

Press release
April 25, 2023

Telia Company has entered into a binding term sheet agreeing upon the key terms on which to sell its operations and network assets in Denmark to Norlys at an expected valuation of DKK 6.25 billion

- 100% of Telia's operations and network assets in Denmark valued at an expected DKK 6.25 billion (~SEK 9.5 billion), on a cash and debt-free basis
- Transaction is in line with Telia's strategy to focus on markets where there is a clear path to securing and defending leading market positions
- Telia and Norlys have signed a binding term sheet agreeing on high-level transaction items
- Transaction is subject to the parties signing final and binding agreements (expected this summer), approval from Norlys' owners and customary regulatory approvals, with closing expected in Q1 2024 at the latest

Telia Company today announces it has entered into a binding term sheet agreeing upon the key terms on which to sell 100% of its operations and network assets in Denmark to Norlys a.m.b.a. (Norlys) at an expected enterprise value of DKK 6.25 billion (~SEK 9.5 billion), on a cash and debt-free basis. The valuation is equivalent to 8.9x Telia Denmark's 2022 reported EBITDA. The transaction is subject to final and binding agreements, approval from Norlys' owners and customary regulatory approvals, with closing expected in Q1 2024 at the latest.

Telia's strategy is to focus on markets where there is a clear path to securing and defending a leading market position. Having considered a number of strategic options in Denmark over several years, the combination of Telia's strong mobile position with Norlys' strong infrastructure position creates a unique opportunity to create a new national challenger with a committed long-term owner, while crystallizing immediate value for Telia. As a result of the acquisition, Norlys will continue to build on its position as an integrated telecom and energy group that exists for the benefit of Danish households and enterprises.

Allison Kirkby, Telia Company President and CEO, says: "Today's announcement presents an exciting opportunity for our Danish business and colleagues to become part of a new national challenger, with owners who are renowned for their long-term view of both energy and digital infrastructure. The transaction crystallizes value from both the outstanding work of the Telia Denmark team who have led such an impressive turnaround of the business during the last 18 months, and from the leading 5G digital infrastructure that we have built up in the country. After closing, our Danish customers will have access to a broader set of products and services from Norlys, and Telia will focus even more on markets where we can sustain or build a leading position."

Niels Duedahl, Norlys CEO, says: "Combining Telia's mobile network with our fiber business will enable Norlys to provide a full-service solution in Denmark, paving the way for significant growth opportunities. A strong mobile arm will expand our position as the number one challenger in the Danish market and add to our presence across both the digital and green value chains. Once this transaction closes, I very much look forward to welcoming our new, talented employees in Denmark. I have been impressed by the significant improvements in the business over the past 18 months, and I am convinced that our new colleagues will contribute to the Norlys group with a strong customer centric and digital mindset."

Telia intends to use the transaction proceeds for deleveraging purposes.



About Norlys

Norlys supply more than 1 million households in Denmark with electricity and internet – both in the cities and on the outer country roads. We create better opportunities for the individual and fight for the green transition and a more digital Denmark.

Norlys is Denmark's largest integrated energy and telecommunications group with approximately 800,000 owner-members, 1.7 million customer relations, 3,500 employees and more than 100 years of experience.

Norlys owns Stofa and Netselskabet N1 and has its headquarters in Silkeborg and locations in Aarhus, Aalborg, Esbjerg and Copenhagen, among others.

For more information: www.norlys.dk

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 18.00 CET on April 25, 2023.

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