

Press Release
January 20, 2021

Telia Company delivers operational cash flow above outlook for 2020 and announces that the full year results will be impacted by impairments, the Board of Directors intends to propose a dividend of SEK 2.00 per share for 2020

Ahead of the year-end report January-December 2020 results announcement on January 29, 2021, Telia Company announces that the operational cash flow exceeded the outlook given at the third quarter interim report. The operational free cash flow reached SEK 12.1 billion for the year, above the outlook of “reaching the upper end of SEK 9.5-10.5 billion”. Since Telia Company’s dividend policy is related to operational free cash flow, the Board of Directors also wants to inform it intends to propose a dividend of SEK 2.00 per share for 2020. At the same time Telia Company announces that the operating income for the period October-December 2020 will be impacted by a non-cash SEK 7.8 billion impairment charge related to Finland.

Telia Company generated an adjusted fourth quarter EBITDA broadly in line with the stated outlook in the third quarter report (around SEK 30.5 billion for the full year). Operational free cash flow for the full year 2020 reached SEK 12.1 billion, significantly above the outlook provided in the third quarter report of “reaching the upper end of the range SEK 9.5-10.5 billion”. The reason for this outperformance is mainly linked to working capital, with greater benefits accruing in 2020 than anticipated. Further details will be provided in the year-end results announcement for 2020, scheduled for January 29, 2021 (see further below).

The Board of Directors has also decided to take this opportunity to confirm that it intends to propose a dividend of SEK 2.00 per share in respect of the 2020 fiscal year. This dividend represents 67 percent of operational free cash flow for the year and is linked closely to the more structural elements of the operational free cash flow. The Board of Directors regards the SEK 2.00 per share as a sustainable minimum dividend level for the coming years.

Having conducted the annual review of the carrying value of the various assets in the business the Company has identified the need to take a non-cash impairment of Telia Company’s Finnish business unit amounting to SEK 7.8 billion. This will negatively impact the operating income for the full year report January-December 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 a non-cash impairment.

Until the audit of the full year 2020 financial results are complete, all financial references for 2020 are at this time preliminary.

Further information will be given with the announcement of the full set of results for the January-December 2020 period on January 29, 2021 (around 07:00 CET) and at the Investor Brief the same day. The Investor Brief will include an update on Telia Company’s strategy, operational and financial ambitions and the shareholder remuneration policy going forward for the Company. The plans will be presented by President & CEO Allison Kirkby, CFO Per-Christian Mørland, and COO Rainer Deutschmann starting at 11:00 CET. A link to a web cast of the presentation will be found at www.teliacompany.com. To take part in the Q&A



session, please use one of the dial-in alternatives listed below. Please dial-in a few minutes before the presentation starts to register attendance.

Dial-in numbers: +44 (0) 2071 928338, +46 856618467

Pass code/ Conference ID: 2668608

You can also listen to the conference call afterwards until February 19, 2021.

Replay number: +44 (0) 3333009785

Pass code/Conference ID: 2668608

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.00 CET on January 20, 2021.

For more information, please contact our press office +46 771 77 58 30, visit our [Newsroom](#) or follow us on Twitter [@Teliacompany](#).

Forward-Looking Statements

Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Telia Company.

We're Telia Company, the New Generation Telco. Our approximately 21,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we're set to change the industry and bring the world even closer for our customers. Read more at www.teliacompany.com