

# Q4

Year-end Report  
January-December 2021

# Delivering on growth objectives

## Fourth quarter summary

- Net sales decreased 0.4% to SEK 23,380 million (23,464) and like for like<sup>3</sup>, net sales increased 3.3%.
- Service revenues decreased 1.7% to SEK 19,420 million (19,765) and like for like<sup>3</sup>, service revenues increased 2.9%.
- Adjusted EBITDA declined 1.6% to SEK 7,290 million (7,411) and like for like<sup>3</sup>, adjusted EBITDA remained unchanged.
- Total net income amounted to SEK 1,185 million (-24,474).
- Operational free cash flow decreased to SEK 1,371 million (2,856) and cash flow from operating activities decreased to 7,137 million (7,929).
- The transaction regarding a sale of 49% of the tower businesses in Finland and Norway to Brookfield and Alecia was completed.
- After the end of the quarter, an agreement was signed with Brookfield and Alecia for the sale of 49% of the tower business in Sweden. The Board intends to propose to return the net transaction proceeds to shareholders, after the expected completion of the transaction during 2022.
- For 2021, the Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 2.05 per share (2.00).
- The outlook for 2022: Service revenues and Adjusted EBITDA, like for like, are estimated to grow by low single digit. Cash CAPEX, excluding fees for licenses and spectrum, is estimated to be in the range of SEK 14.0-15.0 billion.

**19,420**

Service revenues  
Q4 2021  
(SEK million)

**7,290**

Adjusted  
EBITDA  
Q4 2021  
(SEK million)

**1,371**

Operational  
free cash flow  
Q4 2021  
(SEK million)

## Full year summary

- Net sales declined 1.0% to SEK 88,343 million (89,191) and like for like<sup>3</sup>, net sales increased 3.2%.
- Service revenues decreased 2.8% to SEK 75,180 million (77,342) and like for like<sup>3</sup>, service revenues increased 1.5%.
- Adjusted EBITDA declined 2.0% to SEK 29,861 million (30,482) and like for like<sup>3</sup>, adjusted EBITDA increased 0.4%.
- Total net income amounted to SEK 11,836 million (-22,837).
- Operational free cash flow decreased to SEK 10,401 million (12,095) and cash flow from operating activities decreased to SEK 27,376 million (28,604).
- The divestment of Telia Carrier to Polhem Infra was completed on June 1, 2021.

## Highlights

SEK in millions, except key ratios, per share data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	23,380	23,464	-0.4	88,343	89,191	-1.0
Change (%) like for like <sup>1,3</sup>	3.3			3.2		
of which service revenues (external) <sup>1</sup>	19,420	19,765	-1.7	75,180	77,342	-2.8
change (%) like for like <sup>1,3</sup>	2.9			1.5		
Adjusted <sup>2</sup> EBITDA <sup>1,4</sup>	7,290	7,411	-1.6	29,861	30,482	-2.0
change (%) like for like <sup>1,3</sup>	0.0			0.4		
Margin (%)	31.2	31.6		33.8	34.2	
Adjusted <sup>2</sup> operating income <sup>1,4</sup>	2,246	2,573	-12.7	10,033	11,457	-12.4
Operating income <sup>4</sup>	1,772	-23,037		15,232	-17,850	
Income after financial items <sup>4</sup>	1,181	-24,035		12,598	-21,168	
Total net income <sup>4</sup>	1,185	-24,474		11,836	-22,837	
EPS total (SEK) <sup>4</sup>	0.27	-5.99		2.86	-5.62	
Operational free cash flow <sup>1</sup>	1,371	2,856	-52.0	10,401	12,095	-14.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1,4</sup>	5,944	4,104	44.8	15,885	13,421	18.4

1) See Note 15 Alternative Performance Measures and/or section Definitions. 2) Adjustment items, see Note 2. 3) 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. 4) Restated, see Note 1.

## CEO comment...

"One year after setting out our plan to reinvent Telia and make it better for our customers, our employees, our owners and the societies of the Nordic and Baltic region, we are boldly moving forward. We have returned to growth on both revenue and EBITDA, we have secured our network leadership, we have laid the foundations for a sustainable digital transformation of the whole of Telia, and we remain a sector leader in responsible business. We are also on track to create the region's first meaningful tower company with an enterprise value of EUR 2.6 billion, in partnership with one of the world's largest owners and operators of towers, and we have deleveraged our balance sheet. We are proud that whilst we are in the midst of a comprehensive upgrade of our networks, while simultaneously modernizing and digitizing our many customer experiences, we have delivered on our outlook, and generated operational free cash flow that fully covers both our heightened investments and our progressive dividend.

In the fourth quarter our service revenue grew by 3% driven by Sweden, the Baltics and TV and Media. Structural cost reduction continues, but as we absorb a full quarter of premium sports rights, our EBITDA remained unchanged. Our core telco business, excluding the TV and Media unit, grew EBITDA by 3%.

Sweden and the Baltics, our market leaders, delivered solid service revenue growth driven by a stable customer base and rising ARPU in all main segments. I am especially pleased that the core trends in our Swedish business look increasingly solid. Customer intake in both fiber broadband and IPTV have been consistently positive for seven consecutive quarters, and ARPUs are rising with post-paid mobile and broadband both growing 3%, and TV growing 8% in the quarter. Sweden's service revenue growth rate was 1.5% but amounted to 4.2% when excluding the declining copper revenue. EBITDA grew by 6.5% helped by a pension refund of around SEK 160 million and by 2% excluding the refund. Our businesses in Estonia and Lithuania delivered high-single digit growth in service revenue, driven by both mobile and fixed services and in both the consumer and enterprise segments.

Results in our challenger markets were again mixed but with some positive signs. Norway delivered positively with service revenue accelerating to 2.6% growth, despite the drag from our wholesale business, with both the consumer and enterprise segments growing healthily at 3-5%. EBITDA declined by 3.6% but was stable excluding the wholesale business. Finland results are as expected still below last year with service revenue declining 2.8%, but positive trends are starting to materialise. We saw our new value-oriented strategy and 5G migrations enabling a small increase in consumer post-paid ARPU, and a positive shift towards lower cost and digital sales channels. However, rising energy costs offset the benefits from digital transformation initiatives this quarter, as did declining legacy businesses. We are prioritizing longer-term levers over quick fixes and expect the turnaround to take until the second half of 2022, as previously stated. In Denmark trends were similar to the previous quarter with stable service revenue but EBITDA declined mainly on the back of higher energy costs.



TV and Media continued to grow and the number of consumers with access to C More content is now 14% higher than one year ago. Service revenues grew 11% in both our Advertising funded and Pay TV businesses. Advertising revenues were strong on both linear and digital platforms, in both Sweden and Finland. We achieved our highest ever linear share of viewing in Sweden, and we are gaining share in Finland. As we pursue the digital transformation of the leading Nordic media house I am excited to see the 28% growth in digital advertising in Sweden for 2021, driven by TV4 Play. Within Pay TV, we now carry the full quarterly impact of premium sports rights and while the C More subscriber base grew, the higher content investment resulted in a neutral EBITDA contribution from TV and Media in the quarter.

We continue to execute on the strategic roadmap we presented one year ago. Our strategic priority to "Inspire our Customers" is well illustrated by Telia Norway which has taken 5G leadership, created a daring challenger position to the market incumbent, and increased customer loyalty through a combination of appealing family subscriptions, convergent solutions and device offerings, all of which has resulted in a significant 30% reduction in churn, over the past two years. Telia Sweden won the Swedish quality index survey (SKI) customer satisfaction survey in several categories. Furthermore, in a broad international survey of mobile customer experience performed by Tutela, Finnish networks were named the best in the world, and among those, Telia Finland came out as no.1.

Our priority to "Connect Everyone" is manifested by our strong commitment to maintain and build our network leadership position. I am pleased to see that we won the umlaut test for best network again in Sweden, and even increased the margin to other networks. In Finland we launched the first commercially available 5G standalone (SA) core network in the Nordic and Baltic region, creating the opportunity for advanced 5G use cases and a strengthened position in the Enterprise segment. We are also proud that the World Benchmarking Alliance has ranked Telia

Company number 11 out of 150 when it comes to digital inclusion and fourth among all the European-headquartered companies, based on our progress on improving access to technology, enhancing digital skills, fostering trustworthy use, and innovating openly and ethically. During the year, we also joined forces with Brookfield and Alecia to create a pan-Nordic tower platform, following the closing of the first tower transaction in Q4 and the expected closing during 2022 of the recently announced transaction comprising our Swedish towers.

As we “Transform to Digital” we have laid further foundations to transform Telia into a more agile, efficient company that serves its customers in a simpler, better way. During the year, we have retired over 20% of our legacy products and tripled the share of products that use a common, more scalable, technology platform to more than 45%, which will ultimately reduce cost, decrease time to market and modernize our product offering. We have saved more than SEK 75 million of IT costs in the quarter, and more than SEK 250 million over the year. These are structural and sustainable reductions generated through the decommissioning of legacy systems and products, as well as through the consolidation of IT vendors.

Finally, we have made progress on our commitment to “Deliver Sustainably” on several fronts. In the quarter we launched Travel Emissions Insights, a product that enables municipalities and regions to determine CO2 emissions from road passenger transport. I am also proud that we have decided to explore the opportunity to improve society’s energy security and resilience, while also saving costs, by piloting smart battery storage at selected network sites in 2022. More broadly we are ending the year with more than 1,000 fewer resources and SEK 0.3 billion lower operational expenses, despite higher energy costs. We are also reducing complexity across Telia, having divested small, non-core businesses for more than SEK 0.5 billion in total, in the past 12 months, without any impact on Group EBITDA.

Financially, we end the year with a strong balance sheet and the Board is proposing a 2.5% increase in the dividend, in line with the ambitions of our dividend policy which is one of the sector’s most committed and shareholder friendly. Additionally, with the current strong balance sheet position foreseen to be sustained, the Board intends to propose the distribution of the net proceeds from the Swedish tower transaction, which is expected to close during 2022, to the shareholders. Further details on the return mechanism will be provided in due course.

In the year ahead I expect the demands on the communications sector to increase further as customers seek more and more connected services and experiences that rely on safe, reliable and high-speed networks. As the costs to deliver these services face inflationary pressure, it is no longer sustainable for our services to deflate in value. At the end of 2021 consumer prices in our home market of Sweden were climbing at the fastest pace for almost three decades, with similar trends in the rest of our footprint.

Entering 2022 we will execute on two fronts to meet this new environment. Firstly, by offering connectivity, communication and entertainment services that are superior to anything we have offered in the past, and by ensuring the price of these services

reflect the value they bring to our customers. Secondly by transforming our operations to be simpler, and more modern, we will have fewer products, processes, platforms, and partners that enable a much better customer experience at a much lower cost base.

Our 2021-23 ambitions are unchanged, including EBITDA growth of low to mid-single digit and a return of cash CAPEX to 15% of net sales.

For 2022 we target low single digit growth of both service revenue and EBITDA, on a like for like basis. Our telco business is expected to grow its EBITDA contribution by low to mid-single digits, while TV and Media will continue its heightened content investments as it shifts towards digital and OTT platforms and absorbs the full year impact of premium sports rights. The TV and Media unit is therefore expected to contribute a lower EBITDA in 2022 than in 2021.

Cash CAPEX for 2022, excluding licenses and spectrum, is expected to be in the range of SEK 14.0-15.0 billion, similar to 2021.

As we move into the second year of our multiyear journey to reinvent a better Telia, I could not be more proud of everything my Telia colleagues do to keep people and businesses connected, and society open, while still predominately working from their home offices. At the same time, we are executing successfully on a bold digital transformation that will enable sustainable growth, modernize and develop our asset base, reset our cost base, and ultimately reinvent better for our customers, our employees, our owners and the societies we serve in the years to come. With one year under our belt, I remain confident in our ambitions and excited about the role Telia can uniquely play as societies and economies reconnect and rebound, post the pandemic years.”

**Allison Kirkby**  
President & CEO

In CEO comment, 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 2022

Service revenues, like for like, are estimated to grow by low single digit.

Adjusted EBITDA, like for like, is estimated to grow by low single digit.

Cash CAPEX, excluding fees for licenses and spectrum, is estimated to be in the range of SEK 14.0-15.0 billion.

## Ambition for 2021-2023

Service revenues, like for like, to grow by low single digit.

Adjusted EBITDA, like for like, to grow by low to mid-single digit.

Cash CAPEX, excluding fees for licenses and spectrum, to return to around 15% of net sales by 2023.

## Leverage and 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 part<sup>1</sup> of operational free cash flow is expected to cover the minimum level of dividend from 2022.

## Ordinary dividend to shareholders

For 2021, the Board of Directors proposes to the Annual General Meeting (AGM) an ordinary dividend of SEK 2.05 per share (2.00), totaling SEK 8.4 billion (8.2). The dividend should be split and distributed into two tranches of SEK 1.00 per share and SEK 1.05 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 6, 2022, and that the first day of trading in shares excluding rights to dividend be set for April 7, 2022. The recommended record date at Euroclear Sweden for the right to receive dividend will be April 8, 2022. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on April 13, 2022.

### Second distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for October 25, 2022, and that the first day of trading in shares excluding rights to dividend be set for October 26, 2022. The recommended record date at Euroclear Sweden for the right to receive dividend will be October 27, 2022. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on November 1, 2022.

## Annual general meeting 2022

The Annual General Meeting will be held on April 6, 2022, and notice of the AGM will be posted on [www.teliacompany.com](http://www.teliacompany.com) and advertised in the newspapers.

<sup>1</sup>) 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 2021

## Sales and earnings

**Net sales** decreased by 0.4% to SEK 23,380 million (23,464). Like for like, net sales increased by 3.3%.

**Service revenues** decreased 1.7% to SEK 19,420 million (19,765). Like for like, service revenues increased 2.9% driven mainly by the TV and Media unit and Sweden, although also partly from growth in most other operations.

**Adjusted EBITDA** declined 1.6% to SEK 7,290 million (7,411) and the adjusted EBITDA margin declined to 31.2% (31.6). Like for like, adjusted EBITDA remained unchanged as decreased adjusted EBITDA generation for the TV and Media unit and Finland, was offset by a positive development for mainly Sweden and Other operations.

**Adjustment items** affecting operating income amounted to SEK -475 million (-25,610). The corresponding quarter last year contained a negative impact from an impairment related to goodwill in Finland and a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses. See Note 2.

**Adjusted operating income** declined to SEK 2,246 million (2,573).

**Financial items** totaled SEK -590 million (-998) of which SEK -600 million (-927) related to net interest expenses. 2020 was impacted by higher costs mainly related to buy-backs of issued debt.

**Income taxes** amounted to SEK 4 million (-358). The effective tax rate was -0.3 % (-1.5). The effective tax rate was mainly impacted by change in deferred taxes related to temporary legislation regarding tax reduction for certain investments within property, plant and equipment, whilst comparative figures were mainly impacted by a non-deductible capital loss related to the disposal of Turkcell and non-deductible impairment in Finland.

**Total net income** amounted to SEK 1,185 million (-24,474). The corresponding quarter last year contained a negative impact from an impairment related to goodwill in Finland and a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses. See Note 2.

**Other comprehensive income** decreased to SEK 2,904 million (11,455). 2021 was impacted by positive translation differences related to NOK and positive remeasurements of defined benefit pension plans. The corresponding quarter last year was impacted by reclassified accumulated foreign exchange losses from disposal of Turkcell, partly offset by negative remeasurements of defined benefit pension plans.

## Cash flow

**Cash flow from operating activities** decreased to SEK 7,137 million (7,929) mainly impacted by lower contribution from working capital partly offset by compensation from the pension fund. **Free cash flow** decreased to 1,655 million (3,789) and was in addition also negatively impacted by increased cash CAPEX.

**Operational free cash flow**, from continuing operations, decreased to SEK 1,371 million (2,856).

**Cash flow from investing activities** amounted to SEK -4,730 million (-489). 2020 was impacted by the disposal of Turkcell while 2021 was impacted by higher cash capex which was more than offset by net divestments of short-term investments.

**Cash flow from financing activities** amounted to SEK -2,026 million (-11,757) mainly impacted by the partial disposal of the tower businesses in Finland and Norway as well as lower paid dividend.

## Financial position

**CAPEX** excluding right-of-use assets, increased to SEK 5,935 million (4,103). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 5,944 million (4,104). Cash CAPEX increased to SEK 5,481 million (4,140).

**Net debt** was SEK 63,133 million at the end of the fourth quarter (66,400 at the end of the third quarter of 2021). The net debt/adjusted EBITDA ratio was 2.14x.

## COVID-19 impact

Due to the COVID-19 pandemic roaming revenues were around SEK 300 million lower for the first half of 2021 compared to the corresponding period last year. In the second half there was no adverse impact from COVID-19 on roaming revenues compared to the corresponding period last year, however, the uncertainty surrounding COVID-19 implies a risk also going forward. This, as well as mitigating activities, are reflected in the outlook, see page 5.

Financial markets are now in a normal state after a strong rebound and with support from central banks from lows during the COVID-19 shock in the second quarter 2020. Telia Company's financial risk management is in all material aspects unchanged. Also, the debt capital market has recovered to pre COVID-19 spread levels for the Telia Company credit. The general credit risk increase in 2020 has decreased and there has been no need for any significant increases in Telia Company's allowances for expected credit losses in the fourth quarter 2021. For more information on risks related to COVID-19, see "Risks and uncertainties" in the Annual and sustainability report 2020.

# Review of the group, full year 2021

## Sales and earnings

**Net sales** decreased by 1.0% to SEK 88,343 million (89,191). Like for like, net sales increased 3.2%.

**Service revenues** decreased 2.8% to SEK 75,180 million (77,342). Like for like, service revenues increased 1.5% due to a positive development for the TV and Media unit as well as for the Baltic operations which more than compensated for lower service revenues in the Nordic operations.

**Adjusted EBITDA** declined 2.0% to SEK 29,861 million (30,482) and the adjusted EBITDA margin decreased to 33.8% (34.2). Like for like, adjusted EBITDA increased 0.4% as a positive development for primarily the TV and Media unit, Norway as well as for Other operations more than compensated for declining adjusted EBITDA in mainly Finland and Denmark.

**Adjustment items** affecting operating income amounted to SEK 5,198 million (-29,307). 2021 was mainly impacted by a capital gain from the disposal of Telia Carrier, see Note 12. 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 Note 2.

**Adjusted operating income** declined to SEK 10,033 million (11,457).

**Financial items** totaled SEK -2,634 million (-3,318) of which SEK -2,625 million (-3,161) related to net interest expenses. 2020 was impacted by higher costs mainly related to buy-backs of issued debt whilst 2021 was impacted by refinanced debt at lower interest rates.

**Income taxes** amounted to SEK -937 million (-1,390). The effective tax rate was 7.4 % (-6.6). The effective tax rate was mainly impacted by a non-taxable capital gain related to the disposal of Telia Carrier, whilst comparative figures were mainly impacted by a 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 11,836 million (-22,837). 2020 contained a negative impact from 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 Note 2.

**Other comprehensive income** increased to SEK 8,666 million (5,433). 2021 was impacted by positive remeasurements of defined benefit pension plans and positive translation differences related to NOK and EUR and no TRY impact. 2020 was impacted by reclassified accumulated foreign exchange losses from disposal of Turkcell, partly offset by negative translation differences related to EUR and NOK as well as negative remeasurements of defined benefit pension plans.

## Cash flow

**Cash flow from operating activities** decreased to SEK 27,376 million (28,604) mainly impacted by lower adjusted EBITDA partly due to the deconsolidation of Telia Carrier and higher paid taxes offset by

higher compensation from the pension fund. **Free cash flow** decreased to 11,729 million (15,114) and was in addition also negatively impacted by increased cash CAPEX. **Operational free cash flow**, from continuing operations, decreased to SEK 10,401 million (12,095).

**Cash flow from investing activities** amounted to SEK -10,908 million (-3,247). 2021 was mainly impacted by net investments in short term investments and higher Cash CAPEX partly offset by the disposal of Telia Carrier. 2020 was impacted by net divestments of short-term investments and the disposal of Turkcell.

**Cash flow from financing activities** amounted to SEK -10,600 million (-23,098) positively impacted by the partial disposal of the tower businesses in Finland and Norway as well as lower paid dividend and lower impact from repurchased treasury shares.

## Financial position

**CAPEX** excluding right-of-use assets, increased to SEK 18,001 million (13,563). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 15,885 million (13,421). Cash CAPEX increased to SEK 15,647 million (13,485).

**Goodwill and other intangible assets** increased to SEK 89,943 million (85,942), mainly due to foreign exchange rate effects and investments in frequencies in Norway.

**Long-term interest-bearing receivables** decreased to SEK 9,244 million (11,233), mainly due to a change in derivatives. **Short-term interest-bearing receivables** increased to SEK 8,841 million (5,486), mainly due to investment in investment bonds.

**Assets classified as held for sale** decreased to SEK 0 million (4,957) due to the disposal of Telia Carrier, also affecting **Liabilities directly associated with assets classified as held for sale**.

**Long-term borrowings** decreased to SEK 91,637 million (100,239) mainly due to a reclassification to short-term borrowings, but also due to a change in derivatives.

**Provisions for pensions and other long-term provisions** decreased to SEK 7,001 million (11,787) mainly due to remeasurements of defined benefit pension plans.

**Other long-term liabilities** increased to SEK 1,914 million (757), mainly due to increased long-term frequency liabilities in Norway.

**Short-term borrowings** increased to SEK 10,017 million (8,345) due to a reclassification from long-term borrowings, partly off-set by repayment of matured debt.

## COVID-19 impact

For information on COVID-19, see "Review of the Group, fourth quarter 2021".

## Significant events in the first 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 (approximately SEK 757 million).
- On February 11, 2021, it was announced that the Nomination Committee had been informed by Mr Olaf Swantee that he was not available for re-election to the Telia Company Board.
- On March 11, 2021, Telia Company published its Annual and Sustainability Report for 2020.
- On March 26, 2021, Telia Company announced the investment of SEK 100 million in a Sustainable Development Bond recently launched by the World Bank.

## Significant events in the second quarter

- On April 1, 2021, Telia Company completed the sale of its alarm communication business Alerta in Finland. See Note 12.
- On April 12, 2021, Telia Company announced the resolutions passed at the Annual General Meeting, including the appointment of the new board. Further the Annual General Meeting approved implementation of a long-term incentive program 2021/2024.
- On April 20, 2021, Telia Company launched new goals to boost sustainable growth. The aim is to empower societies in the Nordics and Baltics to achieve zero CO<sub>2</sub> and waste by 2030, reach one million people through digital inclusion initiatives by 2025 and implement winning privacy and security strategies by 2023 to gain and maintain customers' trust.
- On April 21, 2021, the Danish multiband auction was concluded and Telia Denmark secured via the joint operation TT-Netværket spectrum in the 1,500 MHz, 2,100 MHz, 3,600 MHz as well as in the 26 GHz band, for a total price of DKK 741 million (approximately SEK 1 000 million).
- On May 3, 2021, Telia Company announced that the Board of Directors has decided to exercise the mandate for buy-back of shares to cover commitments under Telia Company's "Long Term Incentive Program 2018/2021". See Note 6.
- On June 1, 2021, the divestment of Telia Carrier to Polhem Infra was completed. See Note 12.
- On June 4, 2021, Telia Company announced that Cecilia Lundin, Executive Vice President, Head of People Experience & Culture, will be leaving Telia Company.
- On June 30, 2021, Telia Company signed an agreement to dispose 49% of the tower businesses in Finland and Norway to Brookfield and Alecia, at a price corresponding to an enterprise value for 100% of EUR 1,524 million (approximately SEK 15.4 billion) on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected take place in the fourth quarter of 2021. See Note 12.

## Significant events in the third quarter

- On July 12, 2021, Telia Company announced the appointment of Stefan Backman as EVP, Group General Counsel, Head of Corporate Affairs, to succeed Jonas Bengtsson who has decided to leave the company at the end of 2021.
- On September 6, 2021, Telia Company announced the appointment of Maria Romberg Ewerth as Senior Vice President, Chief People Officer.
- On September 20, 2021, it was announced that the Nomination Committee of Telia Company AB for the Annual General Meeting 2022 had been appointed.
- On September 30, 2021, the Norwegian frequency auction was completed and Telia secured frequencies in both the 2.6 GHz as well as in the 3.6 GHz band for a total price of NOK 1,070 million (approximately SEK 1,068 million).

## Significant events in the fourth quarter

- In October 2021, SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of the Baltic data transmission network and IT security solutions enterprise group, Santa Monica Networks from Livonia Partners at a price of EUR 36 million (approximately SEK 364 million), see Note 13.
- On November 3, 2021, Telia Company announced that the new mobile phone Eco Rating scheme launched across Europe earlier this year was set to expand globally after the five operators behind the initiative expanded their initial agreement to encourage operators worldwide to participate.
- On November 10, 2021, Telia Company announced the launch of a 5G standalone (SA) core network in Finland – the first commercially available 5G SA network in the Nordic and Baltic regions.
- On December 29, 2021, Telia Company announced the completion of the sale of a minority stake in its Norwegian and Finnish tower businesses to Brookfield and Alecia. See Note 12.

## Significant events after the end of the fourth quarter

- On January 4, 2022, Telia Company announced the divestment of SIA Telia Latvija to SIA Tet for an enterprise value of EUR 10.75 million (approximately SEK 110 million) on a cash and debt free basis. The transaction is expected to be closed during the second quarter of 2022. See Note 12.
- On January 27, 2022, Telia Company announced the launch of a pilot in partnership with the energy storage solution provider Polarium to develop energy optimization.
- On January 27, 2022, Telia Company announced a divestment of a 49% stake in its Swedish tower business to Brookfield and Alecia. The transaction price corresponds to an enterprise value for 100 percent of SEK 11,224 million on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected in the third quarter of 2022. See Note 12.



## Sweden

- Sweden displayed both service revenue and adjusted EBITDA growth for the first time since the fourth quarter of 2015.
- For the fifth consecutive year Telia won the award for best mobile network according to the independent benchmarking company umlaut. Like last year Telia secured the top position in all three measurement categories - voice, data and crowd-source quality.
- Telia continued to have the most satisfied customers in most key categories according to the yearly Swedish quality index survey (SKI). In the enterprise segment Telia had the most satisfied mobile as well as fixed broadband customers and in the consumer segment Telia had the most satisfied TV customers as well as mobile customers via the Halebop brand.
- Telia in collaboration with several industrial partners, showcased the world's first remote-controlled High-lift wheel loader using 5G technology. The aim of the project is to analyze how 5G can be part of enabling timber terminals across Sweden to use remote-controlled wheel loaders to develop safer and more efficient handling processes as well as explore 5G's potential as an overall enabler for automation.
- Telia launched the service Travel Emission Insights which allows for municipalities and regions to access a detailed overview of the release of greenhouse gas emissions from personal transportation. And by that facilitate for improved decision making around measures that could contribute to reduced emissions.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales <sup>1</sup>	9,133	8,857	3.1	34,451	33,732	2.1
Change (%) like for like	3.1			2.1		
of which service revenues (external)	7,677	7,544	1.8	29,582	29,734	-0.5
change (%) like for like	1.5			-0.6		
Adjusted EBITDA <sup>1</sup>	3,541	3,326	6.4	13,359	13,418	-0.4
Margin (%)	38.8	37.6		38.8	39.8	
change (%) like for like	6.5			-0.4		
Adjusted operating income <sup>1</sup>	1,672	1,706	-2.0	5,833	6,768	-13.8
Operating income <sup>1</sup>	1,637	1,831	-10.6	5,588	6,758	-17.3
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,716	866	98.1	3,685	2,806	31.3
Subscriptions, (thousands)						
Mobile	6,914	6,246	10.7	6,914	6,246	10.7
of which machine to machine (postpaid)	2,120	1,306	62.3	2,120	1,306	62.3
Fixed telephony	509	665	-23.5	509	665	-23.5
Broadband	1,248	1,242	0.5	1,248	1,242	0.5
TV	997	929	7.3	997	929	7.3
Employees <sup>1</sup>	4,352	4,508	-3.5	4,352	4,508	-3.5

1) Restated, see Note 1.

**Net sales** increased 3.1% to SEK 9,133 million (8,857) and like for like, net sales increased 3.1% driven by both service revenue growth as well as higher sale of equipment.

**Service revenues**, like for like, increased by 1.5% as mobile service revenues increased 1.4% and fixed service revenues increased by 1.7%. The latter driven predominately by increased TV and fixed broadband revenues, which more than compensated for a continued decline for fixed telephony revenues.

**Adjusted EBITDA** increased 6.4% to SEK 3,541 million (3,326) and adjusted EBITDA margin increased to 38.8% (37.6). Adjusted EBITDA like for like increased 6.5% because of the increased service revenues and lower operational expenses related primarily to marketing as well as resources. The latter primarily driven by a positive impact from a pension refund of around SEK 160 million.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 98.1% to SEK 1,716 million (866) due to mainly investments associated with upgrading the mobile network as well as roll-out of 5G.

**Mobile subscriptions** grew by 225,000 in the quarter driven by an addition of 286,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased by 22,000 and fixed broadband subscriptions increased by 4,000 in the quarter.

## Finland

- In a study regarding overall mobile customer experience performed by Tutela, covering some 800 million mobile users, Telia's network score was ranked best in Finland and as number 6 in an international context.
- Telia launched a 5G standalone (SA) core network in Finland, which was the first commercially available 5G SA network in the Nordic and Baltic region. Allowing amongst other for the creation of private networks and further industry automation. Telia will also use the 5G SA core network to offer its consumer customers broadband connections with guaranteed speeds.
- Telia signed a comprehensive multiyear IoT service agreement with the building performance specialist company Caverion. Under the agreement Telia will provide Caverion with measurement and monitoring services, such as indoor climate monitoring to realize efficiencies and environmental gains from the use of remote monitoring.
- Telia and the traffic management company Fintraffic launched a research project with the aim to develop next generation traffic analysis, to improve road development and maintenance, and to over time build a tool for more efficient travel planning that will lead to reduced CO2 emissions.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	3,801	3,977	-4.4	14,504	15,260	-5.0
Change (%) like for like	-2.9			-1.5		
of which service revenues (external)	3,110	3,231	-3.7	12,125	12,851	-5.6
change (%) like for like	-2.8			-2.5		
Adjusted EBITDA <sup>1</sup>	1,042	1,146	-9.1	4,322	4,789	-9.7
Margin (%)	27.4	28.8		29.8	31.4	
change (%) like for like	-7.5			-6.1		
Adjusted operating income <sup>1</sup>	232	356	-34.9	1,069	1,599	-33.1
Operating income <sup>1</sup>	233	-7,417		1,354	-6,320	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	622	463	34.3	1,833	1,689	8.6
Subscriptions, (thousands)						
Mobile	3,234	3,165	2.2	3,234	3,165	2.2
of which machine to machine (postpaid)	309	277	11.6	309	277	11.6
Fixed telephony	17	20	-15.0	17	20	-15.0
Broadband	474	462	2.6	474	462	2.6
TV	552	558	-1.1	552	558	-1.1
Employees <sup>1</sup>	2,860	3,023	-5.4	2,860	3,023	-5.4

1) Restated, see Note 1.

**Net sales** declined 4.4% to SEK 3,801 million (3,977) and like for like, net sales declined 2.9% driven mainly by decreased service revenues. The effect of exchange rate fluctuations was negative by 1.4%.

**Service revenues**, like for like, declined 2.8% as mobile service revenues remained fairly unchanged at the same time as fixed service revenues decreased by 5.5% driven predominately by lower revenues from business solutions and fixed broadband.

**Adjusted EBITDA** declined 9.1% to SEK 1,042 million (1,146) and adjusted EBITDA margin decreased to 27.4% (28.8). Adjusted EBITDA like for like declined 7.5% driven by the decline in service revenues which more than offset a positive impact from lower operational expenses.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 34.3% to SEK 622 million (463).

**Mobile subscriptions** increased by 18,000 driven by the addition of 23,000 postpaid subscriptions. TV subscriptions as well as fixed broadband subscriptions both increased by 2,000 in the quarter.

## Norway

- Telia continued to roll out 5G at a high pace throughout the country and currently more than 40% of Norwegians have access to Telia's 5G network where they live. In parallel Telia continued to modernize the entire mobile network, delivering significantly more capacity, better coverage and higher speeds.
- After 16 years of service Telia's 3G network was switched off and replaced by 4G and 5G. This will provide a significantly better customer experience thanks to the excellent capacity, speed and coverage of 4G and 5G.
- In the latest EPSI ranking Telia's OneCall brand remained the favorite within the consumer segment, while Phonero and Telia conquered the two top positions in the enterprise segment. Great proof points that the significant efforts and dedicated long-term work towards constantly improving the customer experience, is developing positively.
- In the quarter Telia renewed its flagship mobile subscription Telia X by introducing three speed-based tariffs. As a result, Telia X customers can enjoy unlimited data at the speed that best suits their individual needs, whether it be for streaming, gaming or mobile data sharing.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	3,658	3,357	9.0	13,788	13,373	3.1
Change (%) like for like	2.8			1.1		
of which service revenues (external)	3,014	2,763	9.1	11,510	11,338	1.5
change (%) like for like	2.6			-0.5		
Adjusted EBITDA <sup>1</sup>	1,556	1,502	3.6	6,240	5,971	4.5
Margin (%)	42.5	44.7		45.3	44.6	
change (%) like for like	-3.6			1.7		
Adjusted operating income <sup>1</sup>	606	378	60.2	2,351	1,593	47.6
Operating income <sup>1</sup>	537	332	61.7	2,192	1,432	53.1
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,043	883	18.2	3,043	2,441	24.6
Subscriptions, (thousands)						
Mobile	2,289	2,247	1.9	2,289	2,247	1.9
of which machine to machine (postpaid)	125	107	17.2	125	107	17.2
Fixed telephony	32	40	-20.0	32	40	-20.0
Broadband	492	469	4.9	492	469	4.9
TV	477	469	1.7	477	469	1.7
Employees	1,412	1,633	-13.5	1,412	1,633	-13.5

1) Restated, see Note 1.

**Net sales** increased 9.0% to SEK 3,658 million (3,357) and like for like, net sales increased 2.8% due to increased service revenues. The effect of exchange rate fluctuations was positive by 6.3%.

**Service revenues**, like for like, increased 2.6% due to growth for both mobile as well as fixed service revenues. For mobile service revenues the growth of 2.9% was the result from increased subscription revenues which more than compensated for lower wholesale revenues. For fixed service revenues the growth of 1.5% was due to a 10.7% increase for fixed broadband revenues which more than compensated for lower fixed telephony, TV and business solutions revenues.

**Adjusted EBITDA** increased 3.6% to SEK 1,556 million (1,502) and adjusted EBITDA margin declined to 42.5% (44.7). Adjusted EBITDA like for like declined 3.6% as higher costs more than offset the positive impact from the service revenue growth.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 18.2% to SEK 1,043 million (883).

**Mobile subscriptions** decreased by 3,000 in the quarter driven by the loss of 6,000 prepaid subscription. TV subscriptions remained unchanged and fixed broadband subscriptions increased by 2,000 in the quarter.

## Denmark

- The process of upgrading and modernizing the existing 4G network and roll-out of 5G continued in Denmark's larger cities, including Copenhagen, whereby year end Telia was able to cover the vast majority of the city with 5G.
- As part of the strategy to enhance the customer experience by bundling connectivity and content, Telia introduced Netflix as part of two of its mobile offerings, ONE Netflix and Smart Netflix.
- Following Telia's ambition to be the preferred provider of mobile, internet, TV and streaming services amongst Danish families, Telia entered a new collaboration with the electronic chain POWER. The collaboration will make Telia's mobile services available in almost 50 Power and Expert stores across the country, and over time also broadband and other services will also be made available.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	1,403	1,403	0.0	5,214	5,464	-4.6
Change (%) like for like	1.4			-1.6		
of which service revenues (external)	968	965	0.4	3,807	3,976	-4.2
change (%) like for like	0.7			-1.7		
Adjusted EBITDA <sup>1</sup>	242	265	-8.7	906	1,015	-10.7
Margin (%)	17.2	18.9		17.4	18.6	
change (%) like for like	-7.0			-7.0		
Adjusted operating income <sup>1</sup>	6	-19		-67	-17	
Operating income <sup>1</sup>	-193	-23		-299	-34	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	200	79	151.3	462	288	60.5
Subscriptions, (thousands)						
Mobile	1,620	1,494	8.4	1,620	1,494	8.4
of which machine to machine (postpaid)	254	113	123.5	254	113	123.5
Fixed telephony	62	66	-6.1	62	66	-6.1
Broadband	66	68	-2.9	66	68	-2.9
TV	24	29	-17.2	24	29	-17.2
Employees	690	731	-5.6	690	731	-5.6

1) Restated, see Note 1.

**Net sales** remained unchanged at SEK 1,403 million (1,403) and like for like, net sales increased 1.4% due to increased service revenues as well as increased equipment sales. The effect of exchange rate fluctuations was negative by 1.4%.

**Service revenues**, like for like, increased 0.7% as mobile service revenue growth of 4.0% driven largely by higher interconnect revenues, more than compensated for a 7.0% decline in fixed service revenues driven by declining revenues from business solutions.

**Adjusted EBITDA** declined 8.7% to SEK 242 million (265) and adjusted EBITDA margin decreased to 17.2% (18.9). Adjusted EBITDA like for like declined 7.0% as increased operational expenses more than offset the positive impact from the slight growth in service revenues.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 151.3% to SEK 200 million (79) due to mainly investments associated with upgrading the mobile network as well as roll-out of 5G.

**Mobile subscriptions** increased by 16,000 in the quarter driven by the addition of 11,000 postpaid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions increased by 4,000 and TV subscriptions declined by 2,000 in the quarter.

## Lithuania

- After achieving an average mobile network speed of 104.5 Mbit per second according to the Communications Regulatory Authority's 2021 measurements, Telia cemented its number one position and further widened the gap to competition.
- An important customer experience milestone was reached when every second call in Telia's mobile network was made using Voice over LTE (VoLTE) technology. A technology that in addition to provide a better quality of sound also connects calls up to three times faster and better facilitates for calls during large events as the technology makes more efficient use of the radio frequencies.
- Supported by a solid demand from enterprises and public sector customers regarding IT services, Telia initiated plans to build a new and sustainable data center near Vilnius. The new data center will be connected to Telia's already existing data centers via a fiber-optic cable ring which will enable Telia to offer customers highly secure and unique IT solutions.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	1,169	1,076	8.7	4,320	4,151	4.1
Change (%) like for like	10.3			7.6		
of which service revenues (external)	841	788	6.8	3,272	3,167	3.3
change (%) like for like	7.0			6.0		
Adjusted EBITDA	370	370	0.1	1,511	1,497	0.9
Margin (%)	31.7	34.4		35.0	36.1	
change (%) like for like	1.5			4.3		
Adjusted operating income	180	111	62.3	756	776	-2.5
Operating income	171	107	59.4	752	756	-0.6
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	334	107	213.2	669	383	74.9
Subscriptions, (thousands)						
Mobile	1,518	1,398	8.6	1,518	1,398	8.6
of which machine to machine (postpaid)	309	204	51.2	309	204	51.2
Fixed telephony	201	230	-12.6	201	230	-12.6
Broadband	421	417	1.0	421	417	1.0
TV	255	253	0.8	255	253	0.8
Employees <sup>1</sup>	1,599	1,614	-0.9	1,599	1,614	-0.9

1) Restated, see Note 1.

**Net sales** increased 8.7% to SEK 1,169 million (1,076) and like for like, net sales increased 10.3% driven fairly even by higher equipment sales and increased service revenues. The effect of exchange rate fluctuations was negative by 1.6%.

**Service revenues**, like for like, increased 7.0% driven by both mobile and fixed service revenues. For mobile service revenues that increased 7.2% the growth was the result from an increased number of subscriptions as well as higher ARPU. For fixed service revenues, which increased 7.6%, the growth was driven by a positive development for fixed broadband, TV and business solution revenues, which more than compensated for a continued decline for fixed telephony revenues.

**Adjusted EBITDA** increased 0.1% to SEK 370 million (370) and adjusted EBITDA margin decreased to 31.7% (34.4). Adjusted EBITDA like for like increased 1.5% because of the increase in service revenues.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 213.2% to SEK 334 million (107) due to mainly investments associated with upgrading the mobile network as well as roll-out of 5G.

**Mobile subscriptions** increased by 70,000 in the quarter driven by 64,000 postpaid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions increased by 2,000 and TV subscriptions increased by 1,000 in the quarter.



## Estonia

- After activating the first 5G base station in November 2020, Telia's 5G network has been significantly expanded and currently reaches almost 150 locations across most cities in Estonia. And in parallel with the network expansion, the number of customers who use the 5G network on a daily basis has also grown constantly and is approaching 50,000.
- Over the past year, the average download speed in Telia's 4G network has increased by 60% to more than 90 Mbit per second according to a study performed by the international consulting firm Omnitele. In addition, Telia's network also achieved the highest download speed, reaching over 700 Mbit per second.
- Telia took another important step related to its environmental commitments in the fourth quarter of 2020 when solar panels were installed next to Telia's largest data center in Laagri, near Tallinn. Telia's operations already used 100% renewable electricity but through the solar panels Telia has supported the increase of renewable electricity in the overall energy system and by so reduced emissions by more than 160 tons over the year.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales <sup>1</sup>	891	854	4.3	3,331	3,276	1.7
Change (%) like for like	5.9			5.1		
of which service revenues (external)	698	643	8.5	2,689	2,627	2.4
change (%) like for like	8.4			5.0		
Adjusted EBITDA	292	281	4.1	1,196	1,153	3.7
Margin (%)	32.8	32.8		35.9	35.2	
change (%) like for like	5.4			7.2		
Adjusted operating income	120	108	11.5	542	453	19.6
Operating income	120	106	13.4	536	446	20.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	197	117	69.3	417	374	11.6
Subscriptions, (thousands)						
Mobile	1,191	1,112	7.1	1,191	1,112	7.1
of which machine to machine (postpaid)	396	353	12.1	396	353	12.1
Fixed telephony	209	226	-7.5	209	226	-7.5
Broadband	243	242	0.4	243	242	0.4
TV	207	208	-0.5	207	208	-0.5
Employees <sup>1</sup>	1,306	1,359	-3.9	1,306	1,359	-3.9

1) Restated, see Note 1..

**Net sales** increased 4.3% to SEK 891 million (854) and like for like, net sales increased 5.9% driven by increased service revenues. The effect of exchange rate fluctuations was negative by 1.6%.

**Service revenues**, like for like, increased 8.4% from mobile service revenues increasing by 7.1% driven by subscription base expansion and ARPU growth, and fixed service revenues growing by 8.9% driven by a positive development for most services.

**Adjusted EBITDA** increased 4.1% to SEK 292 million (281) and adjusted EBITDA margin remained unchanged at 32.8% (32.8). Adjusted EBITDA like for like increased 5.4% driven by the service revenue increase.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 69.3% to SEK 197 million (117).

**Mobile subscriptions** increased by 6,000 in the quarter. Fixed broadband subscriptions increased by 1,000 and TV subscriptions remained unchanged in the quarter.

## TV and Media

- Telia's TV and Media unit further strengthened its market position in the quarter, with both linear viewing and digital consumption developing positively. TV4's linear channels increased share of viewing amongst 15-64 year olds to 36.3% compared to 35.2% in the corresponding quarter last year and time spent on TV4 Play increased 30%.
- C More and BritBox International entered a new Nordic partnership, enabling C More's customers will have access to the largest and most comprehensive collection of British entertainment, containing more than 3,000 hours of both new original series and classic British viewer favorites.
- In Finland, like elsewhere across Telia's footprint, the demand for streaming services has grown dramatically in recent years and according to Telia's Home and Media survey, C More was the most popular domestic streaming service in Finland. And in contest with all available streaming services C More came out as the runner up, beaten only by Netflix.

## Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	2,594	2,340	10.9	8,648	7,429	16.4
Change (%) like for like	11.3			17.3		
of which service revenues (external)	2,594	2,340	10.9	8,647	7,429	16.4
change (%) like for like	11.3			17.3		
Adjusted EBITDA	-7	200		878	758	15.9
Margin (%)	-0.3	8.6		10.2	10.2	
change (%) like for like	-102.5			16.1		
Adjusted operating income	-174	-21		99	-55	
Operating income	-183	-43		13	-120	
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	64	82	-22.2	263	333	-21.0
Subscriptions, (thousands)						
TV (SVOD)	865	789	9.6	865	789	9.6
Employees <sup>1</sup>	1,378	1,427	-3.4	1,378	1,427	-3.4

1) Restated, see Note 1.

**Net sales** increased 10.9% to SEK 2,594 million (2,340) and like for like, net sales increased 11.3% driven by increased service revenues. The effect of exchange rate fluctuations was negative by 0.4%.

**Service revenues**, like for like, increased 11.3% explained by a 11.3% increase in TV revenues and a 11.6% increase in advertising revenues. The growth in TV revenues was explained by an increased number of TV subscriptions, whereas the growth for advertising revenues was the result from successful work on capitalizing on a growing demand for tv-advertising in combination with a market leading total-tv reach.

**Adjusted EBITDA** decreased to SEK -7 million (200) and adjusted EBITDA margin decreased to -0.3% (8.6). Adjusted EBITDA like for like decreased to SEK -5 million as the service revenue growth was more than offset by mainly higher content related costs.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, decreased 22.2% to SEK 64 million (82).

**Direct subscriptions video-on-demand (SVOD)** increased by 30,000 in the quarter.

## Other operations

### Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2021	Oct-Dec 2020	Chg %	Jan-Dec 2021	Jan-Dec 2020	Chg %
Net sales	1,046	2,175	-51.9	5,723	8,715	-34.3
Change (%) like for like	5.7			12.1		
of which Telia Carrier	–	1,270	-100.0	1,944	5,235	-62.9
of which Latvia	719	611	17.7	2,562	2,381	7.6
Adjusted EBITDA	254	321	-20.9	1,449	1,881	-23.0
of which Telia Carrier	–	225	-100.0	371	909	-59.3
of which Latvia	241	201	20.0	840	778	8.0
Margin (%)	24.3	14.8		25.3	21.6	
Income from associated companies	23	-17,920		97	-20,073	
of which Turkey	–	-17,955	-100.0	–	-20,246	-100.0
of which Latvia	28	37	-24.1	112	179	-37.4
Adjusted operating income	-397	-48		-551	340	
Operating income	-549	-17,930	-96.9	5,096	-20,770	
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	1,770	1,504	17.7	5,512	5,104	8.0
Subscriptions, (thousands)						
Mobile Latvia	1,347	1,307	3.1	1,347	1,307	3.1
of which machine to machine (postpaid)	380	341	11.4	380	341	11.4
Employees <sup>1</sup>	5,969	6,446	-7.4	5,969	6,446	-7.4

1) Restated, see Note 1.

**In the fourth quarter of 2020** an agreement was signed to divest Telia Carrier to Polhem Infra and the transaction was closed on June 1, 2021. As the Telia Carrier business was divested on June 1, 2021, the reported figures of Telia Carrier for 2021 therefore only represent January-May. See Note 12.

**In the fourth quarter of 2021** SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of Santa Monica Networks which was consolidated from October 2021. See Note 13.

**After the end of the fourth quarter 2021** an agreement was signed regarding a divestment of SIA Telia Latvija, a leading B2B telecom services provider and consolidated in Latvia. The transaction is expected to be closed during the second quarter of 2022. See Note 12.

**Net sales** declined 51.9% to SEK 1,046 million (2,175) due to the divestment of Telia Carrier. Like for like, net sales increased 5.7%. The effect of exchange rate fluctuations was negative by 0.4%.

**Adjusted EBITDA** declined 20.9% to SEK 254 million (321) and adjusted EBITDA margin increased to 24.3% (14.8) due to the divestment of Telia Carrier. Adjusted EBITDA like for like increased 143.2% due to lower operational expenses related mainly to IT and resources. The latter partly driven by a positive impact of SEK 40 million from a pension refund.

**In Latvia**, net sales increased 17.7% to SEK 719 million (611) and like for like, net sales increased 8.2% driven by both increased service revenues as well as increased equipment sales. The effect of exchange rate fluctuations was negative by 1.7%. Adjusted EBITDA increased 20.0% to SEK 241 million (201) and the adjusted EBITDA margin increased to 33.5% (32.9). Adjusted EBITDA like for like increased 16.2% driven by the service revenue growth. The number of mobile subscriptions increased by 9,000 in the quarter.

**Income from associated companies** increased to SEK 23 million (-17,920) as the corresponding quarter of last year was impacted by a capital loss of SEK -17,955 million from the divestment of Turkcell Holding.

# Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Note	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
<b>Continuing operations</b>					
Net sales	3, 4	23,380	23,464	88,343	89,191
Cost of sales		-15,989	-15,431	-58,311	-57,138
<b>Gross profit</b>		<b>7,391</b>	<b>8,033</b>	<b>30,031</b>	<b>32,053</b>
Selling, administration and R&D expenses		-5,475	-5,627	-20,844	-21,701
Other operating income and expenses, net		-173	-7,524	5,940	-8,122
Income from associated companies and joint ventures		28	-17,919	104	-20,080
<b>Operating income</b>	<b>3</b>	<b>1,772</b>	<b>-23,037</b>	<b>15,232</b>	<b>-17,850</b>
Financial items, net		-590	-998	-2,634	-3,318
<b>Income after financial items</b>	<b>3</b>	<b>1,181</b>	<b>-24,035</b>	<b>12,598</b>	<b>-21,168</b>
Income taxes		4	-358	-937	-1,390
<b>Net income from continuing operations</b>		<b>1,185</b>	<b>-24,393</b>	<b>11,661</b>	<b>-22,558</b>
<b>Discontinued operations</b>					
<b>Net income from discontinued operations</b>	<b>12</b>	<b>-</b>	<b>-80</b>	<b>176</b>	<b>-279</b>
<b>Total net income</b>		<b>1,185</b>	<b>-24,474</b>	<b>11,836</b>	<b>-22,837</b>
<b>Items that may be reclassified to net income:</b>					
Foreign currency translation differences from continuing operations		1,024	16,055	3,030	10,947
Foreign currency translation differences from discontinued operations		-	-	-	433
Other comprehensive income from associated companies and joint ventures		-	-	-	-111
Cash flow hedges		108	-134	61	14
Cost of hedging		-9	-75	143	-100
Debt instruments at fair value through OCI		-2	-5	-40	32
Income taxes relating to items that may be reclassified		1	-170	52	-125
<b>Items that will not be reclassified to net income:</b>					
Equity instruments at fair value through OCI		-	54	126	63
Remeasurements of defined benefit pension plans		2,243	-5,358	6,654	-7,166
Income taxes relating to items that will not be reclassified		-462	1,088	-1,360	1,457
Associates' remeasurements of defined benefit pension plans		-	-	-	-12
<b>Other comprehensive income</b>		<b>2,904</b>	<b>11,455</b>	<b>8,666</b>	<b>5,433</b>
<b>Total comprehensive income</b>		<b>4,089</b>	<b>-13,019</b>	<b>20,502</b>	<b>-17,405</b>
Total net income attributable to:					
Owners of the parent		1,122	-24,517	11,680	-22,993
Non-controlling interests		63	43	156	156
Total comprehensive income attributable to:					
Owners of the parent		4,018	-13,007	20,321	-17,307
Non-controlling interests		71	-12	181	-99
Earnings per share (SEK), basic and diluted					
of which continuing operations		0.27	-5.99	2.86	-5.62
		0.27	-5.98	2.81	-5.55
Number of shares (thousands)					
Outstanding at period-end	6	4,089,632	4,089,632	4,089,632	4,089,632
Weighted average, basic and diluted		4,089,632	4,089,632	4,089,632	4,090,367
EBITDA from continuing operations					
	15	6,890	7,556	35,151	29,974
Adjusted EBITDA from continuing operations	2, 15	7,290	7,411	29,861	30,482
Depreciation, amortization and impairment losses from continuing operations		-5,146	-12,674	-20,023	-27,744
Adjusted operating income from continuing operations	2, 15	2,246	2,573	10,033	11,457

1) Restated, see Note 1.

## Condensed consolidated statements of financial position

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020 <sup>1</sup>
<b>Assets</b>			
Goodwill and other intangible assets	5	89,943	85,942
Property, plant and equipment	5	72,741	70,893
Film and program rights, non-current		1,416	1,312
Right-of-use assets	5	15,485	14,814
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	9	4,749	3,445
Deferred tax assets		1,302	1,449
Long-term interest-bearing receivables	7, 9	9,244	11,233
<b>Total non-current assets</b>		<b>194,879</b>	<b>189,088</b>
Film and program rights, current		3,005	2,706
Inventories		2,040	1,918
Trade and other receivables and current tax receivables	9	13,902	13,815
Short-term interest-bearing receivables	7, 9	8,841	5,486
Cash and cash equivalents	7	14,358	8,133
Assets classified as held for sale	7, 12	–	4,957
<b>Total current assets</b>		<b>42,146</b>	<b>37,014</b>
<b>Total assets</b>		<b>237,025</b>	<b>226,103</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent		80,731	62,378
Equity attributable to non-controlling interests		2,812	1,118
<b>Total equity</b>		<b>83,544</b>	<b>63,496</b>
Long-term borrowings	7, 9	91,637	100,239
Deferred tax liabilities		10,185	9,723
Provisions for pensions and other long-term provisions		7,001	11,787
Other long-term liabilities		1,914	757
<b>Total non-current liabilities</b>		<b>110,736</b>	<b>122,505</b>
Short-term borrowings	7, 9	10,017	8,345
Trade payables and other current liabilities, current tax payables and short-term provisions		32,729	28,430
Liabilities directly associated with assets classified as held for sale	7, 12	–	3,325
<b>Total current liabilities</b>		<b>42,746</b>	<b>40,101</b>
<b>Total equity and liabilities</b>		<b>237,025</b>	<b>226,103</b>

1) Restated, see Note 1.



## Condensed consolidated statements of cash flows

SEK in millions	Note	Oct-Dec 2021	Oct-Dec 2020 <sup>2</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>2</sup>
<b>Cash flow before change in working capital</b>		<b>8,073</b>	<b>6,967</b>	<b>29,333</b>	<b>29,488</b>
Increase/decrease Film and program right assets and liabilities <sup>1</sup>		512	-207	310	-1,148
Increase/decrease other operating receivables, liabilities and inventory		459	2,503	2,710	4,322
<b>Change in working capital</b>		<b>972</b>	<b>2,297</b>	<b>3,020</b>	<b>3,173</b>
Amortization and impairment of Film and program rights <sup>1</sup>		-1,908	-1,334	-4,977	-4,057
<b>Cash flow from operating activities</b>		<b>7,137</b>	<b>7,929</b>	<b>27,376</b>	<b>28,604</b>
of which from continuing operations		7,137	7,929	27,507	28,583
of which from discontinued operations		–	–	-131	22
Cash CAPEX	15	-5,481	-4,140	-15,647	-13,490
<b>Free cash flow</b>	<b>15</b>	<b>1,655</b>	<b>3,789</b>	<b>11,729</b>	<b>15,114</b>
of which from continuing operations		1,655	3,789	11,861	15,097
of which from discontinued operations		–	–	-131	17
Cash flow from other investing activities		751	3,650	4,739	10,243
<b>Total cash flow from investing activities</b>		<b>-4,730</b>	<b>-489</b>	<b>-10,908</b>	<b>-3,247</b>
of which from continuing operations		-4,730	-489	-10,908	-3,242
of which from discontinued operations		–	–	–	-5
<b>Cash flow before financing activities</b>		<b>2,406</b>	<b>7,439</b>	<b>16,468</b>	<b>25,358</b>
<b>Cash flow from financing activities</b>		<b>-2,026</b>	<b>-11,757</b>	<b>-10,600</b>	<b>-23,098</b>
of which from continuing operations		-2,026	-11,757	-10,600	-23,096
of which from discontinued operations		–	–	–	-2
<b>Cash flow for the period</b>		<b>380</b>	<b>-4,317</b>	<b>5,868</b>	<b>2,259</b>
of which from continuing operations		380	-4,317	6,000	2,244
of which from discontinued operations		–	–	-131	15
<b>Cash and cash equivalents, opening balance</b>		<b>14,047</b>	<b>12,940</b>	<b>8,332</b>	<b>6,210</b>
Cash flow for the period		380	-4,317	5,868	2,259
Exchange rate differences in cash and cash equivalents		-70	-291	157	-137
<b>Cash and cash equivalents, closing balance</b>		<b>14,358</b>	<b>8,332</b>	<b>14,358</b>	<b>8,332</b>
of which from continuing operations		14,358	8,332	14,358	8,332
of which from discontinued operations		–	–	–	–

See Note 15 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
<b>Opening balance, January 1, 2020</b>	<b>91,047</b>	<b>1,409</b>	<b>92,455</b>
Change in accounting principles in associated companies	-12	–	-12
Change in accounting principles <sup>1</sup>	-388	–	-388
<b>Adjusted opening balance, January 1, 2020</b>	<b>90,646</b>	<b>1,409</b>	<b>92,055</b>
Dividends	-10,020	-192	-10,212
Share-based payments	16	–	16
Acquisition and transfer of treasury shares	-956	–	-956
Cancellation of treasury shares, net effect	–	–	–
Bonus issue, net effect	–	–	–
Reclassification of Inflation reserve	–	–	–
<i>Total transactions with owners</i>	<i>-10,959</i>	<i>-192</i>	<i>-11,151</i>
Total comprehensive income <sup>1</sup>	-17,307	-99	-17,405
Effect of equity transactions in associated companies	-2	–	-2
<b>Closing balance, December 31, 2020</b>	<b>62,378</b>	<b>1,118</b>	<b>63,496</b>
Dividends	-8,179	-178	-8,357
Share-based payments	13	–	13
Repurchased treasury shares	-21	–	-21
Change in non-controlling interests <sup>2</sup>	6,219	1,691	7,910
<i>Total transactions with owners</i>	<i>-1,968</i>	<i>1,513</i>	<i>-455</i>
Total comprehensive income	20,321	181	20,502
<b>Closing balance, December 31, 2021</b>	<b>80,731</b>	<b>2,812</b>	<b>83,544</b>

1) Restated, see Note 1. 2) For information on partial disposal of tower businesses in Finland and Norway, see Note 12.

# Note 1.

## Basis of preparation

### General

The Telia Company group applies 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 2020. All amounts in this report are presented in SEK millions, unless otherwise stated. Rounding differences may occur.

For more information regarding:

- Sales and earnings, Cash flow and Financial position, see pages 6–7.
- Significant events in the first, second, third and fourth quarter, see page 8.
- Significant events after the end of the fourth quarter, see page 8.
- Risks and uncertainties, see page 40.

### Changes in estimates

#### Accelerated depreciations

In the fourth quarter 2020 Telia Company entered into strategic partnership agreements with Ericsson and Nokia related to radio access network technology (RAN) to base stations in order to modernize Telia Company's 4G networks and upgrade them to 5G in Sweden, Finland, Lithuania, and Estonia. In connection with this modernization existing RAN assets will be replaced during the years 2021–2025. Telia Company has therefore changed the estimate of the depreciation period for the existing RAN assets in order to correspond with the time plan for the replacements. The change led to increased depreciations for existing assets of approximately SEK 180 million for the fourth quarter 2021. The full year increases for 2021 were SEK 700 million and for 2022 they are estimated to be approximately SEK 350 million. The change is expected to result in lower depreciations of existing assets during the years 2023 to 2030.

#### Reclassification of liquidity portfolio

Telia Company's business model for the liquidity portfolio of long- and short-term bonds and short-term debt instruments has in the past been assessed to be both to collect contractual cash flows and sell financial assets (i.e. the "mixed model"). Consequently, the portfolio has been measured at fair value through other comprehensive income (OCI).

From January 1, 2021 this liquidity portfolio has been reclassified to be measured at fair value through profit and loss (income statement). The reclassification is based on a reassessment of the business model for the portfolio following the major changes of Telia Company (divestment of Eurasia, settlement with the US and Dutch authorities, acquisition of

GET/TDC and Bonnier Broadcasting and new senior management) which have had an impact on portfolio management. A new ambition for total liquidity has been implemented and since the volatility in liquidity of the group has decreased there is more focus on generating yield on the long-term liquidity back-up. The liquidity management has shifted focus from preserving cash at a low cost to optimizing the size of the portfolio and maximizing yield given the decided risk appetite.

The carrying value of the reclassified portfolio amounted to SEK 7,707 million as of January 1, 2021, whereof SEK 5,086 million was recognized as long-term interest-bearing receivables, SEK 2,235 million as short-term interest-bearing receivables and SEK 385 million as cash equivalents. The amount was categorized in the fair value hierarchy as SEK 6,457 million in level 1 and SEK 1,250 million in level 2. As a consequence of the change in business model for the portfolio, the cumulative gain of SEK 35 million that was previously recognized in the fair value reserve was reclassified to the income statement and reported in the finance net for the first quarter 2021. The reclassified gain and negative fair value changes of the portfolio of SEK 51 million resulted in a total negative impact of SEK 16 million on finance net in the first quarter 2021. The negative fair value changes in the finance net for the second, third and fourth quarter of total SEK 30 million were partly offset by derivatives hedging the liquidity portfolio from the second quarter.

#### Denmark balance sheet adjustments

Following a balance sheet review in Denmark, a reassessment has been made of certain assets and liabilities which resulted in increased costs of SEK 186 million in the fourth quarter 2021, whereof SEK 111 million mainly related to changes in estimated amounts for accounts receivables, inventories and accounts payables and SEK 75 million related to impairment of property, plant and equipment and intangible assets. The major part of the balances originates from previous years. The increased costs are classified as adjustment items, see Note 2.

### Changes in accounting principles

#### Cloud computing costs

In April 2021, International Financial Reporting Interpretations Committee published an agenda decision on accounting for cloud computing costs. The new guidance addresses configuration and customization costs on a supplier's application in a cloud arrangement. The guidance should be applied retrospectively and implies that depending on facts and circumstances, some costs should be recognized as operating expenses when the work is performed. Telia Company has applied the new guidance from the fourth quarter 2021 and has concluded that some of the related costs in previous periods have been recognized as intangible assets and the comparative figures has therefore been restated. The restatement effects for the fourth quarter and for the twelve-month period ended December 31, 2020, are presented in the restatement tables below.

## Restatement effects on Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Oct-Dec 2020			Jan-Dec 2020		
	Reported	Cloud computing costs	Restated	Reported	Cloud computing costs	Restated
<b>Continuing operations</b>						
Net sales	23,464	–	23,464	89,191	–	89,191
Cost of sales	-15,395	-36	-15,431	-57,035	-103	-57,138
<b>Gross profit</b>	<b>8,069</b>	<b>-36</b>	<b>8,033</b>	<b>32,156</b>	<b>-103</b>	<b>32,053</b>
Selling, admin. and R&D expenses	-5,627	–	-5,627	-21,701	–	-21,701
Other operating income and expenses, net	-7,524	–	-7,524	-8,122	–	-8,122
Income from associated companies and joint ventures	-17,919	–	-17,919	-20,080	–	-20,080
<b>Operating income</b>	<b>-23,001</b>	<b>-36</b>	<b>-23,037</b>	<b>-17,747</b>	<b>-103</b>	<b>-17,850</b>
Financial items, net	-998	–	-998	-3,318	–	-3,318
<b>Income after financial items</b>	<b>-23,999</b>	<b>-36</b>	<b>-24,035</b>	<b>-21,065</b>	<b>-103</b>	<b>-21,168</b>
Income taxes	-366	8	-358	-1,412	22	-1,390
<b>Net income from continuing operations</b>	<b>-24,365</b>	<b>-29</b>	<b>-24,393</b>	<b>-22,477</b>	<b>-81</b>	<b>-22,558</b>
<b>Discontinued operations</b>						
<b>Net income from discontinued operations</b>	<b>-80</b>	<b>–</b>	<b>-80</b>	<b>-279</b>	<b>–</b>	<b>-279</b>
<b>Total net income</b>	<b>-24,445</b>	<b>-29</b>	<b>-24,474</b>	<b>-22,756</b>	<b>-81</b>	<b>-22,837</b>
<b>Other comprehensive income</b>	<b>11,452</b>	<b>3</b>	<b>11,455</b>	<b>5,422</b>	<b>11</b>	<b>5,433</b>
<i>Of which foreign currency translation differences from continuing operations</i>	<i>16,052</i>	<i>3</i>	<i>16,055</i>	<i>10,936</i>	<i>11</i>	<i>10,947</i>
<b>Total comprehensive income</b>	<b>-12,993</b>	<b>-26</b>	<b>-13,019</b>	<b>-17,335</b>	<b>-70</b>	<b>-17,405</b>
<b>Total net income attributable to:</b>						
Owners of the parent	-24,488	-29	-24,517	-22,912	-81	-22,993
Non-controlling interests	43	–	43	156	–	156
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	-12,981	-26	-13,007	-17,237	-70	-17,307
Non-controlling interests	-12	–	-12	-99	–	-99
Earnings per share (SEK), basic and diluted	-5.99	-0.01	-5.99	-5.60	-0.02	-5.62
<i>of which from continuing operations, basic and diluted</i>	<i>-5.97</i>	<i>-0.01</i>	<i>-5.98</i>	<i>-5.53</i>	<i>-0.02</i>	<i>-5.55</i>
EBITDA from continuing operations	7,622	-66	7,556	30,194	-220	29,974
Adjusted EBITDA from continuing operations	7,477	-66	7,411	30,702	-220	30,482
Depreciation, amortization and impairment losses from continuing operations	-12,704	30	-12,674	-27,861	117	-27,744
Adjusted operating income from continuing operations	2,609	-36	2,573	11,560	-103	11,457

## Restatement effects on Condensed consolidated statements of financial position

SEK in millions	Reported Dec 31, 2019	Change in accounting principles in associated companies	Cloud computing costs	Restated Jan 1, 2020	Reported Dec 31, 2020	Cloud computing costs	Restated Dec 31, 2020
<b>Assets</b>							
Goodwill and other intangible assets	101,938	–	-491	101,447	86,521	-580	85,942
Investments in associates and joint ventures, pension obligation assets and other non-current assets	14,567	-12	–	14,555	3,445	–	3,445
Other non-current assets	107,584	–	–	107,584	99,701	–	99,701
<b>Total non-current assets</b>	<b>224,088</b>	<b>-12</b>	<b>-491</b>	<b>223,585</b>	<b>189,668</b>	<b>-580</b>	<b>189,088</b>
<b>Total current assets</b>	<b>39,984</b>	<b>–</b>	<b>–</b>	<b>39,984</b>	<b>37,014</b>	<b>–</b>	<b>37,014</b>
<b>Total assets</b>	<b>264,072</b>	<b>-12</b>	<b>-491</b>	<b>263,568</b>	<b>226,683</b>	<b>-580</b>	<b>226,103</b>
<b>Equity and liabilities</b>							
Equity attributable to owners of the parent	91,047	-12	-388	90,646	62,836	-458	62,378
Equity attributable to non-controlling interests	1,409	–	–	1,409	1,118	–	1,118
<b>Total equity</b>	<b>92,455</b>	<b>-12</b>	<b>-388</b>	<b>92,055</b>	<b>63,954</b>	<b>-458</b>	<b>63,496</b>
Deferred tax liabilities	11,647	–	-103	11,544	9,845	-122	9,723
Other non-current liabilities	109,683	–	–	109,683	112,782	–	112,782
<b>Total non-current liabilities</b>	<b>121,330</b>	<b>–</b>	<b>-103</b>	<b>121,227</b>	<b>122,627</b>	<b>-122</b>	<b>122,505</b>
<b>Total current liabilities</b>	<b>50,287</b>	<b>–</b>	<b>–</b>	<b>50,287</b>	<b>40,101</b>	<b>–</b>	<b>40,101</b>
<b>Total equity and liabilities</b>	<b>264,072</b>	<b>-12</b>	<b>-491</b>	<b>263,568</b>	<b>226,683</b>	<b>-580</b>	<b>226,103</b>

## Restatement effects on Condensed consolidated statements of cash flows

SEK in millions	Oct-Dec 2020			Jan-Dec 2020		
	Reported	Cloud computing costs	Restated	Reported	Cloud computing costs	Restated
Cash flow before change in working capital	7,032	-66	6,967	29,707	-220	29,488
<b>Change in working capital</b>	<b>2,297</b>	<b>–</b>	<b>2,297</b>	<b>3,173</b>	<b>–</b>	<b>3,173</b>
Amortization and impairment of Film and program rights	-1,334	–	-1,334	-4,057	–	-4,057
<b>Cash flow from operating activities</b>	<b>7,995</b>	<b>-66</b>	<b>7,929</b>	<b>28,824</b>	<b>-220</b>	<b>28,604</b>
<i>of which from continuing operations</i>	<i>7,995</i>	<i>-66</i>	<i>7,929</i>	<i>28,802</i>	<i>-220</i>	<i>28,583</i>
Cash CAPEX <sup>1</sup>	-4,206	66	-4,140	-13,710	220	-13,490
<b>Free cash flow</b>	<b>3,789</b>	<b>–</b>	<b>3,789</b>	<b>15,114</b>	<b>–</b>	<b>15,114</b>
Cash flow from other investing activities	3,651	–	3,651	10,243	–	10,243
<b>Total cash flow from investing activities</b>	<b>-555</b>	<b>66</b>	<b>-489</b>	<b>-3,466</b>	<b>220</b>	<b>-3,247</b>
<i>of which from continuing operations</i>	<i>-555</i>	<i>66</i>	<i>-489</i>	<i>-3,462</i>	<i>220</i>	<i>-3,242</i>
<b>Cash flow from financing activities</b>	<b>-11,757</b>	<b>–</b>	<b>-11,757</b>	<b>-23,098</b>	<b>–</b>	<b>-23,098</b>
<b>Cash flow for the period</b>	<b>-4,317</b>	<b>–</b>	<b>-4,317</b>	<b>2,259</b>	<b>–</b>	<b>2,259</b>

1) For Cloud computing costs restatement of Cash CAPEX is equal to CAPEX.



## Other restatements of financial and operational data

As a result of various organizational changes, Net sales, CAPEX excl. fees for licenses and spectrum and right-of-use assets, employees and operating assets and liabilities have been restated for comparability as presented in the table below.

In addition, prior periods have been restated to reflect certain errors related to segment liabilities between Sweden and Other operations. Furthermore, disaggregation of revenue has been restated for comparability for segment Sweden, Norway and Lithuania between the lines, leaving the total service revenues unchanged. Restatements relating to Cloud computing costs are not included in the below section.

Amounts in SEK millions except employees	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Group
CAPEX excluding fees for licenses, spectrum and right-of-use assets, fourth quarter 2020	–	–	–	–	5	2	-7	–	–	–
CAPEX excluding fees for licenses, spectrum and right-of-use assets, Jan-Dec 2020	–	–	–	–	15	8	-22	–	–	–
Employees, Dec 31, 2020	4	95	–	–	16	-104	-57	46	–	–
<b>Internal Net Sales, fourth quarter 2020</b>										
Reorganization Sweden – Other operations	-2	–	–	–	–	–	–	–	2	–
Reorganization Finland - Estonia	–	–	–	–	–	-11	–	–	11	–
<b>Internal Net Sales, Jan-Dec 2020</b>										
Reorganization Sweden – Other operations	-8	–	–	–	–	–	–	–	8	–
Reorganization Finland - Estonia	–	–	–	–	–	-45	–	–	45	–
<b>Disaggregation of revenues, fourth quarter 2020 Reclassification Sweden</b>										
Business solutions	-15	–	–	–	–	–	–	–	–	-15
Other fixed service revenues	15	–	–	–	–	–	–	–	–	15
<b>Disaggregation of revenues, fourth quarter 2020 Lithuania bundle split</b>										
Fixed telephony	–	–	–	–	-4	–	–	–	–	-4
Broadband	–	–	–	–	1	–	–	–	–	1
TV	–	–	–	–	3	–	–	–	–	3
Business solutions	–	–	–	–	0	–	–	–	–	0
<b>Disaggregation of revenues, fourth quarter 2020 Reclassification Norway</b>										
Broadband	–	–	-9	–	–	–	–	–	–	-9
Other fixed service revenues	–	–	9	–	–	–	–	–	–	9
<b>Disaggregation of revenues, Jan-Dec 2020 Reclassification Sweden</b>										
Business solutions	-61	–	–	–	–	–	–	–	–	-61
Other fixed service revenues	61	–	–	–	–	–	–	–	–	61
<b>Disaggregation of revenues, Jan-Dec 2020 Lithuania bundle split</b>										
Fixed telephony	–	–	–	–	-15	–	–	–	–	-15
Broadband	–	–	–	–	2	–	–	–	–	2
TV	–	–	–	–	13	–	–	–	–	13
Business solutions	–	–	–	–	0	–	–	–	–	0
<b>Disaggregation of revenues, Jan-Dec 2020 Reclassification Norway</b>										
Broadband	–	–	0	–	–	–	–	–	–	0
Other fixed service revenues	–	–	0	–	–	–	–	–	–	0
Segment assets, Dec 31, 2020	–	–	–	–	34	3	-37	–	–	–
Segment liabilities, Dec 31, 2020	396	31	132	11	–	–	-355	-215	–	–

## Note 2.

### Adjustment items

#### Adjustment items within operating income, continuing operations

SEK in millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Total within EBITDA</b>	<b>-399</b>	<b>145</b>	<b>5,290</b>	<b>-508</b>
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:				
Sweden	-18	124	-227	-10
Finland	-23	-2	-48	-37
Norway	-22	-46	-112	-161
Denmark	-130	-4	-163	-17
Lithuania	-9	-4	-18	-13
Estonia	-1	-2	-6	-7
TV and Media	-9	-23	-86	-64
Other operations	-109	73	-722	-164
<b>Sub total</b>	<b>-321</b>	<b>117</b>	<b>-1,383</b>	<b>-473</b>
<i>whereof personnel redundancy restructuring costs</i>	-59	-47	-561	-399
<i>whereof transformation and integration consultant costs</i>	-75	-29	-376	-109
<i>whereof other</i>	-187	193	-446	35
Capital gains/losses <sup>1</sup>	-79	28	6,673	-35
<b>Within Depreciation, amortization and impairment losses<sup>2</sup></b>	<b>-75</b>	<b>-7,800</b>	<b>-91</b>	<b>-7,910</b>
<b>Within Income from associated companies and joint ventures<sup>3</sup></b>	<b>-</b>	<b>-17,955</b>	<b>-</b>	<b>-20,889</b>
<b>Total adjustment items within operating income, continuing operations</b>	<b>-475</b>	<b>-25,610</b>	<b>5,198</b>	<b>-29,307</b>

1) Full year 2021 includes a capital gain from the disposal of Telia Carrier and a capital gain from the disposal of the Alerta business, see Note 12. 2) 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 disposed in 2020. 3) Fourth quarter 2020 includes a capital loss of 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.

Following a balance sheet review in Denmark, a reassessment has been made of certain assets and liabilities which resulted in increased costs of SEK 186 million in the fourth quarter 2021, whereof SEK 111 had a negative impact on EBITDA and SEK 75 million had an additional negative impact on operating income. These costs have been classified as adjustments items. The reassessment was mainly related to changes in estimated amounts for accounts receivables, inventories and accounts payables as well as impairment of property, plant and equipment and intangible assets. The major part of the balances originates from previous years.

Costs for major group wide business transformations have been added to the definition of Adjustment items from the first quarter 2021. Management believe that this change results in reliable and more relevant information on the financial performance of the group as these transformation costs are not considered being part of the underlying financial performance of the business over time. See Definitions.

## Note 3.

### Segment information

SEK in millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Net sales</b>				
Sweden <sup>1</sup>	9,133	8,857	34,451	33,732
<i>of which external</i>	9,111	8,831	34,316	33,581
Finland	3,801	3,977	14,504	15,260
<i>of which external</i>	3,758	3,911	14,316	15,026
Norway	3,658	3,357	13,788	13,373
<i>of which external</i>	3,654	3,354	13,771	13,356
Denmark	1,403	1,403	5,214	5,464
<i>of which external</i>	1,386	1,385	5,150	5,385
Lithuania	1,169	1,076	4,320	4,151
<i>of which external</i>	1,164	1,056	4,286	4,089
Estonia <sup>1</sup>	891	854	3,331	3,276
<i>of which external</i>	888	841	3,299	3,223
TV and Media	2,594	2,340	8,648	7,429
<i>of which external</i>	2,594	2,340	8,647	7,429
Other operations	1,046	2,175	5,723	8,715
<b>Total segments<sup>1</sup></b>	<b>23,696</b>	<b>24,040</b>	<b>89,977</b>	<b>91,401</b>
Eliminations <sup>1</sup>	-316	-575	-1,635	-2,211
<b>Group</b>	<b>23,380</b>	<b>23,464</b>	<b>88,343</b>	<b>89,191</b>
<b>Adjusted EBITDA</b>				
Sweden <sup>1</sup>	3,541	3,326	13,359	13,418
Finland <sup>1</sup>	1,042	1,146	4,322	4,789
Norway <sup>1</sup>	1,556	1,502	6,240	5,971
Denmark <sup>1</sup>	242	265	906	1,015
Lithuania	370	370	1,511	1,497
Estonia	292	281	1,196	1,153
TV and Media	-7	200	878	758
Other operations	254	321	1,449	1,881
<b>Total segments<sup>1</sup></b>	<b>7,290</b>	<b>7,411</b>	<b>29,861</b>	<b>30,482</b>
Eliminations	-	-	-	-
<b>Group<sup>1</sup></b>	<b>7,290</b>	<b>7,411</b>	<b>29,861</b>	<b>30,482</b>
<b>Operating income</b>				
Sweden <sup>1</sup>	1,637	1,831	5,588	6,758
Finland <sup>1</sup>	233	-7,417	1,354	-6,320
Norway <sup>1</sup>	537	332	2,192	1,432
Denmark <sup>1</sup>	-193	-23	-299	-34
Lithuania	171	107	752	756
Estonia	120	106	536	446
TV and Media	-183	-43	13	-120
Other operations	-549	-17,930	5,096	-20,770
<b>Total segments<sup>1</sup></b>	<b>1,772</b>	<b>-23,037</b>	<b>15,232</b>	<b>-17,851</b>
Eliminations	-	-	-	-
<b>Group<sup>1</sup></b>	<b>1,772</b>	<b>-23,037</b>	<b>15,232</b>	<b>-17,850</b>
Financial items, net	-590	-998	-2,634	-3,318
<b>Income after financial items<sup>1</sup></b>	<b>1,181</b>	<b>-24,035</b>	<b>12,598</b>	<b>-21,168</b>

1) Restated, see Note 1.

SEK in millions	Dec 31, 2021 Segment assets	Dec 31, 2021 Segment liabilities	Dec 31, 2020 <sup>1</sup> Segment assets	Dec 31, 2020 <sup>1</sup> Segment liabilities
Sweden	46,398	12,486	46,824	12,668
Finland	44,796	5,494	44,248	4,815
Norway	56,779	7,400	51,770	5,259
Denmark	7,470	2,474	7,504	1,882
Lithuania	6,674	2,072	6,459	1,330
Estonia	5,682	1,303	5,487	971
TV and Media	13,032	2,638	13,241	1,545
Other operations	24,612	6,706	23,232	6,237
<b>Total segments</b>	<b>205,444</b>	<b>40,573</b>	<b>198,764</b>	<b>34,707</b>
Unallocated	31,581	112,910	22,383	124,575
Assets and liabilities held for sale	–	–	4,957	3,325
<b>Total assets/liabilities, group</b>	<b>237,025</b>	<b>153,482</b>	<b>226,103</b>	<b>162,606</b>

1) Restated, see Note 1.

## Note 4.

### Net sales

SEK in millions	Oct-Dec 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Elimina- tions	Total
Mobile subscription revenues	3,187	1,539	1,771	610	322	244	–	344	–	8,018
Interconnect	126	93	112	80	34	19	–	18	–	481
Other mobile service revenues	154	163	167	91	9	4	–	4	–	591
<b>Total mobile service revenues</b>	<b>3,467</b>	<b>1,795</b>	<b>2,050</b>	<b>780</b>	<b>364</b>	<b>267</b>	<b>–</b>	<b>367</b>	<b>–</b>	<b>9,091</b>
Telephony	370	16	25	46	44	25	–	0	–	527
Broadband	1,211	162	365	53	160	149	3	1	–	2,105
TV	549	142	402	18	100	73	780	–	–	2,063
Business solutions	727	585	108	31	73	75	–	1	–	1,600
Other fixed service revenues	1,063	354	22	16	97	107	–	14	–	1,674
<b>Total fixed service revenues</b>	<b>3,921</b>	<b>1,259</b>	<b>922</b>	<b>165</b>	<b>474</b>	<b>427</b>	<b>783</b>	<b>16</b>	<b>–</b>	<b>7,967</b>
Advertising revenues	–	–	–	–	–	–	1,773	–	–	1,773
<b>Other service revenues</b>	<b>289</b>	<b>56</b>	<b>42</b>	<b>23</b>	<b>3</b>	<b>3</b>	<b>38</b>	<b>135</b>	<b>–</b>	<b>589</b>
<b>Total service revenues<sup>1</sup></b>	<b>7,677</b>	<b>3,110</b>	<b>3,014</b>	<b>968</b>	<b>841</b>	<b>698</b>	<b>2,594</b>	<b>517</b>	<b>–</b>	<b>19,420</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>1,434</b>	<b>647</b>	<b>640</b>	<b>418</b>	<b>323</b>	<b>191</b>	<b>–</b>	<b>308</b>	<b>–</b>	<b>3,960</b>
<b>Total external net sales</b>	<b>9,111</b>	<b>3,758</b>	<b>3,654</b>	<b>1,386</b>	<b>1,164</b>	<b>888</b>	<b>2,594</b>	<b>825</b>	<b>–</b>	<b>23,380</b>
Internal net sales	23	44	4	18	5	3	0	221	-316	0
<b>Total net sales</b>	<b>9,133</b>	<b>3,801</b>	<b>3,658</b>	<b>1,403</b>	<b>1,169</b>	<b>891</b>	<b>2,594</b>	<b>1,046</b>	<b>-316</b>	<b>23,380</b>

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

SEK in millions	Oct-Dec 2020									
	Sweden <sup>2</sup>	Finland	Norway <sup>2</sup>	Den- mark	Lithuania <sup>2</sup>	Estonia <sup>2</sup>	TV and Media	Other operations	Elimina- tions <sup>2</sup>	Total <sup>2</sup>
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
<b>Total mobile service revenues</b>	<b>3,417</b>	<b>1,816</b>	<b>1,874</b>	<b>757</b>	<b>343</b>	<b>249</b>	<b>–</b>	<b>337</b>	<b>–</b>	<b>8,792</b>
Telephony	450	22	29	45	50	27	–	0	–	623
Broadband	1,178	177	312	47	145	145	1	2	–	2,006
TV	475	147	388	16	93	70	703	–	–	1,892
Business solutions	726	651	109	54	60	64	–	21	–	1,685
Other fixed service revenues	1,013	348	17	12	92	86	-0	1,021	–	2,590
<b>Total fixed service revenues</b>	<b>3,842</b>	<b>1,344</b>	<b>856</b>	<b>174</b>	<b>440</b>	<b>392</b>	<b>704</b>	<b>1,044</b>	<b>–</b>	<b>8,795</b>
<b>Advertising revenues</b>	<b>–</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,595</b>	<b>–</b>	<b>–</b>	<b>1,595</b>
<b>Other service revenues</b>	<b>286</b>	<b>71</b>	<b>33</b>	<b>34</b>	<b>5</b>	<b>2</b>	<b>41</b>	<b>110</b>	<b>–</b>	<b>582</b>
<b>Total service revenues<sup>1</sup></b>	<b>7,544</b>	<b>3,231</b>	<b>2,763</b>	<b>965</b>	<b>788</b>	<b>643</b>	<b>2,340</b>	<b>1,491</b>	<b>–</b>	<b>19,765</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>1,287</b>	<b>680</b>	<b>591</b>	<b>421</b>	<b>269</b>	<b>198</b>	<b>–</b>	<b>255</b>	<b>–</b>	<b>3,699</b>
<b>Total external net sales</b>	<b>8,831</b>	<b>3,911</b>	<b>3,354</b>	<b>1,385</b>	<b>1,056</b>	<b>841</b>	<b>2,340</b>	<b>1,746</b>	<b>–</b>	<b>23,464</b>
Internal net sales	26	66	3	18	19	13	0	429	-575	0
<b>Total net sales</b>	<b>8,857</b>	<b>3,977</b>	<b>3,357</b>	<b>1,403</b>	<b>1,076</b>	<b>854</b>	<b>2,340</b>	<b>2,175</b>	<b>-575</b>	<b>23,464</b>

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 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	12,556	6,106	6,688	2,470	1,232	943	–	1,333	–	31,329
Interconnect	492	376	416	264	139	78	–	117	–	1,883
Other mobile service revenues	532	587	628	347	36	14	–	26	–	2,170
<b>Total mobile service revenues</b>	<b>13,580</b>	<b>7,070</b>	<b>7,732</b>	<b>3,081</b>	<b>1,407</b>	<b>1,035</b>	<b>–</b>	<b>1,476</b>	<b>–</b>	<b>35,381</b>
Telephony	1,583	64	102	178	181	105	–	1	–	2,215
Broadband	4,726	653	1,413	192	619	585	3	10	–	8,202
TV	2,034	541	1,594	70	396	287	2,992	-0	–	7,913
Business solutions	2,754	2,369	417	144	274	271	–	36	–	6,264
Other fixed service revenues	3,829	1,190	94	48	380	391	0	1,583	–	7,516
<b>Total fixed service revenues</b>	<b>14,926</b>	<b>4,816</b>	<b>3,620</b>	<b>633</b>	<b>1,849</b>	<b>1,641</b>	<b>2,995</b>	<b>1,629</b>	<b>–</b>	<b>32,109</b>
<b>Advertising revenues</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,530</b>	<b>–</b>	<b>–</b>	<b>5,530</b>
<b>Other service revenues</b>	<b>1,076</b>	<b>240</b>	<b>158</b>	<b>93</b>	<b>16</b>	<b>13</b>	<b>122</b>	<b>441</b>	<b>–</b>	<b>2,159</b>
<b>Total service revenues<sup>1</sup></b>	<b>29,582</b>	<b>12,125</b>	<b>11,510</b>	<b>3,807</b>	<b>3,272</b>	<b>2,689</b>	<b>8,647</b>	<b>3,546</b>	<b>–</b>	<b>75,180</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>4,734</b>	<b>2,191</b>	<b>2,261</b>	<b>1,343</b>	<b>1,014</b>	<b>610</b>	<b>–</b>	<b>1,010</b>	<b>–</b>	<b>13,162</b>
<b>Total external net sales</b>	<b>34,316</b>	<b>14,316</b>	<b>13,771</b>	<b>5,150</b>	<b>4,286</b>	<b>3,299</b>	<b>8,647</b>	<b>4,556</b>	<b>–</b>	<b>88,342</b>
Internal net sales	134	188	17	64	33	32	0	1,166	-1,635	0
<b>Total net sales</b>	<b>34,451</b>	<b>14,504</b>	<b>13,788</b>	<b>5,214</b>	<b>4,320</b>	<b>3,331</b>	<b>8,648</b>	<b>5,723</b>	<b>-1,635</b>	<b>88,343</b>

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



SEK in millions	Jan-Dec 2020									
	Sweden <sup>2</sup>	Finland	Norway <sup>2</sup>	Denmark	Lithuania <sup>2</sup>	Estonia <sup>2</sup>	TV and Media	Other operations	Eliminations <sup>2</sup>	Total <sup>2</sup>
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
<b>Total mobile service revenues</b>	<b>13,643</b>	<b>7,388</b>	<b>7,656</b>	<b>3,146</b>	<b>1,359</b>	<b>1,030</b>	<b>–</b>	<b>1,430</b>	<b>–</b>	<b>35,652</b>
Telephony	1,927	102	138	191	214	115	–	2	–	2,687
Broadband	4,704	706	1,259	208	574	583	4	11	–	8,049
TV	1,810	555	1,613	82	377	281	2,460	–	–	7,178
Business solutions	2,813	2,579	439	192	235	249	–	87	–	6,594
Other fixed service revenues	3,761	1,248	75	47	386	356	1	4,277	–	10,150
<b>Total fixed service revenues</b>	<b>15,015</b>	<b>5,190</b>	<b>3,524</b>	<b>719</b>	<b>1,786</b>	<b>1,585</b>	<b>2,464</b>	<b>4,375</b>	<b>–</b>	<b>34,659</b>
Advertising revenues	–	2	–	–	–	–	4,822	–	–	4,825
Other service revenues	1,075	271	159	110	21	13	142	415	–	2,206
<b>Total service revenues<sup>1</sup></b>	<b>29,734</b>	<b>12,851</b>	<b>11,338</b>	<b>3,976</b>	<b>3,167</b>	<b>2,627</b>	<b>7,429</b>	<b>6,221</b>	<b>–</b>	<b>77,342</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>3,848</b>	<b>2,175</b>	<b>2,017</b>	<b>1,409</b>	<b>922</b>	<b>596</b>	<b>–</b>	<b>882</b>	<b>–</b>	<b>11,848</b>
<b>Total external net sales</b>	<b>33,581</b>	<b>15,026</b>	<b>13,356</b>	<b>5,385</b>	<b>4,089</b>	<b>3,223</b>	<b>7,429</b>	<b>7,103</b>	<b>–</b>	<b>89,190</b>
Internal net sales	151	234	18	80	63	53	0	1,612	-2,211	0
<b>Total net sales</b>	<b>33,732</b>	<b>15,260</b>	<b>13,373</b>	<b>5,464</b>	<b>4,151</b>	<b>3,276</b>	<b>7,429</b>	<b>8,715</b>	<b>-2,211</b>	<b>89,191</b>

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 5.

## Investments

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
<b>CAPEX</b>	<b>7,647</b>	<b>6,397</b>	<b>22,441</b>	<b>18,137</b>
Intangible assets	855	750	5,008	2,692
Property, plant and equipment	5,079	3,353	12,993	10,871
Right-of-use assets	1,713	2,294	4,440	4,573
<b>Acquisitions and other investments</b>	<b>497</b>	<b>560</b>	<b>639</b>	<b>641</b>
Asset retirement obligations	81	524	162	537
Goodwill, intangible and tangible non-current assets acquired in business combinations	416	–	416	–
Equity instruments	–	36	61	104
<b>Total continuing operations including assets held for sale</b>	<b>8,144</b>	<b>6,957</b>	<b>23,080</b>	<b>18,778</b>
<b>Total discontinued operations</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12</b>
<i>of which CAPEX</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>11</i>
<b>Total investments</b>	<b>8,144</b>	<b>6,957</b>	<b>23,080</b>	<b>18,789</b>
<i>of which CAPEX</i>	<i>7,647</i>	<i>6,397</i>	<i>22,441</i>	<i>18,147</i>

1) Restated, see Note 1.

## Note 6.

## Treasury shares

During the second quarter 2021 Telia Company transferred 595,632 shares to the participants in the “Long Term Incentive program 2018/2021” (LTI program) at an average price of SEK 35.32 per share. The total cost for the transferred shares was SEK 21 million and transaction costs, net of tax, amounted to SEK 0 million. No transfers were made in the fourth quarter 2021. The transfer of shares under the LTI program reduced other contributed capital within parent

shareholder's equity by SEK 21 million during the twelve-months period ended December 31, 2021 (SEK 12 million during the twelve-months period ended December 31, 2020). No Telia Company shares were held by the company or by its subsidiaries as of December 31, 2021 or as of December 31, 2020. The total number of issued and outstanding shares was 4,089,631,702.

## Note 7.

### Net debt

SEK in millions	Dec 31, 2021 <sup>2</sup>	Dec 31, 2020 <sup>2</sup>
Long-term borrowings	91,634	100,655
<i>of which lease liabilities, non-current</i>	12,859	12,600
Less 50% of hybrid capital <sup>1</sup>	-10,428	-10,267
Short-term borrowings	10,017	8,620
<i>of which lease liabilities, current</i>	2,872	2,946
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-1,705	-4,205
Less long-term bonds at fair value through income statement and OCI	-5,931	-5,297
Less short-term investments	-6,097	-2,832
Less cash and cash equivalents	-14,358	-8,332
<b>Net debt</b>	<b>63,133</b>	<b>78,343</b>

1) 50% 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 income statement and 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 8.

### Loan financing and credit rating

During 2021 outstanding Telia bonds denominated in SEK were bought back at a total nominal amount of SEK 728 million and Telia bonds denominated in EUR matured at a nominal amount of EUR 504 million (SEK 5,051 million). No major funding transactions were executed during 2021. The credit rating of Telia Company remained unchanged

during 2021. 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 9.

### Financial instruments – fair values

Long-term and short-term borrowings <sup>1</sup> SEK in millions	Dec 31, 2021		Dec 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Long-term borrowings</b>				
Interest rate derivatives at fair value	771	771	134	134
Cross-currency interest rate derivatives at fair value	800	800	3,907	3,907
<b>Subtotal</b>	<b>1,570</b>	<b>1,570</b>	<b>4,041</b>	<b>4,041</b>
Open-market financing borrowings in fair value hedge relationships	53,451	59,477	51,628	55,249
Open-market financing borrowings at amortized cost	23,215	28,084	31,345	41,992
Other borrowings at amortized cost	541	541	1,042	1,042
Lease liabilities at amortized cost	12,859		12,183	
<b>Total long-term borrowings</b>	<b>91,637</b>		<b>100,239</b>	
<b>Short-term borrowings</b>				
Interest rate derivatives at fair value	92	92	8	8
Cross-currency interest rate derivatives at fair value	223	223	143	143
<b>Subtotal</b>	<b>315</b>	<b>315</b>	<b>151</b>	<b>151</b>
Utilized bank overdraft and short-term credit facilities at amortized cost	6	6	213	213
Open-market financing borrowings in fair value hedge relationships	6,001	6,037	5,131	5,317
Other borrowings at amortized cost	823	823	179	179
Lease liabilities at amortized cost	2,872		2,671	
<b>Total short-term borrowings</b>	<b>10,017</b>		<b>8,345</b>	

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 2020, Note C3 to the consolidated financial statements.

Financial assets and liabilities by fair value hierarchy level <sup>1</sup> SEK in millions	Dec 31, 2021				Dec 31, 2020			
	Carrying value	of which			Carrying value	of which		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>								
Equity instruments at fair value through OCI	576	–	–	576	473	–	–	473
Equity instruments at fair value through income statement	18	–	–	18	18	–	–	18
Long- and short-term bonds at fair value through OCI <sup>2</sup>	830	830	–	–	8,513	7,263	1,250	–
Long- and short-term bonds at fair value through income statement <sup>2</sup>	11,578	9,883	1,695	–	–	–	–	–
Derivatives designated as hedging instruments	1,034	–	1,034	–	3,129	–	3,129	–
Derivatives at fair value through income statement	462	–	462	–	1,049	–	1,049	–
<b>Total financial assets at fair value by level</b>	<b>14,497</b>	<b>10,713</b>	<b>3,191</b>	<b>594</b>	<b>13,181</b>	<b>7,263</b>	<b>5,427</b>	<b>491</b>
<b>Financial liabilities at fair value</b>								
Derivatives designated as hedging instruments	1,734	–	1,734	–	3,802	–	3,802	–
Derivatives at fair value through income statement	166	–	166	–	917	–	917	–
<b>Total financial liabilities at fair value by level</b>	<b>1,900</b>	<b>–</b>	<b>1,900</b>	<b>–</b>	<b>4,719</b>	<b>–</b>	<b>4,719</b>	<b>–</b>

1) For information on fair value hierarchy levels and fair value estimation, see the Annual and Sustainability Report 2020, Note C3 to the consolidated financial statements and the section below.

2) From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value through OCI but is from January 1, 2021, measured at fair value through income statement, see Note 1.

### 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.

Movements within Level 3, fair value hierarchy SEK in millions	Assets, Jan-Dec 2021			Liabilities, Jan-Dec 2021
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total	Contingent considerations
<b>Level 3, opening balance</b>	<b>473</b>	<b>18</b>	<b>491</b>	<b>–</b>
Changes in fair value	126	–	126	–
<i>of which recognized in other comprehensive income</i>	126	–	126	–
Purchases/capital contributions	50	–	50	–
Disposals	-71	–	-71	–
Settlements	-2	–	-2	–
Exchange rate differences	1	–	1	–
<b>Level 3, closing balance</b>	<b>576</b>	<b>18</b>	<b>594</b>	<b>–</b>

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
<b>Level 3, opening balance</b>	<b>319</b>	<b>13</b>	<b>332</b>	<b>41</b>
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	–
<b>Level 3, closing balance</b>	<b>473</b>	<b>18</b>	<b>491</b>	<b>–</b>

## Note 10.

### Contingent liabilities, collateral pledged and litigations

SEK in millions	Dec 31, 2021	Dec 31, 2020
Issued financial guarantees	288	311
<i>of which referred to guarantees for pension obligations</i>	287	295
Collateral pledged	38	43
<b>Total contingent liabilities and collateral pledged</b>	<b>326</b>	<b>354</b>

The arbitration proceedings against Telia Company and Turkcell under the Share Purchase Agreement related to the divestment of the subsidiary Kcell in Kazakhstan in 2018 was settled during the second quarter 2021. As part of the settlement Telia Company paid SEK 131 million (equivalent to USD 16 million) and consequently all related provisions were released. The gain from net changes in provisions is recognized within discontinued operations (Note 12). Further, the Norwegian Tax Administration (NTA) is performing a VAT audit investigating the treatment of the supply of electronic News services during the years 2016-2018 in GET AS, which was acquired by Telia Company in 2018. Based on the latest communication with the NTA, it is deemed likely that Telia Company will be required to pay an amount of approximately SEK 0.3 billion before the end of 2022. However, no material provision has been recognized since it is deemed probable that the amount will be repaid. For other ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2020.

## Note 11.

### Contractual obligations and commitments

SEK in millions	Dec 31, 2021	Dec 31, 2020
Contractual obligations and commitments	20,399	21,765
of which film and program rights	14,556	15,728
<b>Total contractual obligations and commitments</b>	<b>20,399</b>	<b>21,765</b>

## Note 12.

### Assets held for sale, discontinued operations and disposals

#### Net income from discontinued operations (region Eurasia)

SEK in millions, except per share data	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	–	–	–	96
Expenses and other operating income, net	–	–	–	-79
<b>Operating income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>16</b>
Financial items, net	–	–	–	-22
<b>Income after financial items</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-6</b>
Income taxes	–	–	–	–
<b>Net income before remeasurement and gain/loss on disposal</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-6</b>
Loss on disposal of Moldcell in Moldova (including cumulative Moldcell exchange loss in equity reclassified to net income of SEK - 172 million) <sup>1)</sup>	–	–	–	-193
Gain/loss from net changes in provisions for transaction warranties	–	-80	176	-80
<b>Net income from discontinued operations</b>	<b>–</b>	<b>-80</b>	<b>176</b>	<b>-279</b>
EPS from discontinued operations (SEK)	–	-0.02	0.04	-0.07
Adjusted EBITDA	–	–	–	30

1) Non-taxable loss from the disposal of Moldcell in Moldova on March 24, 2020.

### Assets classified as held for sale

SEK in millions	Telia Carrier Dec 31, 2021	Telia Carrier Dec 31, 2020
Goodwill and other intangible assets	–	86
Property, plant and equipment	–	2,148
Right-of-use assets	–	1,097
Other non-current assets	–	534
Other current assets	–	891
Cash and cash equivalents	–	199
<b>Assets classified as held for sale</b>	<b>–</b>	<b>4,957</b>
Long-term borrowings	–	416
Long-term provisions	–	848
Other long-term liabilities	–	620
Short-term borrowings	–	275
Other current liabilities	–	1,166
<b>Liabilities associated with assets classified as held for sale</b>	<b>–</b>	<b>3,325</b>
<b>Net assets classified as held for sale</b>	<b>–</b>	<b>1,631</b>

### Disposals

#### 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. Telia Carrier was classified as held for sale since September 30, 2020. The transaction was subject to regulatory approvals (relating to e.g., competition and foreign direct investments) in, inter alia, the EU and the US and was

closed on June 1, 2021. The disposal resulted in a capital gain of SEK 6,428 million for the group in the second quarter 2021, whereof accumulated foreign exchange losses reclassified from equity to net income of SEK 353 million. The reclassification of accumulated exchange losses had no effect on total equity. The transaction had a positive cash flow effect for the group in the second quarter 2021 of SEK 8,609 million (price received less cash and cash equivalents in the entities sold). In the fourth quarter a final purchase price adjustment was settled whereby Telia Company repaid SEK 20 million to Polhem Infra. The adjustment resulted in a total capital gain of SEK 6,408 million and a total cash flow of SEK 8,589 million in 2021 from the Telia Carrier disposal. The capital gain was recognized within Other operating income.

### Alerta

On April 1, 2021, Telia Company disposed its Finnish alarm communication business Alerta for a price of EUR 32 million. The disposal resulted in a capital gain of SEK 309 million for the group in the second quarter 2021. The capital gain is recognized within Other operating income. The transaction had a positive cash flow effect for the group in the second quarter 2021 of SEK 329 million.

## Partial disposal

### Tower businesses in Finland and Norway

On June 30, 2021, Telia Company signed an agreement to dispose 49% of the tower businesses in Finland and Norway to Brookfield and Alecia, at a price corresponding to an enterprise value for 100% of EUR 1,524 million (approximately SEK 15.5 billion) on a cash and debt free basis. The transaction was subject to regulatory approvals and was closed on

December 29, 2021. The transaction resulted in an increase of equity attributable to owners of the parent of SEK 6,221 million and an increase of equity attributable to non-controlling interests of SEK 1,640 million. The disposal had a positive cash flow effect for the group in the fourth quarter 2021 of SEK 7,861 million and was recognized within financing activities. If, and when, there is a transfer of the tower assets from their respective business units, there will likely be a need for a review of the remaining carrying values of the business units.

## Transactions after the reporting period

### SIA Telia Latija

On January 4, 2022, Telia Company signed an agreement to divest its 100% ownership in SIA Telia Latvija to Telia Company's associated company SIA Tet at a price corresponding to an enterprise value of EUR 10.75 million (approximately SEK 110 million) on a cash and debt free basis. The price represents a FY 2021 (estimated) EV/EBITDA multiple of 10x. The transaction is subject to customary regulatory approvals and is expected to close during the second quarter of 2022. The net assets in SIA Telia Latvija have not been recognized as asset classified as held for sale based on materiality.

### Tower business in Sweden

On January 27, 2022, Telia Company signed an agreement to divest a 49% stake in its Swedish tower business to Brookfield and Alecia. The transaction price corresponds to an enterprise value for 100 percent of SEK 11,224 million on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected in the third quarter of 2022.

## Note 13.

## Business combinations

On October 8, 2021, SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of the Baltic data transmission network and IT security solutions enterprise group, Santa Monica Networks from Livonia Partners at a price of EUR 36 million (SEK 366 million). The company's portfolio of services includes the development of innovative solutions, design, technical solution, installation, maintenance and management

of data transmission networks, cloud computing and IT security systems. The acquisition will enable Telia Company to introduce fifth generation network solutions faster and more efficiently in the region. The cost of the combination, the preliminary fair values of net assets acquired and preliminary goodwill for the combination is presented in the table below.

SEK in millions	Santa Monica Networks
Cost of combination	366
Fair value of net assets acquired	
Non-current assets	9
Other current assets	136
Cash and cash equivalents	21
Current assets	158
Total assets acquired	166
Non-current liabilities	30
Current liabilities	178
Total liabilities assumed	208
Total fair value of net assets acquired	-42
Goodwill	408

The net cash flow effect from the business combination was SEK 345 million in the fourth quarter 2021 (cash consideration SEK 366 million paid at closing less cash and cash equivalents SEK 21 million). The fair values of assets and liabilities have been determined provisionally, as they are based on preliminary appraisals and subject to confirmation of certain facts. Thus, the purchase price accounting is subject to adjustments. Goodwill mainly refers to knowledge of transferred

personnel, customer service capability, market position and buyer specific synergies. From the acquisition date, revenues of SEK 70 million and net income of SEK 8 million are included in the condensed consolidated statements of comprehensive income. If Santa Monica Networks had been acquired at the beginning of 2021, revenues and total net income for Telia Company for 2021 had been approximately SEK 88.5 billion and SEK 11.9 billion, respectively.

## Note 14.

### 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, 2021	Dec 31, 2020
Return on equity (%; rolling 12 months) <sup>1</sup>	18.5	neg.
Return on capital employed (%; rolling 12 months) <sup>1</sup>	9.1	neg.
Equity/assets ratio (%) <sup>1, 2</sup>	31.7	24.5
Net debt/adjusted EBITDA ratio (multiple, rolling 12 months) <sup>2</sup>	2.14	2.57
Parent owners' equity per share (SEK) <sup>1</sup>	19.74	15.36

1) Equity is adjusted by weighted ordinary dividend, see the Annual and Sustainability Report 2020 section Definitions for key ratio definitions. 2) Restated, see Note 1.

## Note 15.

### Alternative performance measurement

In addition to financial performance measures prepared in accordance with IFRS, Telia Company presents non-IFRS financial performance measures. 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 the Annual and Sustainability Report 2020. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

### Service revenues

SEK in millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Net sales</b>	<b>23,380</b>	<b>23,464</b>	<b>88,343</b>	<b>89,191</b>
Excluded: Equipment revenues	-3,960	-3,699	-13,162	-11,848
<b>Service revenues (external)</b>	<b>19,421</b>	<b>19,765</b>	<b>75,180</b>	<b>77,343</b>
Excluded: Telia Carrier external service revenues	–	-1,043	-1,597	-4,352
Excluded: Effects from changes in foreign exchange rates <sup>1</sup>	126	207	626	0
<b>Service revenues, in constant currency and excluding Telia Carrier</b>	<b>19,547</b>	<b>18,928</b>	<b>74,209</b>	<b>72,991</b>

1) Changes in foreign exchange rates refers to full year average rates prior year.



## EBITDA and adjusted EBITDA

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>3</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>3</sup>
<b>Operating income</b>	<b>1,772</b>	<b>-23,037</b>	<b>15,232</b>	<b>-17,850</b>
Income from associated companies and joint ventures	-28	17,919	-104	20,080
Total depreciation/amortization/write-down	5,146	12,674	20,023	27,744
<b>EBITDA</b>	<b>6,890</b>	<b>7,556</b>	<b>35,151</b>	<b>29,974</b>
Adjustment items within EBITDA (Note 2) <sup>1</sup>	399	-145	-5,290	508
<b>Adjusted EBITDA</b>	<b>7,290</b>	<b>7,411</b>	<b>29,861</b>	<b>30,482</b>
Excluded: Telia Carrier adjusted EBITDA	–	-225	-371	-909
Excluded: Effects from changes in foreign exchange rates <sup>2</sup>	26	89	190	0
<b>Adjusted EBITDA in constant currency and excluding Telia Carrier</b>	<b>7,316</b>	<b>7,275</b>	<b>29,681</b>	<b>29,573</b>

1) Definition for Adjustment items has been changed, see Note 2 and Definitions. 2) Changes in foreign exchange rates refers to full year average rates prior year. 3) Restated, see Note 1.

Telia Company defines its Telco business as Total Group less the TV and Media segment. For 2021 adjusted EBITDA, like for like, in the Telco business amounted to SEK 28,834 million. Adjusted EBITDA, like for like, 2021 in the TV and Media segment amounted to SEK 880 million.

## Adjusted operating income

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>2</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>2</sup>
<b>Operating income</b>	<b>1,772</b>	<b>-23,037</b>	<b>15,232</b>	<b>-17,850</b>
Adjustment items within Operating income (Note 2) <sup>1</sup>	475	25,610	-5,198	29,307
<b>Adjusted operating income</b>	<b>2,246</b>	<b>2,573</b>	<b>10,033</b>	<b>11,457</b>

1) Definition for Adjustment items has been changed, see Note 2 and Definitions. 2) Restated, see Note 1.

## CAPEX, Cash CAPEX and Cash CAPEX to net sales (continuing operations)

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
Investments in intangible assets	855	750	5,008	2,692
Investments in property, plant and equipment	5,079	3,353	12,993	10,871
<b>CAPEX excluding right of use assets</b>	<b>5,935</b>	<b>4,103</b>	<b>18,001</b>	<b>13,563</b>
Investments in right-of-use assets	1,713	2,294	4,440	4,573
<b>CAPEX</b>	<b>7,647</b>	<b>6,397</b>	<b>22,441</b>	<b>18,137</b>
Excluded: investments in license and spectrum fees	9	1	-2,116	-142
<b>CAPEX excluding fees for licenses and spectrum</b>	<b>7,656</b>	<b>6,398</b>	<b>20,325</b>	<b>17,995</b>
Excluded: investments in right-of-use assets	-1,713	-2,294	-4,440	-4,573
<b>CAPEX excluding fees for licenses and spectrum and right of use assets</b>	<b>5,944</b>	<b>4,104</b>	<b>15,885</b>	<b>13,421</b>

SEK in millions, except ratio	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
<b>CAPEX</b>	<b>7,647</b>	<b>6,397</b>	<b>22,441</b>	<b>18,137</b>
Excluded: investments in right-of-use assets	-1,713	-2,294	-4,440	-4,573
Net of not paid investments and additional payments from previous periods	-453	37	-2,354	-77
<b>Cash CAPEX</b>	<b>5,481</b>	<b>4,140</b>	<b>15,647</b>	<b>13,485</b>
Excluded: Cash CAPEX for licenses and spectrum fees	-331	-46	-1,266	-172
Excluded: Telia Carrier Cash CAPEX excluding fees for licenses and spectrum	–	-134	-182	-493
<b>Cash CAPEX, excluding Telia Carrier and fees for licenses and spectrum</b>	<b>5,150</b>	<b>3,960</b>	<b>14,198</b>	<b>12,820</b>
<b>Net sales</b>	<b>23,380</b>	<b>23,464</b>	<b>88,343</b>	<b>89,191</b>
Excluded: Net sales Telia Carrier (external)	–	-1,043	-1,597	-4,352
<b>Net sales excluding Telia Carrier</b>	<b>23,380</b>	<b>22,421</b>	<b>86,746</b>	<b>84,839</b>
<b>Cash CAPEX to net sales, excluding Telia Carrier and fees for licenses and spectrum (%)</b>	<b>22.0</b>	<b>17.7</b>	<b>16.4</b>	<b>15.1</b>

1) Restated, see Note 1

## Free cash flow (continuing and discontinued operations)

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
Cash flow from operating activities	7,137	7,929	27,376	28,604
Cash CAPEX (paid intangible and tangible assets)	-5,481	-4,140	-15,647	-13,490
<b>Free cash flow, continuing and discontinued operations</b>	<b>1,655</b>	<b>3,789</b>	<b>11,729</b>	<b>15,114</b>

1) Restated, see Note 1.

## Operational free cash flow

SEK in millions	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
Cash flow from operating activities from continuing operations	7,137	7,929	27,507	28,583
Cash CAPEX from continuing operations	-5,481	-4,140	-15,647	-13,485
<b>Free cash flow, continuing operations</b>	<b>1,655</b>	<b>3,789</b>	<b>11,861</b>	<b>15,097</b>
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	331	46	1,266	172
Excluded: Dividends from associates from continuing operations	–	-41	-152	-218
Excluded: Taxes paid on dividends from associates from continuing operations	–	–	–	–
Repayments of lease liabilities	-616	-938	-2,574	-2,955
<b>Operational free cash flow</b>	<b>1,371</b>	<b>2,856</b>	<b>10,401</b>	<b>12,095</b>
Excluded: Changes in working capital	-972	-2,297	-3,020	-3,173
<b>Structural part of Operational free cash flow</b>	<b>399</b>	<b>559</b>	<b>7,381</b>	<b>8,922</b>

1) Restated, see Note 1.

## Net debt and Net debt/Adjusted EBITDA ratio (multiple, rolling 12 months)

SEK in millions, except for multiple	Dec 31, 2021	Dec 31, 2020 <sup>1</sup>
<b>Net debt</b>	<b>63,133</b>	<b>78,343</b>
Adjusted EBITDA continuing operations accumulated current year	29,861	30,482
Adjusted EBITDA continuing operations previous year	–	–
Adjusted EBITDA discontinued operations accumulated current year	–	30
Excluding: Disposed operations	-371	-30
<b>Adjusted EBITDA rolling 12 months excluding disposed operations</b>	<b>29,491</b>	<b>30,482</b>
<b>Net debt/adjusted EBITDA ratio (multiple)</b>	<b>2.14x</b>	<b>2.57x</b>

1) Restated, see Note 1.

## Adjusted EBITDA margin

SEK in millions, except ratio	Oct-Dec 2021	Oct-Dec 2020 <sup>1</sup>	Jan-Dec 2021	Jan-Dec 2020 <sup>1</sup>
Net sales	23,380	23,464	88,343	89,191
Adjusted EBITDA	7,290	7,411	29,861	30,482
<b>Adjusted EBITDA margin (%)</b>	<b>31.2</b>	<b>31.6</b>	<b>33.8</b>	<b>34.2</b>

1) Restated, see Note 1.

## Parent company

### Condensed income statements

SEK in millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	472	180	982	564
Cost of sales	-365	–	-487	–
<b>Gross income</b>	<b>107</b>	<b>180</b>	<b>495</b>	<b>564</b>
Operating expenses and other operating income, net	-38	-346	-1,063	-1,071
<b>Operating income</b>	<b>69</b>	<b>-166</b>	<b>-568</b>	<b>-507</b>
Financial income and expenses	4,489	-7,256	13,708	-8,634
<b>Income after financial items</b>	<b>4,558</b>	<b>-7,422</b>	<b>13,140</b>	<b>-9,140</b>
Appropriations	1,642	861	5,663	3,670
<b>Income before taxes</b>	<b>6,200</b>	<b>-6,561</b>	<b>18,804</b>	<b>-5,470</b>
Income taxes	-313	-338	-926	-706
<b>Net income</b>	<b>5,888</b>	<b>-6,898</b>	<b>17,877</b>	<b>-6,176</b>

Net sales and Cost of sales in the fourth quarter 2021 increased to SEK 472 million (180) and SEK -365 million (-) respectively mainly due to increased Net sales and Cost of sales related to film and program rights.

Operating expenses and other operating income, net in the fourth quarter 2021 decreased to SEK -38 million (-346) mainly due to a received compensation from the pension fund.

Financial income and expenses in the fourth quarter 2021 increased to SEK 4,489 million (-7,256) positively impacted by a capital gain from the disposal of 49% of Telia Towers AB amounting to SEK 4,610 million. Financial income and expenses in the fourth quarter 2020 were impacted by an impairment related to Telia Finland Oyj amounting to SEK 8,300 million.

In the fourth quarter appropriations increased to SEK 1,642 million (861) due to higher group contributions from the subsidiaries and reduced net provision of the equalization reserve.

Net sales and Cost of sales for the full year 2021 increased to SEK 982 million (564) and SEK -487 million (-) respectively due to increased Net sales and Cost of sales mainly related to film and program rights.

Financial income and expenses for the full year 2021 increased to SEK 13,708 million (-8,634) mainly impacted by the capital gains from the disposals of 49% in Telia Towers AB amounting to SEK 4,610 million and the Telia Carrier subsidiaries amounting to SEK 6,258 million, increased dividends from subsidiaries amounting to SEK 8,084 million (6,269) and reduced impairments of the subsidiary Telia Finland Oyj amounting to SEK 4,500 million (14,955).

For the full year appropriations increased to SEK 5,663 million (3,670) due to higher group contributions from the subsidiaries and a higher net reversal of the equalization reserve.

## Condensed balance sheets

SEK in millions	Dec 31, 2021	Dec 31, 2020
<b>Assets</b>		
Non-current assets	163,412	178,700
Current assets	43,865	36,111
<b>Total assets</b>	<b>207,277</b>	<b>214,811</b>
<b>Equity and liabilities</b>		
Restricted shareholders' equity	15,712	15,712
Non-restricted shareholders' equity	69,722	59,775
<b>Total shareholders' equity</b>	<b>85,434</b>	<b>75,487</b>
Untaxed reserves	6,707	7,002
Provisions	441	557
Long-term liabilities	78,240	87,018
Short-term liabilities and short-term provisions	36,455	44,747
<b>Total equity and liabilities</b>	<b>207,277</b>	<b>214,811</b>

Non-current assets decreased to SEK 163,412 million (178,700), mainly impacted by an impairment of the subsidiary Telia Finland Oy, disposals of the Telia Carrier subsidiaries and 49% of Telia Towers AB as well as decreased other long interest-bearing receivables.

Current assets increased to SEK 43,865 million (36,111) due to increased cash and short-term bonds impacted by proceeds from the disposals of the Telia Carrier subsidiaries and 49% of Telia Towers AB.

Equity increased to SEK 85,434 million (75,487) impacted by a positive Net income partly offset by distributed dividends.

Long-term liabilities decreased to SEK 78,240 million (87,018) mainly impacted by reclassification of long-term borrowings to short-term borrowings.

Short-term liabilities and short-term provisions decreased to SEK 36,445 million (44,747) mainly due to reduced intragroup current interest-bearing liabilities and matured short-term borrowings partly offset by a reclassification from long-term borrowings.

During 2021 Telia Company AB issued guarantees on behalf of subsidiaries amounting to SEK 1,538 million (EUR 150 million). For other financial guarantees see Note P24 in the Annual and Sustainability Report 2020.

## 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 2020, Directors Report, section Risk and uncertainties.

### Telia Company's risk universe

#### Strategic risks

Risks that can have a material impact on the strategic objectives arising from internal or external factors

#### Financial risks

Risks that can cause unexpected variability or volatility in net sales, margins, earnings per share, returns or market capitalization

#### Operational risks

Risks that may affect or compromise execution of business functions or have an impact on society

#### Legal & regulatory risks

Risks related to legal or governmental actions that can have a material impact on the achievement of business objectives

Stockholm, January 28, 2022

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 and costs for major group wide business transformations\*) 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% 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 income statement and 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.

**Structural part of Operational free cash flow:** Operational free cash flow less contribution from change in working capital.

**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.

\*Costs for major group wide business transformations were added to the definition of Adjustment items in Q1 2021, see Note 2.

## Financial calendar

**Annual and Sustainability report January-December 2021**  
March 11, 2022

**Annual general meeting 2022**  
April 6, 2022

**Interim Report January-March 2022**  
April 27, 2022

**Interim Report January-June 2022**  
July 20, 2022

**Interim Report January-September 2022**  
October 21, 2022

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 28, 2022.



