

# Q1

## Interim report

January - March 2023

# Full focus on strategy execution and capital allocation

## First quarter summary

- Revenue increased 5.7% to SEK 23,069 million (21,818) and like for like, revenue increased 3.7%.
- Service revenue increased 3.8% to SEK 19,444 million (18,737) and like for like, service revenue increased 1.9%. For the Telco operations, service revenue increased 2.4% on a like for like basis.
- Adjusted EBITDA increased 0.8% to SEK 7,258 million (7,202) and like for like, adjusted EBITDA decreased 0.8%. For the Telco operations, adjusted EBITDA increased 1.6% on a like for like basis.
- Operating income decreased to SEK 1,887 million (2,437) and net income decreased to SEK 738 million (1,086).
- The structural part of operational free cash flow decreased to SEK 685 million (1,941).
- Operational free cash flow decreased to SEK -3,626 million (2,163), driven mainly by a temporary decline in the vendor financing balance.
- Cash flow from operating activities decreased to SEK 1,350 million (5,972).
- The leverage ratio was 2.49x at the end of the quarter.
- The outlook for 2023 is unchanged.
- After the end of the quarter, Telia Company announced on April 25, 2023, the signing of a binding term sheet agreeing upon the key terms on which to sell its Danish operations and network assets to Norlys, at an expected enterprise value of DKK 6.25 billion (approximately SEK 9.5 billion).

**Service revenue**  
**19,444**  
(SEK million)  
+1.9% like for like

**Adjusted EBITDA**  
**7,258**  
(SEK million)  
-0.8% like for like

**Structural part of Operational free cash flow**  
**685**  
(SEK million)

## Highlights

SEK in millions, except key ratios, per share data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	23,069	21,818	5.7	90,827
Change (%) like for like	3.7			
of which service revenue <sup>1</sup>	19,444	18,737	3.8	77,050
change (%) like for like	1.9			
Adjusted EBITDA	7,258	7,202	0.8	30,328
change (%) like for like	-0.8			
Margin (%)	31.5	33.0		33.4
Adjusted operating income	2,472	2,609	-5.2	11,332
Operating income	1,887	2,437	-22.5	-9,417
Income after financial items	1,044	1,407	-25.8	-12,783
Net income	738	1,086	-32.1	-14,165
EPS (SEK)	0.15	0.23	-32.5	-3.63
Structural part of Operational free cash flow	685	1,941	-64.7	6,458
Operational free cash flow	-3,626	2,163		5,723
CAPEX excluding fees for licenses, spectrum and right-of-use assets	3,711	3,285	13.0	15,959

1) Restated, see Note 1.

## CEO comment...

"From the start of the year, we have been fully focused on building profitable growth momentum in our Telco operations and on improving capital allocation, cash conversion and value creation. This focus will continue throughout 2023.

Service revenue increased 2.4% across our Telco operations in Q1 and was especially strong in the Enterprise segment. Network modernization continues and 5G population coverage is now over 75%, further strengthening our position as the leading digital infrastructure owner and operator in the Nordic & Baltic region.

Whilst EBITDA from Telco operations grew 1.6%, the expected softening in TV advertising and ongoing challenges in Pay TV mean that, overall, EBITDA declined 0.8%. As announced in October, we are restructuring our TV and Media business under the TV4 and MTV brands, consolidating our premium sports content portfolio to improve synergies and enhance our offer for both current subscribers and advertisers, and new customers.

Active capital allocation continues and, after the close of the quarter, we successfully structured a DKK 6.25 billion deal to sell our Danish business (subject to a final agreement and regulatory approval) to Norlys, the leading energy and telecoms group in the country. This divestment is in line with our strategy to focus on markets where there is a clear path to securing and defending a leading position. It also offers both immediate value creation and the opportunity for Telia's Danish business, and team, to become part of a new national challenger, offering a broader range of services to Danish customers, large and small.

As we head into the second quarter, our approach to building a better Telia continues. By **Inspiring customers, Connecting everyone, Transforming to digital** and **Delivering sustainably**, we are continuing the hard work of returning the company to sustained, profitable growth. We are maintaining our technology leadership and driving modernization of our operations, to make Telia a better company for all its stakeholders today, tomorrow and into the future.

During the quarter, **Sweden** showed a healthy and improving momentum with service revenue growth in both mobile and fixed services. Customer reactions to price adjustments during the quarter were in line with expectations, with the Consumer segment returning to growth in March. Enterprise growth was again strong at 2.3%, driven both by new revenue streams from our award-winning IoT and security businesses, as well as from traditional connectivity services. EBITDA declined slightly, impacted by the remaining headwinds from energy. We continue to invest in our digital infrastructure leadership, reaching a 5G population coverage of 63% by the end of the quarter, and are leading the sector in the Sustainable Brand Index for the 13<sup>th</sup> consecutive year.

Executing on its broad-based turnaround, our business in **Finland** saw growth in both mobile and fixed services, with a return to EBITDA growth underpinned by digital transformation, lower customer churn and improved productivity. In February,



Telia Finland won independent research company Opensignal's top global award for user experience in a study of 250 operators, reflecting our commitment to customer experience and investment in our already excellent network. This contributes to further improvements in brand consideration, and it is particularly encouraging to see a significant improvement this year in the Sustainable Brand Index ranking in Finland.

**Norway's** financial performance remains solid, with growth in both mobile and fixed services, including a healthy growth in broadband and TV. EBITDA grew 2.7%, a slightly higher rate than in the previous quarter, as the impact of increased energy costs starts to subside. Our 5G roll-out continued into new communities such as Tromsø and Bodø this quarter, driving regional business momentum and taking us to a population coverage of 89%, sustaining our 5G frontrunner position.

**Lithuania and Estonia** further expanded their leading infrastructure positions, with Telia Lithuania confirmed as having the fastest mobile internet service in the country, while Telia Estonia won several categories in Opensignal's Global Mobile Network Experience Awards. Customer sentiment is improving in both markets, and so both units delivered excellent mid-to-high single digit service revenue growth which, despite the cost inflation environment, converted into double digit EBITDA growth.

In **Denmark** we continue to restructure and rebuild the business. While service revenues were flat, successful cost transformation resulted in EBITDA growing by double digits. 5G roll-out continues, with 85% population coverage at the end of the quarter and customer intake on the new 5G internet proposition is strong.

Our **TV and Media** unit is in the midst of its restructuring. After the end of the quarter, the new TV4 Play with a hybrid offering

was announced, with a planned launch after the summer. This will enable a gradual redesign of the content portfolio and content rights overall to offer a broader and richer set of viewing and advertising options. The unit saw a 2.4% decline in service revenue driven by a softening advertising market, while Pay TV revenue grew slightly, but with higher year-on-year content costs, EBITDA declined.

Transformation of our systems, processes and ways of working continue across the Group. Another 10 IT legacy systems were decommissioned in the quarter, and close to 50% of the systems targeted for removal before 2025 are now out. Legacy dismantling, important both for the sustainability of energy consumption and for cost and customer experience development, is on track with 3G now entering its final year across most of our footprint. Despite all our hard work, heightened and continued inflationary pressure is masking the underlying cost take-out, and this is likely to impact our 2021-2023 cost ambition.

On sustainability, the work we do across our supply chain is having meaningful impact, with 45% of our total supply chain emissions now covered by Science Based targets, up from 26% one year ago and on track towards our 2025 target of 72%. In a recognition of our efforts, Telia was recently ranked first among Europe's Climate Leaders by the Financial Times, in a study comprising 500 large companies. Within Digital inclusion, we have seen stronger than expected progress and have doubled the target for the number of individuals to be reached by such initiatives by 2025, from one to two million. Within Security, another key sustainability priority, we were awarded preferred partnerships with several key global security solution providers during the quarter and supporting the mid-single digit growth we are seeing in security services.

Cash flow was, as expected, negative in the quarter due to phasing in our vendor financing program. This will be fully reversed in the remainder of the year. Net debt to EBITDA is at the higher end of our leverage target range but is expected to decline in the next 12 months on the back of a stronger operational free cash flow, and the proceeds from the divestment of Telia Denmark, which will be used for deleveraging.

Looking ahead, our full-year outlook is unchanged. With energy headwinds starting to subside, pricing initiatives in place, and peak network investment now behind us, 2023 is a year for us to restore confidence in our strategy and improve cash generation, despite current challenges in TV and Media. That being said, we remain vigilant to continued macro-economic uncertainty and responsive to rapid changes in customer behaviors and expectations and will take necessary actions to respond to the changing environment.

To close, I would like to again thank all my Telia colleagues and partners for their hard work, and our shareholders for their continued support, as we build a much Better Telia for everyone.”

**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 2023 (unchanged)

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

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

CAPEX, excluding fees for licenses and spectrum and right of use assets, is estimated to be in the range of SEK 13.0-14.0 billion.

The structural part of Operational free cash flow<sup>1</sup> is estimated to be in the range of SEK 7.0-9.0 billion.

## 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.

## Ordinary dividend to shareholders

For 2022, the Annual General Meeting (AGM) decided on an ordinary dividend of SEK 2.00 per share (2.05), totaling SEK 7.9 billion (8.3). The dividend will be split and distributed in four tranches of SEK 0.50 per share.

## First distribution

The Annual General Meeting (AGM) decided that the first distribution of the dividend was to be distributed by Euroclear Sweden on April 14, 2023.

## Second distribution

The Annual General Meeting (AGM) decided that the final day for trading in shares entitling shareholders to dividend be set for July 27, 2023, and that the first day of trading in shares excluding rights to dividend be set for July 28, 2023. The record date at Euroclear Sweden for the right to receive dividend will be July 31, 2023. The dividend is expected to be distributed by Euroclear Sweden on August 3, 2023.

## Third distribution

The Annual General Meeting (AGM) decided that the final day for trading in shares entitling shareholders to dividend be set for October 24, 2023, and that the first day of trading in shares excluding rights to dividend be set for October 25, 2023. The record date at Euroclear Sweden for the right to receive dividend will be October 26, 2023. The dividend is expected to be distributed by Euroclear Sweden on October 31, 2023.

## Fourth distribution

The Annual General Meeting (AGM) decided that the final day for trading in shares entitling shareholders to dividend be set for February 1, 2024, and that the first day of trading in shares excluding rights to dividend be set for February 2, 2024. The record date at Euroclear Sweden for the right to receive dividend will be February 5, 2024. The dividend is expected to be distributed by Euroclear Sweden on February 8, 2024.

<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, first quarter 2023

## Sales and earnings

**Revenue** increased 5.7% to SEK 23,069 million (21,818) and like for like, revenue increased by 3.7%.

**Service revenue** increased 3.8% to SEK 19,444 million (18,737). Like for like, service revenue increased 1.9% supported by a positive development for most units.

**Adjusted EBITDA** increased 0.8% to SEK 7,258 million (7,202) and the adjusted EBITDA margin decreased to 31.5% (33.0). Like for like, adjusted EBITDA decreased 0.8% as growth in most markets was more than offset by a negative development for TV and Media.

**Adjustment items** affecting operating income increased to SEK -585 million (-172) mainly impacted by higher personnel redundancy costs.

**Adjusted operating income** decreased to SEK 2,472 million (2,609).

**Financial items** totaled SEK -843 million (-1,030) of which SEK -864 million (-808) related to net interest expenses. The first quarter 2022 was impacted by negative market value changes in the liquidity portfolio related to increased market rates, while the first quarter 2023 was impacted by a small increase in market value for the liquidity portfolio.

**Income taxes** amounted to SEK -307 million (-321). The effective tax rate was 29.4% (22.8). The increased effective tax rate was mainly impacted by prior year adjustments of deferred taxes.

**Net income** decreased to SEK 738 million (1,086).

**Other comprehensive income** decreased to SEK -647 million (3,563) mainly due to negative foreign translations differences mainly related to NOK and lower positive remeasurements of defined benefit pension obligations.

## Cash flow

**Cash flow from operating activities** decreased to SEK 1,350 million (5,972) mainly due to lower contribution from working capital.

**Structural part of Operational free cash flow** decreased to SEK 685 million (1,941) mainly due to increased cash CAPEX.

**Operational free cash flow** decreased to SEK -3,626 million (2,163) mainly due to lower contribution from working capital and increased cash CAPEX.

**Cash flow from investing activities** amounted to SEK -7,593 million (-4,596). The first quarter of 2023 was mainly impacted by higher net investments in short-term investments as well as increased cash CAPEX.

**Cash flow from financing activities** amounted to SEK 10,141 million (-7,757). The first quarter of 2023 was impacted by increased proceeds from issued bonds and received collateral whilst the corresponding quarter last year was impacted by higher repayments of long-term borrowings.

## Financial position

**CAPEX** excluding right-of-use assets, increased to SEK 3,771 million (3,456). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 3,711 million (3,285). Cash CAPEX increased to SEK 4,363 million (3,205).

**Net debt** was SEK 75,565 million at the end of the first quarter (71,397 at the end of the fourth quarter of 2022). The net debt/adjusted EBITDA ratio was 2.49x.

**Short-term interest-bearing receivables** increased to SEK 11,222 million (9,676) mainly due to net investments in investment bonds, partly off-set by a decrease in collaterals for derivatives driven by market value changes.

**Long-term borrowings** increased to SEK 98,286 million (94,555) mainly impacted by issued bonds, partly offset by a reclassification to short-term borrowings.

**Short-term borrowings** increased to SEK 14,163 million (7,007) mainly due to a reclassification from long-term borrowings.

**Trade payables and other current liabilities, current tax payables and short-term provisions** decreased to SEK 29,426 million (35,734) mainly due to decrease in accounts payables.

## Significant events in the first quarter

- On January 16, 2023, Telia Company announced changes to its Group Executive Management team through the merger of the Communications, Brand and Sustainability functions, appointing Ola Rembe as Senior Vice President, Head of Communications, Brand and Sustainability.
- On February 10, 2023, Telia Company announced that Dan Strömberg, Senior Vice President, Head of LED (Lithuania, Estonia and Denmark) and CEO of Telia Lithuania, plans to retire from Telia Company during the summer of 2023.
- On February 16, 2023, Telia Company issued a bond of EUR 500 million under its existing EMTN (Euro Medium Term Note) program. See Note 8.
- On March 9, 2023, Telia Company issued bonds in four separate tranches with a total amount of SEK 4 billion, under its existing EMTN (Euro Medium Term Note) program. See Note 8.
- On March 24, 2023, Telia Company announced that Per Christian Mørland, Executive Vice President and Group Chief Financial Officer, has given notice of resignation due to family reasons and will be leaving Telia Company during H2 2023 to take on career opportunities closer to his home in Norway.

## Significant events after the end of the first quarter

- On April 5, 2023, Telia Company announced the resolutions passed at the Annual General Meeting.
- On April 25, 2023, Telia Company announced the signing of a binding term sheet agreeing upon the key terms on which to sell 100% of its Danish operations and network assets to Norlys, at an expected enterprise value of DKK 6.25 billion (approximately SEK 9.5 billion), equal to 8.9x Telia Denmark's 2022 reported EBITDA. See Note 12.

## Sweden

- Telia continued to lead 5G roll-out in Sweden, with 63% of the population now able to access Telia’s award-winning 5G network, compared to 53% at the end of 2022.
- Telia and Ericsson launched NorthStar, a new 5G innovation program that provides Swedish industry with access to a new 5G innovation hub and the opportunity to explore the opportunities arising from 5G technologies for their businesses.
- As part of the existing innovation collaboration between Telia and Region Stockholm, Telia has built a 5G test bed at an emergency hospital within Region Stockholm, which enables tests of new innovative services for the benefit of patients and healthcare staff.
- Telia Cygate was awarded as partner of the year for Fortinet, Checkpoint as well as Infoblox.
- Fello was awarded “Mobile operator of the year” by Telekomnyheterna and Nordic Bench.
- Telia Sweden again came out as the most sustainable brand in the Swedish telco sector according to Sustainable Brand Index. This for the 13<sup>th</sup> consecutive year.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	8,980	8,548	5.1	35,112
Change (%) like for like	5.0			
of which service revenue (external)	7,413	7,380	0.4	29,852
change (%) like for like	0.4			
Adjusted EBITDA	3,313	3,337	-0.7	13,508
Margin (%)	36.9	39.0		38.5
change (%) like for like	-0.3			
Adjusted operating income	1,587	1,663	-4.6	6,422
Operating income	1,474	1,605	-8.1	5,891
CAPEX excluding fees for licenses, spectrum and right-of-use assets	824	759	8.6	3,312
Subscriptions, (thousands)				
Mobile <sup>1</sup>	8,200	6,924	18.4	7,935
of which machine-to-machine (postpaid)	3,676	2,360	55.8	3,395
Fixed telephony <sup>1</sup>	396	507	-21.9	431
Broadband <sup>1</sup>	1,382	1,358	1.8	1,375
TV <sup>1</sup>	994	935	6.3	972
Employees <sup>1</sup>	4,158	4,344	-4.3	4,172

1) Restated, see Note 1.

**Revenue** increased 5.1% to SEK 8,980 million (8,548) and like for like, revenue increased 5.0% primarily driven by increased sales of equipment and to some extent also increased service revenue.

**Service revenue**, like for like, increased 0.4% as mobile and fixed service revenue increased by 1.0% and 0.4%, respectively. The growth in mobile service revenue was due to an increased subscriptions base as well as ARPU whereas fixed service revenue increased as a continued decline in revenue from fixed telephony was more than offset by growth for mainly broadband, TV and business solutions revenue.

**Adjusted EBITDA** decreased 0.7% to SEK 3,313 million (3,337) and adjusted EBITDA margin decreased to 36.9% (39.0). Adjusted EBITDA like for like decreased 0.3% as the slight service revenue increase was not enough to fully compensate for a somewhat higher cost level, primarily driven by increased energy costs.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 8.6% to SEK 824 million (759).

**Mobile subscriptions** grew by 265,000 in the quarter driven by an addition of 281,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased by 22,000 and fixed broadband subscriptions increased by 8,000 in the quarter.



## Finland

- Telia won two quality awards in a global study of the user experience of mobile networks, performed by the independent research company Opensignal. The independent study compared the network experience of more than 250 operators in eight different categories around the world.
- Telia shared the top position in the Finnish Digital Successes 2023 survey which assesses the customer experience in digital services of the largest Finnish companies.
- By leveraging edge computing and machine learning services from Amazon Web Services, Telia launched an innovative video recognition solution with the aim to improve efficiency and accuracy provided by Transval, one of the market leaders within logistics in Finland. Amongst other the new solution replaces manual inventory calculation and reconciliations by automatically tracking and reporting inventory changes.
- Telia Finland saw a significant improvement in the 2023 Sustainable Brand Index ranking and moved to second place among Finnish telecom operators.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue <sup>1</sup>	3,957	3,625	9.2	15,171
Change (%) like for like	2.5			
of which service revenue (external)	3,367	3,092	8.9	12,782
change (%) like for like	2.3			
Adjusted EBITDA	1,197	1,111	7.8	4,443
Margin (%)	30.2	30.6		29.3
change (%) like for like	1.2			
Adjusted operating income	321	238	34.9	915
Operating income	286	201	42.4	-8,716
CAPEX excluding fees for licenses, spectrum and right-of-use assets	424	321	31.8	1,566
Subscriptions, (thousands)				
Mobile <sup>1</sup>	3,114	3,092	0.7	3,151
of which machine-to-machine (postpaid)	392	315	24.3	381
Fixed telephony	14	16	-12.1	14
Broadband <sup>1</sup>	606	583	3.9	596
TV	688	658	4.6	678
Employees <sup>1</sup>	2,667	2,774	-3.9	2,711

1) Restated, see Note 1.

**Revenue** increased 9.2% to SEK 3,957 million (3,625) and like for like, revenue increased 2.5% mainly driven by increased service revenue. The effect of exchange rate fluctuations was positive by 6.7%.

**Service revenue**, like for like, increased 2.3% as mobile service revenue remained rather unchanged and fixed service revenue increased by 5.2%. The latter predominately driven by a strong development for business solutions revenue.

**Adjusted EBITDA** increased 7.8% to SEK 1,197 million (1,111) and adjusted EBITDA margin decreased to 30.2% (30.6). Adjusted EBITDA like for like increased 1.2% as the growth in service revenue more than compensated for a slightly increased cost level.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 31.8% to SEK 424 million (321).

**Mobile subscriptions** decreased in the quarter by 37,000 driven by a reduction for both prepaid as well as postpaid subscriptions. TV subscriptions increased 10,000 and fixed broadband subscriptions increased 10,000 in the quarter.

## Norway

- The roll-out of Telia’s 5G continued to make good progress with 5G now rolled-out in communities such as Tromsø and Bodø. 89% of the Norwegian population now have access to Telia’s high-speed 5G network.
- Telia conducted connectivity tests with low-orbit satellites from Starlink in combination with its mobile network. The initial results are promising and supportive for a number of different business applications and important societal functions.
- By using special virtual reality glasses and augmented reality, Telia’s home technicians can now visualize WiFi coverage and from that find where in the room to place equipment to have the best possible indoor coverage.
- Telia owned Phonero launched the service “Smart choice” which makes it possible for Enterprise customers to buy used mobile phones with the same guarantee as a brand-new mobile phone. A good choice from both a cost and environmental point of view.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	3,764	3,649	3.2	15,022
Change (%) like for like	5.3			
of which service revenue (external)	3,198	3,146	1.7	12,803
change (%) like for like	3.8			
Adjusted EBITDA	1,681	1,666	0.9	6,750
Margin (%)	44.7	45.7		44.9
change (%) like for like	2.7			
Adjusted operating income	726	644	12.8	2,727
Operating income	645	636	1.4	-5,851
CAPEX excluding fees for licenses, spectrum and right-of-use assets	561	532	5.3	2,932
Subscriptions, (thousands)				
Mobile	2,383	2,302	3.5	2,379
of which machine-to-machine (postpaid)	213	134	58.7	196
Fixed telephony <sup>1</sup>	14	47	-69.4	38
Broadband <sup>1</sup>	501	487	2.9	500
TV <sup>1</sup>	484	487	-0.6	485
Employees <sup>1</sup>	1,327	1,381	-3.9	1,334

1) Restated, see Note 1.

**Revenue** increased 3.2% to SEK 3,764 million (3,649) and like for like, revenue increased 5.3% mainly due to increased service revenue. The effect of exchange rate fluctuations was negative by 2.1%.

**Service revenue**, like for like, increased 3.8% primarily as mobile service revenue increased 5.0% but also as fixed service revenue increased 1.9% attributable to mainly a strong development for revenue from fixed broadband and business solutions.

**Adjusted EBITDA** increased 0.9% to SEK 1,681 million (1,666) and adjusted EBITDA margin decreased to 44.7% (45.7). Adjusted EBITDA like for like increased 2.7% driven by the growth in service revenue.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 5.3% to SEK 561 million (532).

**Mobile subscriptions** increased by 4,000 in the quarter. TV subscriptions declined by 1,000 and fixed broadband subscriptions increased by 1,000 in the quarter.

## Denmark

- As a result of the ongoing network modernization and 5G roll-out, 85% of all Danes now have access to Telia's fast and reliable 5G network.
- 3G shutdown entered its final phase, allowing re-farming of spectrum to support and further improve the 4G mobile user experience in the coming quarters.
- From a significantly increased 5G coverage, sunsetting of 3G and continued growth in refurbished phone sales Telia Denmark saw a material increase in the 2023 Sustainability Brand Index ranking.
- Telia moved into its new headquarters in Ørestad, close to the center of Copenhagen. The newly constructed office is gold-certified by DGNB and by reusing 30 tons of furniture from the old head office Telia avoided emissions of 150 tons of CO<sub>2</sub>.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	1,324	1,275	3.8	5,298
Change (%) like for like	-2.5			
of which service revenue (external) <sup>1</sup>	1,027	970	5.9	4,003
change (%) like for like	-0.6			
Adjusted EBITDA	288	235	23.0	1,072
Margin (%)	21.8	18.4		20.2
change (%) like for like	15.4			
Adjusted operating income	47	-4		78
Operating income	40	2		-594
CAPEX excluding fees for licenses, spectrum and right-of-use assets	178	121	46.9	538
Subscriptions, (thousands)				
Mobile <sup>1</sup>	1,708	1,601	6.7	1,685
of which machine-to-machine (postpaid)	400	267	49.9	362
Fixed telephony <sup>1</sup>	73	81	-9.9	76
Broadband	66	64	3.8	64
TV	16	23	-31.5	17
Employees <sup>1</sup>	641	652	-1.7	641

1) Restated, see Note 1.

**Revenue** increased 3.8% to SEK 1,324 million (1,275) and like for like, revenue decreased 2.5% due to lower equipment sales. The effect of exchange rate fluctuations was positive by 6.3%.

**Service revenue**, like for like, decreased 0.6% as a 1.2% decline for mobile service revenue driven by lower interconnect revenue, more than offset a 2.7% growth for fixed service revenue attributable to mainly fixed broadband.

**Adjusted EBITDA** increased 23.0% to SEK 288 million (235) and adjusted EBITDA margin increased to 21.8% (18.4). Adjusted EBITDA like for like increased 15.4% due to a lower cost level.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 46.9% to SEK 178 million (121).

**Mobile subscriptions** increased by 23,000 in the quarter driven by the addition of 38,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions declined by 1,000 and fixed broadband subscriptions increased by 2,000 in the quarter.

## Lithuania

- Having built more than 1,200 5G base stations last year and continued at a high roll-out pace in the quarter, Telia reached a 5G coverage of 95%. Well on track towards the ambition of having 99% coverage by the end of the summer.
- In a benchmarking study performed by the regulator, Telia came out as the provider having the fastest mobile internet in the country. Furthermore, Telia's network displayed the largest improvement amongst all operators compared to the previous study.
- It was announced that Dan Strömberg, Senior Vice President, Head of LED (Lithuania, Estonia and Denmark) and CEO of Telia Lithuania, plans to retire during the summer of 2023, after a distinguished 43-year career at the company. Dan Strömberg was succeeded by Giedrė Kaminskaitė-Salters, previously Head of Sales and Customer Service of Telia in Lithuania.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	1,322	1,113	18.8	4,784
Change (%) like for like	11.6			
of which service revenue (external)	1,009	862	17.0	3,663
change (%) like for like	9.9			
Adjusted EBITDA	483	401	20.4	1,688
Margin (%)	36.5	36.1		35.3
change (%) like for like	13.1			
Adjusted operating income	274	195	40.6	856
Operating income	265	196	35.0	850
CAPEX excluding fees for licenses, spectrum and right-of-use assets	121	92	32.7	597
Subscriptions, (thousands)				
Mobile	1,599	1,532	4.4	1,604
of which machine-to-machine (postpaid)	320	309	3.4	322
Fixed telephony	169	195	-13.6	175
Broadband	427	422	1.2	427
TV	258	254	1.6	257
Employees	1,528	1,596	-4.3	1,555

**Revenue** increased 18.8% to SEK 1,322 million (1,113) and like for like, revenue increased 11.6% mainly due to increased service revenue but to some extent also increased sales of equipment. The effect of exchange rate fluctuations was positive by 7.2%.

**Service revenue**, like for like, increased 9.9% due to a positive development for both mobile and fixed service revenue. For mobile service revenue, which increased 11.5%, growth was the result of an increased number of subscriptions as well as a higher ARPU. For fixed service revenue, which increased 8.5%, growth was driven by a positive development for revenue from primarily fixed broadband and business solutions.

**Adjusted EBITDA** increased 20.4% to SEK 483 million (401) and adjusted EBITDA margin increased to 36.5% (36.1). Adjusted EBITDA like for like increased 13.1% driven by the growth in service revenue.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 32.7% to SEK 121 million (92).

**Mobile subscriptions** decreased by 5,000 in the quarter. TV subscriptions increased by 1,000 and fixed broadband subscriptions remained unchanged in the quarter.

## Estonia

- Telia came out as a Global Winner in three categories and as Global Leader in the category “uniform excellent service quality” in Open Signal’s Global Mobile Network Experience Awards 2023. The latter particularly important as it brings together all different aspects of the customer experience.
- Telia Estonia was recognized as the best employer in the IT and telecommunication sector in the recruitment company CV Online’s survey “Top employer 2023”.
- A country wide digital clean-up day coordinated by Telia took place for the fifth year in a row. The day was highly successful and surpassed all previous records with hundreds of companies, organizations and institutions and more than 10,000 private individuals participating. As a result of the initiative almost 12,000 devices were returned for recycling and 9 terabytes of data deleted.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	982	868	13.1	3,637
Change (%) like for like	6.2			
of which service revenue (external)	821	729	12.7	2,994
change (%) like for like	5.8			
Adjusted EBITDA	382	326	17.1	1,330
Margin (%)	38.9	37.5		36.6
change (%) like for like	10.0			
Adjusted operating income	239	169	41.5	669
Operating income	233	168	38.9	734
CAPEX excluding fees for licenses, spectrum and right-of-use assets	74	55	34.4	374
Subscriptions, (thousands)				
Mobile <sup>1</sup>	1,248	1,176	6.1	1,233
of which machine-to-machine (postpaid)	466	416	12.0	448
Fixed telephony	187	204	-8.3	192
Broadband <sup>1</sup>	275	275	0.1	276
TV	197	205	-3.7	200
Employees	1,248	1,293	-3.5	1,269

1) Restated, see Note 1.

**Revenue** increased 13.1% to SEK 982 million (868) and like for like, revenue increased 6.2% driven by increased service revenue and to some extent increased sales of equipment. The effect of exchange rate fluctuations was positive by 6.9%.

**Service revenue**, like for like, increased 5.8% as mobile service revenue increased 10.6% driven by subscription base expansion as well as ARPU growth, and fixed service revenues growing 4.0% from a positive development for predominately business solutions and fixed broadband.

**Adjusted EBITDA** increased 17.1% to SEK 382 million (326) and adjusted EBITDA margin increased to 38.9% (37.5). Adjusted EBITDA like for like increased 10.0% driven by the service revenue growth.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 34.4% to SEK 74 million (55).

**Mobile subscriptions** increased by 16,000 in the quarter. TV subscriptions decreased by 3,000 and fixed broadband subscriptions decreased by 1,000 in the quarter.

## TV and Media

- After the end of the quarter, it was announced that C More and TV4 Play will become one and from that deliver a wider range of services based on a stronger slate of content. C More will therefore move into TV4 Play after the summer. On the new TV4 Play service, users will have the option to become plus users and from that access more content, with or without advertising.
- The linear portfolio of TV4 increased its share of viewing to 33% compared to 30% in the corresponding quarter of last year.
- Despite a continued growing demand for digital advertising, total advertising revenue declined by 5.4% in the quarter as a result of soft Advertising market.
- In the quarter content cost increased mainly relating to entertainment, drama and news. In addition, acquisitions increased related to content such as Britbox as well as an expanded range of series.

## Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue	2,019	2,031	-0.6	8,829
Change (%) like for like	-2.0			
of which service revenue (external) change (%) like for like	2,012	2,031	-1.0	8,826
	-2.4			
Adjusted EBITDA	-364	-191	90.6	277
Margin (%)	-18.0	-9.4		3.1
change (%) like for like	-89.4			
Adjusted operating income	-570	-383	48.9	-507
Operating income	-617	-382	61.5	-847
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	34	20	67.4	182
Subscriptions, (thousands)				
TV (SVOD)	765	741	3.2	785
Employees <sup>1</sup>	1,276	1,283	-0.5	1,264

1) Restated, see Note 1

**Revenue** decreased 0.6% to SEK 2,019 million (2,031) and like for like, revenue decreased 2.0% driven by decreased service revenue. The effect of exchange rate fluctuations was positive by 1.4%.

**Service revenue**, like for like, decreased 2.4% as growth for Other service revenue as well as also a slight increase for TV revenue was more than offset by advertising revenue declining by 5.4%.

**Adjusted EBITDA** decreased to SEK -364 million (-191) and adjusted EBITDA margin declined to -18.0% (-9.4). Adjusted EBITDA like for like decreased to SEK -362 million (-191) as a result from lower service revenue and an increased cost base referring mainly to content.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 67.4% to SEK 34 million (20).

**Direct subscriptions video-on-demand (SVOD)** decreased by 20,000 in the quarter.

## Other operations

### Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2023	Jan-Mar 2022	Chg %	Jan-Dec 2022
Revenue <sup>1</sup>	1,132	1,022	10.8	4,330
of which Latvia	801	697	14.9	3,065
Change (%) like for like	7.2			
Adjusted EBITDA	278	318	-12.4	1,260
of which Latvia	236	206	14.6	890
Margin (%)	24.6	31.1		29.1
Income from associated companies	23	13	81.1	96
of which Latvia	33	29	13.6	117
Adjusted operating income	-152	87		171
Operating income	-439	10		-884
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	1,496	1,384	8.1	6,458
Subscriptions, (thousands)				
Mobile Latvia	1,452	1,349	7.6	1,399
of which machine-to-machine (postpaid)	413	382	8.3	401
Employees <sup>1</sup>	6,314	6,134	2.9	6,291

1) Restated, see Note 1.

**In the first quarter of 2022** an agreement was signed regarding a divestment of SIA Telia Latvija, a leading B2B telecom services provider in Latvia. The transaction was completed on June 1, 2022.

**Revenue** increased 10.8% to SEK 1,132 million (1,022) and like for like, revenue increased 7.2%. The effect of exchange rate fluctuations was positive by 5.7%.

**Adjusted EBITDA** decreased 12.4% to SEK 278 million (318) and adjusted EBITDA margin decreased to 24.6% (31.1). Adjusted EBITDA like for like decreased 17.1% due to lower EBITDA in the central unit Common Products and Services.

**In Latvia**, revenue increased 14.9% to SEK 801 million (697) and like for like, revenue increased 8.0% primarily driven by increased service revenue. The effect of exchange rate fluctuations was positive by 7.0%. Adjusted EBITDA increased 14.6% to SEK 236 million (206) and the adjusted EBITDA margin remained fairly unchanged at 29.5% (29.6). Adjusted EBITDA like for like increased 7.6% as growth of 8.4% for service revenue more than compensated for higher operational expenses. The number of mobile subscriptions increased by 53,000 in the quarter mainly driven by prepaid subscriptions.

## Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	3, 4	23,069	21,818	90,827
Goods and services purchased		-9,099	-8,282	-34,614
Personnel expenses		-4,054	-3,693	-14,206
Other external expenses		-3,169	-2,849	-12,630
Other operating income and expenses, net		-74	36	39
<b>EBITDA</b>		<b>6,673</b>	<b>7,030</b>	<b>29,417</b>
Depreciation, amortization and impairment		-4,814	-4,607	-38,936
Income from associated companies and joint ventures		28	14	102
<b>Operating income</b>	<b>3</b>	<b>1,887</b>	<b>2,437</b>	<b>-9,417</b>
Financial items, net		-843	-1,030	-3,366
<b>Income after financial items</b>	<b>3</b>	<b>1,044</b>	<b>1,407</b>	<b>-12,783</b>
Income taxes		-307	-321	-1,381
<b>Net income</b>		<b>738</b>	<b>1,086</b>	<b>-14,165</b>
<b>Items that may be reclassified to net income:</b>				
Foreign currency translation differences		-1,312	1,277	2,548
Cash flow hedges		-5	151	267
Cost of hedging		-27	-19	155
Debt instruments at fair value through OCI		1	-5	-7
Income taxes relating to items that may be reclassified		132	2	317
<b>Items that will not be reclassified to net income:</b>				
Equity instruments at fair value through OCI		-	-16	-52
Remeasurements of defined benefit pension plans		708	2,730	4,759
Income taxes relating to items that will not be reclassified		-145	-558	-964
<b>Other comprehensive income</b>		<b>-647</b>	<b>3,563</b>	<b>7,022</b>
<b>Total comprehensive income</b>		<b>91</b>	<b>4,649</b>	<b>-7,142</b>
Net income attributable to:				
Owners of the parent		603	929	-14,638
Non-controlling interests		135	157	474
Total comprehensive income attributable to:				
Owners of the parent		-97	4,479	-8,007
Non-controlling interests		187	170	865
Earnings per share (SEK), basic and diluted				
		0.15	0.23	-3.63
Number of shares (thousands)				
Outstanding at period-end	6	3,932,109	4,089,632	3,932,109
Weighted average, basic and diluted		3,932,109	4,089,632	4,035,313
Adjusted EBITDA	2, 14	7,258	7,202	30,328
Adjusted operating income	2, 14	2,472	2,609	11,332



## Condensed consolidated statements of financial position

SEK in millions	Note	Mar 31, 2023	Dec 31, 2022
<b>Assets</b>			
Goodwill and other intangible assets	5	73,372	74,547
Property, plant and equipment	5	73,763	74,824
Film and program rights, non-current		3,098	2,299
Right-of-use assets	5	17,186	16,549
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	9	8,719	8,171
Deferred tax assets		1,081	1,071
Long-term interest-bearing receivables	7, 9	8,578	7,629
<b>Total non-current assets</b>		<b>185,797</b>	<b>185,090</b>
Film and program rights, current		1,909	3,022
Inventories		2,892	2,918
Trade and other receivables and current tax receivables	9	14,749	15,216
Short-term interest-bearing receivables	7, 9	11,222	9,676
Cash and cash equivalents	7	10,503	6,871
<b>Total current assets</b>		<b>41,274</b>	<b>37,703</b>
<b>Total assets</b>		<b>227,072</b>	<b>222,793</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent		64,148	64,239
Equity attributable to non-controlling interests		3,496	3,434
<b>Total equity</b>		<b>67,644</b>	<b>67,673</b>
Long-term borrowings	7, 9	98,286	94,555
Deferred tax liabilities		10,435	10,514
Provisions for pensions and other long-term provisions		4,954	5,022
Other long-term liabilities		2,166	2,289
<b>Total non-current liabilities</b>		<b>115,841</b>	<b>112,379</b>
Short-term borrowings	7, 9	14,163	7,007
Trade payables and other current liabilities, current tax payables and short-term provisions		29,426	35,734
<b>Total current liabilities</b>		<b>43,588</b>	<b>42,741</b>
<b>Total equity and liabilities</b>		<b>227,072</b>	<b>222,793</b>

## Condensed consolidated statements of cash flows

SEK in millions	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Cash flow before change in working capital</b>		<b>7,250</b>	<b>7,263</b>	<b>30,294</b>
Increase/decrease Film and program right assets and liabilities <sup>1</sup>		-323	-184	-530
Increase/decrease other operating receivables, liabilities, and inventory		-3,988	406	-205
<b>Change in working capital</b>		<b>-4,311</b>	<b>222</b>	<b>-735</b>
Amortization and impairment of Film and program rights <sup>1</sup>		-1,589	-1,513	-5,557
<b>Cash flow from operating activities</b>		<b>1,350</b>	<b>5,972</b>	<b>24,001</b>
Cash CAPEX	14	-4,363	-3,205	-15,908
<b>Free cash flow</b>	<b>14</b>	<b>-3,013</b>	<b>2,766</b>	<b>8,094</b>
Cash flow from other investing activities		-3,230	-1,390	5,971
<b>Total cash flow from investing activities</b>		<b>-7,593</b>	<b>-4,596</b>	<b>-9,936</b>
<b>Cash flow before financing activities</b>		<b>-6,243</b>	<b>1,376</b>	<b>14,065</b>
<b>Cash flow from financing activities</b>		<b>10,141</b>	<b>-7,757</b>	<b>-21,779</b>
<b>Cash flow for the period</b>		<b>3,898</b>	<b>-6,381</b>	<b>-7,714</b>
<b>Cash and cash equivalents, opening balance</b>		<b>6,871</b>	<b>14,358</b>	<b>14,358</b>
Cash flow for the period		3,898	-6,381	-7,714
Exchange rate differences in cash and cash equivalents		-266	153	227
<b>Cash and cash equivalents, closing balance</b>		<b>10,503</b>	<b>8,130</b>	<b>6,871</b>

See Note 14 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.

## Condensed consolidated statements of changes in equity

SEK in millions	Owners of the parent	Non-controlling interests	Total equity
<b>Opening balance, January 1, 2022</b>	<b>80,731</b>	<b>2,812</b>	<b>83,544</b>
Dividends	-	-61	-61
Share-based payments	3	-	3
<i>Total transactions with owners</i>	3	-61	-58
Total comprehensive income	4,479	170	4,649
<b>Closing balance, March 31, 2022</b>	<b>85,213</b>	<b>2,921</b>	<b>88,134</b>
Dividends	-8,252	-372	-8,624
Share-based payments	17	-	17
Acquisition of treasury shares	-5,499	-	-5,499
Change in non-controlling interests	5,255	190	5,445
<i>Total transactions with owners</i>	-8,479	-182	-8,660
Total comprehensive income	-12,486	695	-11,791
Cash flow hedge transferred to assets	-10	-	-10
<b>Closing balance, December 31, 2022</b>	<b>64,239</b>	<b>3,434</b>	<b>67,673</b>
Dividends	-	-125	-125
Share-based payments	6	-	6
<i>Total transactions with owners</i>	6	-125	-119
Total comprehensive income	-97	187	91
<b>Closing balance, March 31, 2023</b>	<b>64,148</b>	<b>3,496</b>	<b>67,644</b>

# 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 2022 except for changes described below. All amounts in this report are presented in SEK millions, unless otherwise stated. Rounding differences may occur. If prior periods have been restated for comparability to reflect changes in financial and operational data, the changes are only described if material.

### Changes in accounting principles

#### Classification of expenses by nature in Statement of comprehensive income

As of January 1, 2023, Telia Company has changed the presentation of the statement of comprehensive income from a classification of expenses by their function to a classification based on their nature. The new presentation is deemed to provide reliable and more relevant information as a classification of expenses by nature provides more useful information to users of the financial statements about the key components and drivers of Telia Company's profitability, it better represents the way the business is managed and how management reports internally and classification of expenses by nature is more commonly used in the Telco industry. Comparative information has been restated to present classification of expenses by nature.

The new line-item Goods and services purchased includes goods and sub-contracting services purchased, change in inventories, interconnect and roaming expenses as well as other network expenses. The new line-item Other external expenses includes marketing expenses, IT expenses and consultancy fees and other external expenses. Personnel restructuring costs and impairment losses of goodwill previously presented within line-item Other operating expenses have been reclassified to the new line items Personnel expenses and Depreciation, amortization and impairment respectively. The new line-item Depreciation, amortization and impairment relates to property, plant and equipment, intangible assets and right-of-use assets. Amortization and impairment of film and program rights are included in the line-item Goods and services purchased and amortization of costs to obtain a contract is included in the line-item Other external expenses. For more details related to 2022, see the

Annual and Sustainability Report 2022 notes C7 Expenses by nature, C8 Other operating income and expenses and C32 Human resources. For definition and reconciliation of the subtotal EBITDA see section Definitions and Note 14.

#### IFRS 17 Insurance contracts

The new standard IFRS 17 "Insurance contracts" became effective January 1, 2023 and has been implemented by Telia Company. The standard is applicable for Telia Company's insurance contracts issued to customers via the insurance company Telia Försäkring AB. The insurance contracts refer to property insurance related to equipment sold to customers. The coverage period for these insurance contracts is no more than one year and Telia Company accounts for these contracts applying the simplified Premium Allocation Approach (PAA) under which the insurance premiums received are recognized as a liability for remaining coverage and insurance revenue is recognized over the period when the insurance coverage is provided. Telia Company also applies the exceptions for insurance contracts with a short coverage period under which the liabilities for remaining coverage and incurred claims are not discounted. The implementation of IFRS 17 had no material impact on Telia Company's financial statements and the insurance operation is limited.

### References

For more information regarding:

- Review of the group, see page 6.
- Significant events, see page 7.
- Risks and uncertainties, see page 35.

### Restatement of financial and operational data

Disaggregation of revenue has been restated as presented in the following tables to reflect an updated internal product hierarchy as well as updated, and between markets harmonized, product definitions. The main changes performed are reclassification of revenue from Mobile end user revenue to Broadband as well as from Other fixed revenue to Business solutions.

Furthermore, as a result of various organizational changes, CAPEX excl. fees for licenses and spectrum and right-of-use assets and number of employees have been restated between segments for comparability.

## Restatement of financial and operational data

SEK in millions	Jan-Mar 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile end user revenue	-127	-87	0	-21	-	-17	-	-	0	-252
Mobile interconnect	-	-	-	-	-	-	-	-	-	-
Other mobile service revenue	-	59	-0	0	-	0	-	0	0	59
<b>Mobile service revenue</b>	<b>-127</b>	<b>-28</b>	<b>0</b>	<b>-21</b>	<b>-</b>	<b>-17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-193</b>
Telephony	23	-5	-	6	-	-	-	-	0	24
Broadband	172	108	27	0	-	16	0	-2	-	321
TV	-	-	-	-	-	-	-	-	-	-
Business solutions	184	147	-27	-1	2	8	0	11	-	324
Other fixed service revenue	-252	-222	0	-4	-2	-6	0	-9	0	-496
<b>Fixed service revenue</b>	<b>127</b>	<b>28</b>	<b>0</b>	<b>2</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>173</b>
Advertising revenue	-	-	-	-	-	-	-	-	-	-
Other service revenue	-	0	0	-	-	0	0	0	0	-
<b>Total service revenue</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-20</b>
Equipment revenue	-	-	-	20	-	-	-	-	0	20
<b>Total external revenue</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
Internal revenue	0	-5	-	-	-	-	0	34	-29	0
<b>Total revenue</b>	<b>0</b>	<b>-5</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-29</b>	<b>0</b>
<b>Subscriptions, (thousands)</b>										
Mobile	-193	-116	-	-26	-	-33	-	-	-	-368
<i>of which machine-to-machine (postpaid)</i>	-	-	-	-	-	-	-	-	-	-
Fixed telephony	32	0	15	26	-	-	-	-	-	73
Broadband	109	116	-3	-	-	33	-	-	-	255
TV	-80	-	10	-	-	-	-	-	-	-70

SEK in millions	Jan-Dec 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile end user revenue	-536	-502	1	-74	-	-73	-	-	0	-1,184
Mobile interconnect	-	-	-	-	-	-	-	-	-	-
Other mobile service revenue	0	291	0	0	-	0	-	0	0	291
<b>Mobile service revenue</b>	<b>-536</b>	<b>-210</b>	<b>1</b>	<b>-74</b>	<b>-</b>	<b>-73</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-893</b>
Telephony	88	-17	-	24	-	-	-	-	0	95
Broadband	710	483	112	-0	-	69	-1	-9	-	1,365
TV	-	-	-	-	-	-	-	-	-	-
Business solutions	786	715	-111	-3	10	31	1	55	-	1,484
Other fixed service revenue	-1,048	-971	-2	-23	-10	-27	0	-47	0	-2,127
<b>Fixed service revenue</b>	<b>536</b>	<b>210</b>	<b>-1</b>	<b>-2</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>817</b>
Advertising revenue	-	-	-	-	-	-	-	-	-	-
Other service revenue	0	0	-	-	-	0	-	-	0	0
<b>Total service revenue</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-76</b>
Equipment revenue	-	-	-	76	-	-	-	-	0	76
<b>Total external revenue</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
Internal revenue	0	-19	-	-	-	-	0	126	-107	0
<b>Total revenue</b>	<b>0</b>	<b>-19</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126</b>	<b>-107</b>	<b>0</b>
<b>Subscriptions, (thousands)</b>										
Mobile	-201	-129	-	-27	-	-34	-	-	-	-391
<i>of which machine-to-machine (postpaid)</i>	-	-	-	-	-	-	-	-	-	-
Fixed telephony	33	-	15	27	-	-	-	-	-	75
Broadband	123	129	-3	-	-	34	-	-	-	283
TV	-80	-	10	-	-	-	-	-	-	-70

## Note 2.

### Adjustment items

#### Adjustment items within operating income

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Total within EBITDA</b>	<b>-585</b>	<b>-172</b>	<b>-911</b>
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:			
Sweden	-112	-58	-109
Finland	-35	-37	-131
Norway	-81	-8	-78
Denmark	-7	6	-82
Lithuania	-8	-1	-15
Estonia	-6	-1	-9
TV and Media	-46	-5	-30
Other operations	-287	-161	-640
<b>Sub total</b>	<b>-583</b>	<b>-265</b>	<b>-1,094</b>
<i>whereof personnel redundancy costs</i>	-360	-113	-226
<i>whereof transformation and integration consultant costs</i>	-123	-98	-421
<i>whereof IT costs</i>	-72	-40	-222
<i>whereof other</i>	-27	-14	-226
Capital gains/losses	-1	93	183
<b>Within Depreciation, amortization and impairment losses<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-19,838</b>
<b>Within Income from associated companies and joint ventures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total adjustment items within operating income</b>	<b>-585</b>	<b>-172</b>	<b>-20,749</b>

1) Full year 2022 includes impairments related to goodwill in Finland, Norway, Denmark, and Latvia as well as impairments of the C More brand in TV and Media and copper network assets in Sweden.

## Note 3.

### Segment information

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Revenue</b>			
Sweden	8,980	8,548	35,112
<i>of which external</i>	8,936	8,530	35,034
Finland <sup>1</sup>	3,957	3,625	15,171
<i>of which external</i>	3,912	3,582	14,998
Norway	3,764	3,649	15,022
<i>of which external</i>	3,700	3,640	14,967
Denmark	1,324	1,275	5,298
<i>of which external</i>	1,314	1,262	5,247
Lithuania	1,322	1,113	4,784
<i>of which external</i>	1,316	1,107	4,763
Estonia	982	868	3,637
<i>of which external</i>	979	864	3,625
TV and Media	2,019	2,031	8,829
<i>of which external</i>	2,012	2,031	8,826
Other operations <sup>1</sup>	1,132	1,022	4,330
<b>Total segments<sup>1</sup></b>	<b>23,481</b>	<b>22,131</b>	<b>92,183</b>
Eliminations <sup>1</sup>	-411	-314	-1,356
<b>Group</b>	<b>23,069</b>	<b>21,818</b>	<b>90,827</b>
<b>Adjusted EBITDA</b>			
Sweden	3,313	3,337	13,508
Finland	1,197	1,111	4,443
Norway	1,681	1,666	6,750
Denmark	288	235	1,072
Lithuania	483	401	1,688
Estonia	382	326	1,330
TV and Media	-364	-191	277
Other operations	278	318	1,260
<b>Total segments</b>	<b>7,258</b>	<b>7,202</b>	<b>30,328</b>
Eliminations	-	-	-
<b>Group</b>	<b>7,258</b>	<b>7,202</b>	<b>30,328</b>
<b>Operating income</b>			
Sweden	1,474	1,605	5,891
Finland	286	201	-8,716
Norway	645	636	-5,851
Denmark	40	2	-594
Lithuania	265	196	850
Estonia	233	168	734
TV and Media	-617	-382	-847
Other operations	-439	10	-884
<b>Total segments</b>	<b>1,887</b>	<b>2,437</b>	<b>-9,417</b>
Eliminations	-	-	-
<b>Group</b>	<b>1,887</b>	<b>2,437</b>	<b>-9,417</b>
Financial items, net	-843	-1,030	-3,366
<b>Income after financial items</b>	<b>1,044</b>	<b>1,407</b>	<b>-12,783</b>

1) Restated, see Note 1.

SEK in millions	Mar 31, 2023	Mar 31, 2023	Dec 31, 2022	Dec 31, 2022
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Sweden	46,154	11,271	46,760	13,351
Finland	38,620	4,268	38,303	5,224
Norway	46,670	5,940	49,722	7,327
Denmark	7,925	2,648	7,772	2,815
Lithuania	7,673	1,571	7,498	1,975
Estonia	6,372	1,108	6,310	1,382
TV and Media	12,420	2,506	13,348	3,381
Other operations	26,417	6,863	26,570	8,072
<b>Total segments</b>	<b>192,251</b>	<b>36,176</b>	<b>196,283</b>	<b>43,527</b>
Unallocated	34,820	123,253	26,510	111,593
<b>Total assets/liabilities, group</b>	<b>227,072</b>	<b>159,429</b>	<b>222,793</b>	<b>155,120</b>

## Note 4. Revenue

SEK in millions	Jan-Mar 2023									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile end user revenue	3,062	1,564	1,858	663	416	288	-	424	-	8,274
Mobile interconnect	115	72	104	63	19	13	-	18	-	403
Other mobile service revenue	144	293	219	104	12	4	-	6	-	781
<b>Mobile service revenue</b>	<b>3,321</b>	<b>1,929</b>	<b>2,180</b>	<b>830</b>	<b>446</b>	<b>305</b>	<b>-</b>	<b>448</b>	<b>-</b>	<b>9,458</b>
Telephony	292	18	16	37	40	23	-	0	-	426
Broadband	1,412	283	449	67	203	192	-	-	-	2,606
TV	584	149	415	19	104	85	747	-	-	2,104
Business solutions	876	832	87	33	93	92	0	15	-	2,028
Other fixed service revenue	703	100	13	13	119	124	0	-	-	1,072
<b>Fixed service revenue</b>	<b>3,869</b>	<b>1,381</b>	<b>981</b>	<b>169</b>	<b>558</b>	<b>516</b>	<b>747</b>	<b>15</b>	<b>-</b>	<b>8,237</b>
Advertising revenue	-	-	-	-	-	-	1,217	-	-	1,217
Other service revenue	223	57	37	28	4	1	48	134	-	533
<b>Total service revenue<sup>1</sup></b>	<b>7,413</b>	<b>3,367</b>	<b>3,198</b>	<b>1,027</b>	<b>1,009</b>	<b>821</b>	<b>2,012</b>	<b>597</b>	<b>-</b>	<b>19,444</b>
Equipment revenue <sup>1</sup>	1,523	545	502	287	307	158	-	304	-	3,625
<b>Total external revenue</b>	<b>8,936</b>	<b>3,912</b>	<b>3,700</b>	<b>1,314</b>	<b>1,316</b>	<b>979</b>	<b>2,012</b>	<b>901</b>	<b>-</b>	<b>23,069</b>
Internal revenue	44	45	64	11	6	3	7	231	-411	-
<b>Total revenue</b>	<b>8,980</b>	<b>3,957</b>	<b>3,764</b>	<b>1,324</b>	<b>1,322</b>	<b>982</b>	<b>2,019</b>	<b>1,132</b>	<b>-411</b>	<b>23,069</b>

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



SEK in millions	Jan-Mar 2022 <sup>2</sup>									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile end user revenue	3,034	1,492	1,840	623	340	240	-	357	-	7,926
Mobile interconnect	119	84	113	71	29	16	-	25	-	456
Other mobile service revenue	134	228	167	95	7	3	-	11	-	644
<b>Mobile service revenue</b>	<b>3,287</b>	<b>1,803</b>	<b>2,120</b>	<b>789</b>	<b>376</b>	<b>259</b>	-	<b>393</b>	-	<b>9,026</b>
Telephony	371	12	28	37	43	25	-	0	-	516
Broadband	1,381	269	426	55	168	171	-	-	-	2,470
TV	560	139	421	18	101	75	732	-	-	2,045
Business solutions	847	734	81	27	75	91	0	11	-	1,867
Other fixed service revenue	695	79	27	16	96	105	0	0	-	1,018
<b>Fixed service revenue</b>	<b>3,854</b>	<b>1,233</b>	<b>984</b>	<b>154</b>	<b>483</b>	<b>466</b>	<b>732</b>	<b>11</b>	-	<b>7,917</b>
Advertising revenue	-	-	-	-	-	-	1,264	-	-	1,264
Other service revenue	240	55	43	27	3	4	35	124	-	530
<b>Total service revenue<sup>1</sup></b>	<b>7,380</b>	<b>3,092</b>	<b>3,146</b>	<b>970</b>	<b>862</b>	<b>729</b>	<b>2,031</b>	<b>528</b>	-	<b>18,737</b>
Equipment revenue <sup>1</sup>	1,150	491	494	291	245	136	-	273	-	3,080
<b>Total external revenue</b>	<b>8,530</b>	<b>3,582</b>	<b>3,640</b>	<b>1,262</b>	<b>1,107</b>	<b>864</b>	<b>2,031</b>	<b>801</b>	-	<b>21,818</b>
Internal revenue	18	43	9	14	6	4	0	220	-314	-
<b>Total revenue</b>	<b>8,548</b>	<b>3,625</b>	<b>3,649</b>	<b>1,275</b>	<b>1,113</b>	<b>868</b>	<b>2,031</b>	<b>1,022</b>	<b>-314</b>	<b>21,818</b>

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

SEK in millions	Jan-Dec 2022 <sup>2</sup>									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile end user revenue	12,317	6,028	7,460	2,578	1,481	1,007	-	1,505	-	32,378
Mobile interconnect	479	331	438	260	111	65	-	83	-	1,767
Other mobile service revenue	564	1,035	807	441	35	17	-	38	-	2,938
<b>Mobile service revenue</b>	<b>13,360</b>	<b>7,395</b>	<b>8,706</b>	<b>3,280</b>	<b>1,627</b>	<b>1,089</b>	-	<b>1,626</b>	-	<b>37,082</b>
Telephony	1,385	42	97	143	167	92	-	1	-	1,927
Broadband	5,587	1,094	1,690	244	714	708	-	-	-	10,036
TV	2,265	550	1,701	78	399	312	2,831	-	-	8,138
Business solutions	3,437	3,109	338	97	334	351	1	56	-	7,722
Other fixed service revenue	2,824	361	110	68	409	432	0	0	-	4,203
<b>Fixed service revenue</b>	<b>15,498</b>	<b>5,156</b>	<b>3,936</b>	<b>629</b>	<b>2,023</b>	<b>1,896</b>	<b>2,832</b>	<b>57</b>	-	<b>32,026</b>
Advertising revenue	-	-	-	-	-	-	5,820	-	-	5,820
Other service revenue	994	231	161	94	13	8	175	445	-	2,122
<b>Total service revenue<sup>1</sup></b>	<b>29,852</b>	<b>12,782</b>	<b>12,803</b>	<b>4,003</b>	<b>3,663</b>	<b>2,994</b>	<b>8,826</b>	<b>2,127</b>	-	<b>77,050</b>
Equipment revenue <sup>1</sup>	5,182	2,216	2,164	1,244	1,099	631	-	1,241	-	13,777
<b>Total external revenue</b>	<b>35,034</b>	<b>14,998</b>	<b>14,967</b>	<b>5,247</b>	<b>4,763</b>	<b>3,625</b>	<b>8,826</b>	<b>3,368</b>	-	<b>90,827</b>
Internal revenue	78	174	55	51	21	12	3	961	-1,356	-
<b>Total revenue</b>	<b>35,112</b>	<b>15,171</b>	<b>15,022</b>	<b>5,298</b>	<b>4,784</b>	<b>3,637</b>	<b>8,829</b>	<b>4,330</b>	<b>-1,356</b>	<b>90,827</b>

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

## Note 5. Investments

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>CAPEX</b>	<b>5,635</b>	<b>4,718</b>	<b>21,108</b>
Intangible assets	873	932	4,095
Property, plant and equipment	2,838	2,524	12,434
Right-of-use assets	1,924	1,263	4,579
<b>Acquisitions and other investments</b>	<b>25</b>	<b>46</b>	<b>303</b>
Asset retirement obligations	25	34	225
Goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations	-	-	0
Equity instruments	-	12	77
<b>Total investments</b>	<b>5,660</b>	<b>4,764</b>	<b>21,411</b>

## Note 6. Treasury shares

As of March 31, 2023 and December 31, 2022, Telia Company held 157,522,416 treasury shares and the total number of issued and outstanding shares was 4,089,631,702 and 3,932,109,286 respectively. The annual general meeting held on April 5, 2023, approved a reduction of the share capital of SEK -534 million by way of cancellation of all treasury shares held and a corresponding increase of the share capital

of SEK 534 million by way of bonus issue, which are expected to be executed during the second quarter of 2023.

## Note 7. Net debt

SEK in millions	Mar 31, 2023	Dec 31, 2022
Long-term borrowings	98,286	94,555
<i>of which lease liabilities, non-current</i>	14,346	13,971
Less 50% of hybrid capital <sup>1</sup>	-10,130	-9,962
Short-term borrowings	14,163	7,007
<i>of which lease liabilities, current</i>	3,443	3,261
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-6,910	-7,373
Less long-term bonds and interest rates derivatives at fair value through income statement and OCI	-4,418	-3,698
Less short-term investments	-4,921	-2,261
Less cash and cash equivalents	-10,503	-6,871
<b>Net debt</b>	<b>75,565</b>	<b>71,397</b>

1) 50% of hybrid capital is treated as equity, consistent with market practice for this type of instrument, and reduces net debt.

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

On February 16, 2023, Telia Company issued a 9-year bond of EUR 500 million (SEK 5.6 billion) to a yield of 3.799 percent and with a coupon of 3.625 percent, maturing in February 2032. The proceeds will partly be used to refinance senior debt. The bond was issued under Telia's existing EUR 12 billion EMTN (Euro Medium Term Note) program.

On March 9, 2023, Telia Company issued bonds in four separate tranches with a total amount of SEK 4 billion, under its existing EUR 12 billion EMTN (Euro Medium Term Note) program. The bonds are separated in two maturities with a fixed and floating tranche on each, in total SEK 2 billion maturing in March 2026, and in total SEK 2 billion maturing in September 2028. The coupon of the 3-year bond was set at 4.375 percent per annum for the fixed tranche, corresponding to a yield of 4.39 percent, and Mid-swaps +73 basis points for the floating tranche. The coupon of the 5.5-year bond was also set at 4.375 percent

per annum for the fixed tranche corresponding to a yield of 4.42 percent, and Mid-swaps +110 basis points for the floating tranche.

The banking sector turbulence in the first quarter 2023 has led to strains on the financial markets. However, Telia Company has not noted any significant direct impact of the recent financial turbulence.

The credit rating of Telia Company remained unchanged during the first quarter of 2023. 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	Mar 31, 2023		Dec 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Long-term borrowings</b>				
Interest rate derivatives at fair value	6,642	6,642	7,078	7,078
Cross-currency interest rate derivatives at fair value	61	61	170	170
<b>Long-term borrowings at fair value</b>	<b>6,703</b>	<b>6,703</b>	<b>7,247</b>	<b>7,247</b>
Open-market financing borrowings in fair value hedge relationships	36,472	40,888	38,915	43,439
Open-market financing borrowings at amortized cost	40,032	41,048	33,698	34,335
Other borrowings at amortized cost	732	732	723	723
Lease liabilities at amortized cost	14,346		13,971	
<b>Total long-term borrowings</b>	<b>98,286</b>		<b>94,555</b>	
<b>Short-term borrowings</b>				
Interest rate derivatives at fair value	269	269	50	50
Cross-currency interest rate derivatives at fair value	-	-	179	179
<b>Short-term borrowings at fair value</b>	<b>269</b>	<b>269</b>	<b>229</b>	<b>229</b>
Open-market financing borrowings in fair value hedge relationships	8,702	9,030	1,709	1,726
Open-market financing borrowings at amortized cost	930	936	949	957
Other borrowings at amortized cost	819	819	858	858
Lease liabilities at amortized cost	3,443		3,261	
<b>Total short-term borrowings</b>	<b>14,163</b>		<b>7,007</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 2022, Note C3 to the consolidated financial statements.

Financial assets and liabilities by fair value hierarchy level <sup>1</sup> SEK in millions	Mar 31, 2023				Dec 31, 2022			
	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	601	4	-	596	601	4	-	596
Equity instruments at fair value through income statement	18	-	-	18	18	-	-	18
Long- and short-term bonds at fair value through OCI	820	820	-	-	836	836	-	-
Long- and short-term bonds at fair value through income statement	9,422	9,422	-	-	5,174	5,174	-	-
Derivatives designated as hedging instruments	2,573	-	2,573	-	2,205	-	2,205	-
Derivatives at fair value through income statement	840	-	840	-	137	-	137	-
<b>Total financial assets at fair value by level</b>	<b>14,274</b>	<b>10,246</b>	<b>3,413</b>	<b>614</b>	<b>8,971</b>	<b>6,015</b>	<b>2,342</b>	<b>614</b>
<b>Financial liabilities at fair value</b>								
Derivatives designated as hedging instruments	6,973	-	6,973	-	7,388	-	7,388	-
Derivatives at fair value through income statement	68	-	68	-	162	-	162	-
<b>Total financial liabilities at fair value by level</b>	<b>7,041</b>	<b>-</b>	<b>7,041</b>	<b>-</b>	<b>7,550</b>	<b>-</b>	<b>7,550</b>	<b>-</b>

1) For information on fair value hierarchy levels and fair value estimation, see the Annual and Sustainability Report 2022, Note C3 to the consolidated financial statements and the section below.

## Fair value measurement of Level 3 financial instruments

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these equity instruments, Telia Company has a market approach to derive the fair value. Telia Company's primary valuation technique used for estimating the fair value of unlisted equity instruments in Level 3 is based on the most recent transaction for the specific company if such transaction has been recently done.

If there have been significant changes in circumstances between the transaction date and the balance sheet date that, in the assessment of Telia Company, would have a material impact on the fair value, the carrying value is adjusted to reflect the changes.

Movements within Level 3, fair value hierarchy, SEK in millions	Assets, Jan-Mar 2023		
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total
<b>Level 3, opening balance</b>	596	18	614
Exchange rate differences	0	-	0
<b>Level 3, closing balance</b>	<b>596</b>	<b>18</b>	<b>614</b>

Movements within Level 3, fair value hierarchy, SEK in millions	Assets, Jan-Dec 2022		
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total
<b>Level 3, opening balance</b>	576	18	594
Changes in fair value	-46	-	-46
<i>of which recognized in other comprehensive income</i>	-46	-	-46
Purchases/capital contributions	77	-	77
Disposals	-10	-	-10
Settlements	-3	-	-3
Exchange rate differences	3	-	3
<b>Level 3, closing balance</b>	<b>596</b>	<b>18</b>	<b>614</b>

## Note 10.

### Contingent liabilities, collateral pledged and litigations

SEK in millions	Mar 31, 2023	Dec 31, 2022
Issued financial guarantees	353	322
<i>of which referred to guarantees for pension obligations</i>	352	321
Collateral pledged	39	40
<b>Total contingent liabilities and collateral pledged</b>	<b>392</b>	<b>363</b>

As disclosed in the Annual and Sustainability Report 2022, 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, a decision is expected in the second quarter 2023 and Telia Company might be requested to pay an amount of approximately SEK 0.3 billion.

However, Telia Company plan to request respite with any payment until final decision is reached in court and no material provision has been recognized since it is deemed probable that Telia Company will win a final appeal in court. For other ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2022.

## Note 11.

### Contractual obligations and commitments

SEK in millions	Mar 31, 2023	Dec 31, 2022
Contractual obligations and commitments	18,199	18,479
<i>of which film and program rights</i>	13,166	13,516
<b>Total contractual obligations and commitments</b>	<b>18,199</b>	<b>18,479</b>

## Note 12.

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

#### Event after the reporting period

##### Binding term sheet agreeing key terms on which to sell the operations and network assets in Denmark

On April 25, 2023, Telia Company announced that it has signed 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 (approximately 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 the parties signing final and binding agreements (expected in summer 2023), approval from Norlys' owners and customary regulatory approvals, with closing expected in the first quarter 2024, at the latest. The 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. Norlys is Denmark's largest integrated energy and telecommunications group. Telia intends to use the transaction proceeds for deleveraging purposes.

## Note 13.

### Financial key ratios

	Mar 31, 2023	Dec 31, 2022
Return on equity (% , rolling 12 months) <sup>1</sup>	neg.	neg.
Return on capital employed (% , rolling 12 months) <sup>1</sup>	neg.	neg.
Equity/assets ratio (%) <sup>1</sup>	28.9	26.8
Net debt/adjusted EBITDA ratio (multiple, rolling 12 months)	2.49	2.35
Parent owners' equity per share (SEK) <sup>1</sup>	16.31	16.34

1) Equity is adjusted by weighted ordinary dividend, see the Annual and Sustainability Report 2022 section Definitions for key ratio definitions.

## Note 14.

### Alternative performance measurements

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 2022. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

### Service revenue

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Revenue</b>	<b>23,069</b>	<b>21,818</b>	<b>90,827</b>
Excluded: Equipment revenue	-3,625	-3,080	-13,777
<b>Service revenue (external)</b>	<b>19,444</b>	<b>18,737</b>	<b>77,050</b>
Excluded: Effects from changes in foreign exchange rates <sup>1</sup>	-288	82	-
Excluded: Effects from acquired and disposed operations	-1	-19	-23
<b>Service revenue on a like-for-like basis<sup>2</sup></b>	<b>19,156</b>	<b>18,801</b>	<b>77,026</b>
<i>of which Telco operations</i>	<i>17,167</i>	<i>16,763</i>	<i>68,200</i>
<i>of which Tv and Media</i>	<i>1,989</i>	<i>2,038</i>	<i>8,826</i>

1) Changes in foreign exchange rates refers to full year average rates prior year. 2) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period. See also section Definitions.

### Adjusted EBITDA

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>EBITDA</b>	<b>6,673</b>	<b>7,030</b>	<b>29,417</b>
Adjustment items within EBITDA (Note 2)	585	172	911
<b>Adjusted EBITDA</b>	<b>7,258</b>	<b>7,202</b>	<b>30,328</b>
Excluded: Effects from changes in foreign exchange rates <sup>1</sup>	-100	28	-
Excluded: Effects from acquired and disposed operations	13	-5	4
<b>Adjusted EBITDA on a like-for-like basis<sup>2</sup></b>	<b>7,170</b>	<b>7,225</b>	<b>30,332</b>
<i>of which Telco operations</i>	<i>7,532</i>	<i>7,416</i>	<i>30,054</i>
<i>of which Tv and Media</i>	<i>-362</i>	<i>-191</i>	<i>277</i>
Excluded: Impact from increased energy costs <sup>3</sup>	129	-	-
<b>Adjusted EBITDA on a like-for-like basis<sup>2</sup> excluding impact from increased energy costs<sup>3</sup></b>	<b>7,299</b>	<b>7,225</b>	<b>30,332</b>

1) Changes in foreign exchange rates refers to full year average rates prior year. 2) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period. See also section Definitions. 3) Increased energy costs in 2023 compared to 2022.

## Adjusted operating income

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Operating income	1,887	2,437	-9,417
Adjustment items within Operating income (Note 2)	585	172	20,749
<b>Adjusted operating income</b>	<b>2,472</b>	<b>2,609</b>	<b>11,332</b>

## CAPEX, Cash CAPEX and Cash CAPEX in relation to Revenue

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Investments in intangible assets	873	932	4,095
Investments in property, plant and equipment	2,838	2,524	12,434
<b>CAPEX excluding right of use assets</b>	<b>3,711</b>	<b>3,456</b>	<b>16,529</b>
Investments in right-of-use assets	1,924	1,263	4,579
<b>CAPEX</b>	<b>5,635</b>	<b>4,718</b>	<b>21,108</b>
Excluded: investments in license and spectrum fees and right-of-use assets	-1,924	-1,434	-5,149
<b>CAPEX excluding fees for licenses and spectrum and right of use assets</b>	<b>3,711</b>	<b>3,285</b>	<b>15,959</b>

SEK in millions, except ratio	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>CAPEX</b>	<b>5,635</b>	<b>4,718</b>	<b>21,108</b>
Excluded: investments in right-of-use assets	-1,924	-1,263	-4,579
Net of not paid investments and additional payments from previous periods	652	-251	-621
<b>Cash CAPEX</b>	<b>4,363</b>	<b>3,205</b>	<b>15,908</b>
Excluded: Cash CAPEX for licenses and spectrum fees	-227	-185	-513
<b>Cash CAPEX, excluding fees for licenses and spectrum</b>	<b>4,136</b>	<b>3,020</b>	<b>15,395</b>
<b>Revenue</b>	<b>23,069</b>	<b>21,818</b>	<b>90,827</b>
<b>Cash CAPEX, excluding fees for licenses and spectrum in relation to Revenue (%)</b>	<b>17.9</b>	<b>13.8</b>	<b>16.9</b>

## Free cash flow

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Cash flow from operating activities	1,350	5,972	24,001
Cash CAPEX (paid intangible and tangible assets)	-4,363	-3,205	-15,908
<b>Free cash flow</b>	<b>-3,013</b>	<b>2,766</b>	<b>8,094</b>

## Operational free cash flow and Structural part of Operational free cash flow

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Cash flow from operating activities	1,350	5,972	24,001
Cash CAPEX	-4,363	-3,205	-15,908
<b>Free cash flow</b>	<b>-3,013</b>	<b>2,766</b>	<b>8,094</b>
Excluded: Cash CAPEX for licenses and spectrum fees	227	185	513
Excluded: Dividends from associates	0	0	-136
Excluded: Taxes paid on dividends from associates	-	-	-
Repayments of lease liabilities	-841	-788	-2,748
<b>Operational free cash flow</b>	<b>-3,626</b>	<b>2,163</b>	<b>5,723</b>
Excluded: Changes in working capital	4,311	-222	735
<b>Structural part of Operational free cash flow</b>	<b>685</b>	<b>1,941</b>	<b>6,458</b>

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

SEK in millions, except for multiple	Mar 31, 2023	Dec 31, 2022
<b>Net debt</b>	<b>75,565</b>	<b>71,397</b>
Adjusted EBITDA accumulated current year	7,258	30,328
Adjusted EBITDA accumulated previous year	23,126	-
<b>Adjusted EBITDA rolling 12 months excluding disposed operations</b>	<b>30,384</b>	<b>30,328</b>
<b>Net debt/adjusted EBITDA ratio (multiple)</b>	<b>2.49x</b>	<b>2.35x</b>

## Adjusted EBITDA margin

SEK in millions, except ratio	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	23,069	21,818	90,827
Adjusted EBITDA	7,258	7,202	30,328
<b>Adjusted EBITDA margin (%)</b>	<b>31.5</b>	<b>33.0</b>	<b>33.4</b>



# Parent company

## Condensed income statements

SEK in millions	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	512	511	1,713
Goods and services purchased	-393	-454	-1,107
Personnel expenses	-229	-190	-741
Other external expenses	-30	45	-512
Other operating income and expenses, net	-13	-51	-145
<b>EBITDA</b>	<b>-154</b>	<b>-139</b>	<b>-792</b>
Amortization, depreciation and impairment	0	0	-1
<b>Operating income</b>	<b>-154</b>	<b>-139</b>	<b>-793</b>
Financial items, net	-525	-567	-5,572
<b>Income after financial items</b>	<b>-679</b>	<b>-706</b>	<b>-6,365</b>
Appropriations	674	1,011	6,079
<b>Income before taxes</b>	<b>-4</b>	<b>305</b>	<b>-286</b>
Income taxes	0	-65	-522
<b>Net income</b>	<b>-4</b>	<b>240</b>	<b>-808</b>

Appropriations in the first quarter 2023 decreased to SEK 674 million (1,011) mainly due to reduced group contribution from the subsidiaries partly offset by an increased net reversal of profit equalization reserves.

## Condensed balance sheets

SEK in millions	Mar 31, 2023	Dec 31, 2022
<b>Assets</b>		
Non-current assets	150,366	153,316
Current assets	41,779	36,833
<b>Total assets</b>	<b>192,146</b>	<b>190,149</b>
<b>Equity and liabilities</b>		
Restricted shareholders' equity	15,712	15,712
Non-restricted shareholders' equity	55,413	55,441
<b>Total shareholders' equity</b>	<b>71,125</b>	<b>71,153</b>
Untaxed reserves	5,288	5,862
Provisions	428	432
Long-term liabilities	83,210	79,871
Short-term liabilities and short-term provisions	32,094	32,831
<b>Total equity and liabilities</b>	<b>192,146</b>	<b>190,149</b>

Non-current assets decreased to SEK 150,366 (153,316) mainly due to decreased long interest-bearing receivables from group companies.

Current assets increased to SEK 41,779 million (36,833) due to increased cash and bank, short-term investments and current interest-bearing receivables from group companies partly offset by paid group contribution receivables.

Untaxed reserves decreased to SEK 5,288 million (5,862) due to reversal of part of profit equalization reserves.

Long-term liabilities increased to SEK 83,210 million (79,871) mainly impacted by issued bonds offset by a reclassification to short-term liabilities.

Short-term liabilities and short-term provisions decreased to SEK 32,094 million (32,831) mainly due decreased current interest-bearing liabilities to group companies offset by a reclassification from long-term liabilities.

## 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 as appropriate. The Telia Company Risk Universe consists of

a Principal Risk taxonomy based on 12 Principal Risk areas and over 30 sub-risk areas that are identified and prioritized together with Group Executive Management, as the most material risks that impact Telia's strategic objectives and operations. The Principal Risks are assessed and aggregated across the whole company using the Risk management framework. Risk management is an integrated part of Telia's business planning process and monitoring of business performance.

For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2022, Directors Report, section Risk and uncertainties.

Stockholm, April 26, 2023

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 revenue:** External revenue related to linear and digital/AVoD media, sponsorships and other types of advertising.

**Broadband revenue:** External revenue related to fixed broadband services.

**Business solutions revenue:** External revenue 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.

**Equipment revenue:** External equipment revenue.

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

**Internal revenue:** Group internal revenue.

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

**Mobile end user revenue:** External revenue related to voice, messaging, data, value added services and content (including machine to machine).

**Mobile Interconnect:** External revenue related to mobile termination.

**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 excluding cash CAPEX for licenses and spectrum fees, dividends from associated companies net of taxes and including repayment of lease liabilities.

**Other fixed service revenue:** External revenue of fixed services including fiber installation, wholesale and other infrastructure services.

**Other mobile service revenue:** External revenue related to visitors' roaming, wholesale and other services.

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

**Service revenue:** External revenue excluding equipment sales.

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

**Telephony revenue:** External revenue related to fixed telephony services.

**TV revenue:** External revenue related to TV services.

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

## Financial calendar

**Interim report January-June 2023**

July 20, 2023

**Interim report January-September 2023**

October 19, 2023

**Year-end report January-December 2023**

January 26, 2024

**Interim report January-March 2024**

April 25, 2024

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