PIONEERS IN BRINGING TRUE CONVERGENCE TO NORDIC CUSTOMERS

20 July, 2018
TRANSACTION SUMMARY

**STRATEGIC RATIONAL**
- By combining Bonnier Broadcasting’s competence and portfolio within domestic content and Telia’s award winning TV service and first class network we create a unique converged player in the Nordic region

**VALUE**
- SEK 9.2 billion on a cash and debt free basis with a additional purchase price of maximum SEK 1 billion
- Implies EV/EBIT, including full run rate synergies of 7.7x*

**FINANCIAL EFFECTS**
- Earnings and cash flow accretive to Telia Company post closing
- Operational free cash flow contribution of SEK 0.6 billion standalone and SEK 0.5 billion net of synergies and integration costs 2020

**BALANCE SHEET IMPACT**
- Total consideration to be financed using cash on balance sheet
- Net debt to EBITDA impact 0.2x

**CONDITIONS**
- Subject to approval from EU Competition Authority

**TIME TABLE**
- Expected closing in H2 2019

*Based on last twelve months as of 31 March 2018
Redefining the Industry on Customers’ Terms

1. Convergence Believers and Customer Champions
   - Telia Company leading the way in convergence and fulfilling customer demand
   - With around 7.5 million B2C customers in Sweden and Finland we know what customers want and we can deliver
   - Leverage brand and customer relations as well as utilize data analytics and customer knowledge to offer a unique and personalized service to our customers

2. Content is a Scale Game
   - Great potential combining Telia Company’s B2C sales engine with Bonnier Broadcasting’s attractive content
   - Content costs largely fixed, implies significant operational leverage opportunity

3. Earnings and Cash Flow Accretive
   - Bonnier Broadcasting is EPS and cash flow accretive stand alone basis – adding SEK 0.6 billion in cash flow by 2020 (SEK 0.5 billion net of synergies)
   - Full run rate synergies of SEK 0.6 billion from 2022 gradually improving.
   - No change to capital allocation commitments and supportive for ambition of growing dividend over time
VALUE FROM OWNING CONTENT

SECURE KEY CONTENT, NOW AND FOR THE FUTURE

MONETIZE ON VIDEO ACROSS THE ENTIRE MARKET, NOT JUST OUR CUSTOMERS

BE PART OF THE RE SHAPING MEDIA VALUE CHAIN ON OUR TERMS

ENHANCE CUSTOMER EXPERIENCE WITH DATA ANALYTICS INTO UNIQUE OFFERINGS
### BONNIER BROADCASTING AT A GLANCE

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
</table>
| **4 TV4** | **Number 1 commercial broadcaster in Sweden**  
- CSOV*: 38% 2017**  
- Wide range of attractive quality content with key strength in domestic series, entertainment and news  
- Main brands: TV4, Sjuan and TV12  
- TV4 Play: More registered users than any other service in Sweden |
| **C MORE** | **Fastest growing SVOD service**  
- C More growing twice as fast as the SVOD market Q1 2018 y-o-y  
- Pay TV channels and SVOD services in Sweden, Finland and Denmark  
- Key strength in domestic content incl. movies, TV series, drama and sport  
- Several hundred thousands SVOD customers and even more pay-TV customers |
| **mtv** | **Number 1 commercial broadcaster in Finland**  
- CSOV*: 36% 2017  
- Wide range of attractive quality content with key strength in domestic series, entertainment and news  
- Main brands: MTV3, SUB and AVA  
- Katsomo: Widely used online TV service |

*CSOV=Commercial share of viewing  
** Source MMS, among age group 15-59 years
TELIA – A LEADING TV DISTRIBUTOR

MOST SATISFIED TV CUSTOMERS

- 1.8 million TV customers
- 100 channels
- 1 app

GROWING TV CUSTOMER STOCK

- TV customers
**TV4 IN MORE DETAIL**

**MOST ATTRACTIVE CONTENT**

The most popular commercial TV shows are all at TV4*

**TOTAL TV POLE POSITION**

Good track record of growing ad revenues

**COST CONTROL & LEVERAGE**

Leverage from growth in revenues, content cost management and stable other costs

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* June 2018 R12, excluding the public service channels (SVT1 & SVT2) as well as various sport events

*TV4 Play, Aftonbladet TV, Viafree, Expressen TV and D Play

** Facebook and YouTube

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Source: MMS

Source: MediaVision – Number of daily viewers Q1 2018

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Source: MMS
C MORE IN MORE DETAIL

NEW STRATEGY SUCCESSFUL

- Fastest growing SVOD service in Sweden for three years
- C More and TV4 in closer co-operation
- Improved content portfolio management

SVOD OUTPACES PAY TV

- SVOD growth driven by customer changing behavior
- C More to benefit
  - Increased demand for domestic content
  - Improved platform

MATERILIAZING ON REVENUES

- Volume driven growth
- Synergies from TV4 co-operation and volume growth not fully realized
MTV IN MORE DETAIL

TOUGHER AD MARKET

- Ad market lagging Sweden
  - AVOD less than 10 percent of total market vs 25 percent in Sweden
- A relatively weak macro development also impacts
- MTV largest commercial broadcaster

SVOD GAINING MOMENTUM

- SVOD growth driven increased willingness to pay
- Similar growth domestic SVOD vs international SVOD

STRONGER TOGETHER

- Strengthened offering when combining MTV and Telia together with partners

Source: MediaVision, Ficora
## FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>7.4</td>
<td>7.4</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>- TV4</strong></td>
<td>4.2</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>- C MORE</strong></td>
<td>1.5</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>- MTV</strong></td>
<td>1.8</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>- OTHER</strong></td>
<td>0.0</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>- TV4</strong></td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>- C MORE</strong></td>
<td>-0.4</td>
<td>-0.4</td>
<td>-0.3</td>
</tr>
<tr>
<td><strong>- MTV</strong></td>
<td>-0.1</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td><strong>- OTHER</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### Scale and increased efficiency in content management lead to earnings growth
EBITDA SYNERGIES OF SEK 0.6BN IN 2022

ENHANCING OUR CORE (SEK 350 MILLION)
- Content ownership - flexibility for packaging
- State of the art user experience
- Potential to monetize premium service

MORE OF CMORE/TV4 PLAY (SEK 150 MILLION)

C More
- 5 ppt lower churn
- Proves significant potential to take down SAC/SRC
- Monetize better on our connectivity

TV4 Play upsell to Telia customers

OTT upsell to new customers

COSTS (SEK 100 MILLION)
- Platform consolidation
- Reduce number of third parties
- Consolidate systems

Churn
-5ppt

C More
≈6.0

Telia

Common tech & development
Insourcing
Other
SIZEABLE SYNERGIES

SYNERGY RUN-RATE TARGET OF SEK 0.6 BILLION IN 2022

GRADUAL INCREASE IN SYNERGIES 2020-2022

AGGREGATED INTEGRATION COSTS OF SEK 0.4 BILLION 2020-2021

EBITDA SYNERGY DEVELOPMENT
In SEK billion, run-rate

- SEK 0.6 BILLION

2020 2021 2022
### FINANCIALLY ACCRETIVE TRANSACTION

#### TELIA COMPANY** vs. BONNIER BROADCASTING vs. FULL RUN-RATE SYNERGIES vs. COMBINED PRO FORMA

<table>
<thead>
<tr>
<th>2017 (SEK BILLION)</th>
<th>TELIA COMPANY**</th>
<th>BONNIER BROADCASTING</th>
<th>FULL RUN-RATE SYNERGIES</th>
<th>COMBINED PRO FORMA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>79.8</td>
<td>7.4</td>
<td>n.a</td>
<td>&gt;87.2</td>
</tr>
<tr>
<td><strong>EBIT (margin)</strong></td>
<td>13.8</td>
<td>0.4</td>
<td>0.6</td>
<td>14.8 n.a</td>
</tr>
<tr>
<td></td>
<td>17.3%</td>
<td>5.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA-CAPEX</strong></td>
<td>10.3</td>
<td>0.4</td>
<td>0.6</td>
<td>11.3 43.1%</td>
</tr>
<tr>
<td>(cash conversion)</td>
<td>41.0%</td>
<td>82.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### EPS (SEK) vs. Op FCF* (cash conversion)

<table>
<thead>
<tr>
<th>2017 (SEK BILLION)</th>
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<th>FULL RUN-RATE SYNERGIES***</th>
<th>COMBINED PRO FORMA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EPS (SEK)</strong></td>
<td>1.92</td>
<td>0.06</td>
<td>0.11</td>
<td>2.08 (+8.6%)</td>
</tr>
<tr>
<td><em><em>Op FCF</em> (cash conversion)</em>*</td>
<td>9.7 38.4%</td>
<td>0.3 66.2%</td>
<td>0.5</td>
<td>10.4 (+7.3%) 39.7%</td>
</tr>
</tbody>
</table>

*Telia definition
** Continuing operation, excluding GET/TDC Norway
***Post tax
PROCESS AHEAD

ANNOUNCEMENT & NOTIFICATION

- Telia announces intention to acquire Bonnier Broadcasting
- EU Commission is notified and initiates phase I investigation

PHASE 1 DECISION

- Following discussions, EU Commission informs whether merger is cleared or phase II investigation is required

PHASE 2 DECISION

- EU Commission informs whether merger is cleared and any potential remedies
GREAT VALUE CREATIVE COMBINATION

CONVERGENCE BELIEVERS & CUSTOMER CHAMPIONS

- Strong combination
- Improved converged offerings
- More personalized products and services
- Leverage brands and existing customer relations

STRONG STAND ALONE

- Superior Total-TV position with great domestic content
- Well positioned in shifting market
- Strong operational leverage
- New strategy yielding
- SEK 0.6 billion in cash flow contribution by 2020 stand alone, SEK 0.5 billion net of synergies and integration costs.

SIZEABLE SYNERGIES

- Sizeable synergies
  - Enhancing our core incl churn reduction
  - Improved market reach
  - Common costs
- EV/EBIT of 7.7x including synergies
- Clear support for growing operational free cash flow

NO CHANGE TO CAPITAL ALLOCATION COMMITMENTS – DIVIDEND AND BUYBACKS
FORWARD-LOOKING STATEMENTS

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

**TELIA COMPANY**
- Most satisfied TV customers and best network
- Large existing base to leverage
- Strong retail presence
- Leading brand

**BONNIER BROADCASTING**
- Leading provider of attractive content
- Strong brands and market position in both traditional TV and OTT
- Best in class TV expertise

**NEW OPPORTUNITIES**
- Content ownership enables **flexibility** and attractive bundles for our customers
- Combining video, connectivity and data in new **bundled offerings** – easy and convenient
- State of the art **user experience** and knowledge fulfilling future customer needs

**NEW SERVICES AND REVENUES**
- Securing high quality domestic content to our customers
- A **unique TV service** including previews, extra material and new features with freedom of how, when and where to consume content
- A **personalized experience** based on data analytics and customer insights – relevant offerings, recommendation and features
TELIA COMPANY DRIVING CONVERGENCE

STAGE 1

CONTENT

TV & BROADBAND

MOBILE

NON-CONVERGENT FIXED PLAYERS

NON-CONVERGENT MOBILE PLAYERS

PURE OTT PLAYERS/ CONTENT OWNERS

STAGE 2

STAGE 3

CONVERGENT PLAYERS

SUPERIOR CONVERGENT OFFERING
CONVICTION ON VALUE CREATION

SYNERGIES
SEK 0.6 BILLION, FULL RUN RATE 2022

OPERATIONAL LEVERAGE
SEK 0.5 BILLION CASH FLOW CONTRIBUTION 2020

VALUE CREATION THROUGH CASH FLOW ACCRETION

NO CHANGE TO CAPITAL ALLOCATION COMMITMENTS – DIVIDEND AND BUYBACKS