589
Equity and liabilities		
Restricted shareholders' equity	15,712	15,713
Non-restricted shareholders' equity	59,775	76,900
Total shareholders' equity	75,487	92,612
Untaxed reserves	7,002	6,246
Provisions	557	575
Long-term liabilities	87,018	86,357
Short-term liabilities and short-term provisions	44,747	56,798
Total equity and liabilities	214,811	242,589

Non-current assets decreased to SEK 178,700 million (199,830), mainly impacted by impairments of the subsidiary Telia Finland Oyj and decreased long interest-bearing intragroup receivables.

Current assets decreased to SEK 36,111 million (42,759), mainly due to decreased short term bonds offset by increased cash and bank.

Equity decreased to SEK 75,487 million (92,612), impacted by the decided dividends to the shareholders, repurchased shares related to the share buy-back program and by negative net income.

Short-term liabilities and short-term provisions decreased to SEK 44,747 million (56,798), impacted by

matured debt and repayments of loans under the revolving credit facility offset by reclassification from long term bonds into short-term bonds.

As of December 31, 2020, contractual obligations totaled SEK 2,694 million (5 at the end of 2019). The change is related to film- and program rights.

As of December 31, 2020, the maximum potential future payments that could be required under issued financial guarantees totaled SEK 23,724 million (6,462 at the end of 2019). The increase is mainly related to guarantees for pension obligations of SEK 12,848 million, of which SEK 12,052 million is covered by pension plan assets in the pension fund, and guarantees for program rights.

RISKS AND UNCERTAINTIES

Telia Company operates in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry. Telia Company has defined risk as anything that could have a material adverse effect on the achievement of Telia Company's goals. Risks can be threats, uncertainties or lost opportunities relating to Telia Company's current or future operations or activities. Telia Company has an established risk management framework in place to regularly identify, analyze, assess and report business, financial as well as ethics and sustainability risks and uncertainties, and to mitigate such risks when appropriate. Telia Company's risk universe consists of four categories and over thirty risk areas used to aggregate and categorize risks identified across the organization within the risk management framework, see below.

For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2019, Directors Report, section Risk and uncertainties.

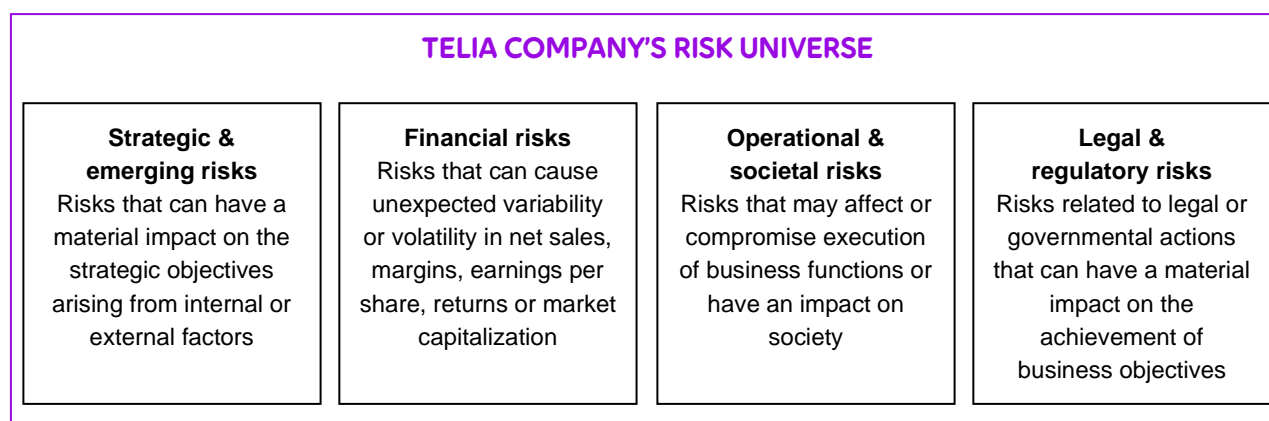
In addition, the outbreak of COVID-19 has an impact on Telia Company and its operations. People's safety is key, and a majority of the staff is working from home except for staff in business-critical functions. Ensuring business continuity, even with an increased number of employees on sick leave, is a prioritized task and is being mitigated. The increased need for network capacity in society, in general, may lead to service disruptions and a degrade in service quality. COVID-19's

impact on the global transportation and production systems put further strain on our supply-chain which may have an impact on planned infrastructure deliveries and spare parts supply. Current restrictions in society results in declining revenues (e.g. roaming) and the overall decline in the economy may lead to a negative impact on service revenues as well as increased credit losses, or even bankruptcies, leading to financial loss.

KEY COVID-19 RELATED MITIGATING ACTIVITIES

- Strict travel and meeting restrictions implemented.
- Strengthened workplace safety procedures have been implemented including increased intensity of cleaning, social distancing, availability of hand sanitizer, etc.
- Majority of staff working from home.
- Contingency plans for critical functions and services in place to handle a situation if the business has to be run with a minimal staffing.
- Risk assessments and preparation of contingency plans to ensure supply of goods and services from key suppliers.
- Increased follow-up of key business KPI's to early mitigate the negative impact on financials.
- Organized and coordinated planning towards a gradual shift for returning to the offices in line with recommendations from local authorities.

TELIA COMPANY'S RISK UNIVERSE



Stockholm, January 29, 2021

Allison Kirkby
President and CEO

This report has not been subject to review by
Telia Company's auditors.

FORWARD-LOOKING STATEMENTS

This report contains statements concerning, among other things, Telia Company's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Telia Company's future expectations. Telia Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors

include but may not be limited to: Telia Company's market position; growth in the telecommunications industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Telia Company, its associated companies and joint ventures, and the telecommunications industry in general. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, Telia Company undertakes no obligation to update any of them in the light of new information or future events.

DEFINITIONS

Adjustment items: comprise of capital gains and losses, impairment losses, restructuring programs (costs for phasing out operations and personnel redundancy costs) or other costs with the character of not being part of normal daily operations.

Advertising revenues: External net sales related to linear and digital/AVoD media, sponsorships and other types of advertising.

Broadband revenues: External net sales related to fixed broadband services.

Business solutions: External net sales related to fixed business networking and communication solutions.

CAPEX: An abbreviation of "Capital Expenditure". Investments in intangible and tangible non-current assets and right-of-use assets, but excluding goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations, film and program rights and asset retirement obligations.

CAPEX excluding right-of-use assets: CAPEX excluding right-of-use assets.

EBITDA: An abbreviation of "Earnings before Interest, Tax, Depreciation and Amortization." Equals operating income before depreciation, amortization and impairment losses and before income from associated companies and joint ventures but including amortization and impairment of film and program rights.

Employees: Total headcount excluding hourly paid employees.

Free cash flow: The total cash flow from operating activities and cash CAPEX.

Interconnect revenues: External net sales related to mobile termination.

Internal net sales: Group internal net sales.

Like for like (%): The change in net sales, external service revenues and adjusted EBITDA, excluding exchange rate effects and based on the current group structure, i.e. including the impact of any acquired companies and excluding the impact of any disposed companies, both in the current and in the comparable period.

Mobile subscription revenues: External net sales related to voice, messaging, data and content (including machine to machine).

Net debt: Interest-bearing liabilities less derivatives recognized as financial assets (and hedging long-term and short-term borrowings) and related credit support annex (CSA), less 50 percent of hybrid capital (which, consistent with market practice

for the type of instrument, is treated as equity), less short-term investments, long-term bonds at fair value through OCI and cash/cash equivalents.

Net debt/adjusted EBITDA ratio (multiple): Net debt divided by adjusted EBITDA rolling 12 months and excluding disposed operations.

Operational free cash flow: Free cash flow from continuing operations excluding cash CAPEX for licenses and spectrum fees, dividends from associated companies net of taxes and including repayment of lease liabilities.

Other fixed service revenues: External net sales of fixed services including fiber installation, wholesale and other infrastructure services.

Other mobile service revenues: External net sales related to visitors' roaming, wholesale and other services.

Return on capital employed: Operating income, including impairments and gains/losses on disposals, plus financial revenues excluding foreign exchange gains expressed as a percentage of average capital employed.

Telephony revenues: External net sales related to fixed telephony services.

Total equipment revenues: External equipment net sales.

Total service revenues: External net sales excluding equipment sales.

TV revenues: External net sales related to TV services.

In this report, comparable figures are provided in parentheses and refer to the same item in the corresponding period last year, unless otherwise stated.

FINANCIAL CALENDAR

Annual and Sustainability Report January-December 2020
March 11, 2021

Annual General Meeting 2021
April 12, 2021

Interim Report January-March 2021
April 23, 2021

Interim Report January-June 2021
July 21, 2021

Interim Report January-September 2021
October 21, 2021

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation and Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.00 CET on January 29, 2021.



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