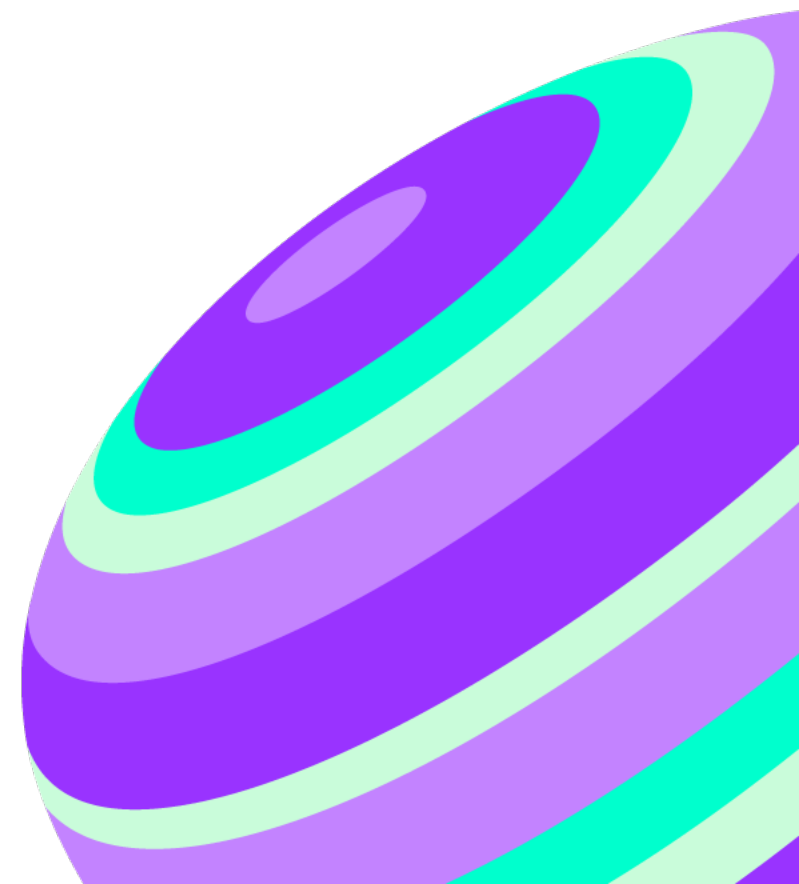




DIVESTMENT OF STAKE IN TURKCELL HOLDING

June 2020



ENDING TURKEY EXPOSURE THROUGH DIVESTING STAKE IN TURKCELL HOLDING

1

SIMPLIFIES NORDIC BAL TIC STRATEGY

- Stake on Turkcell Holding last piece of the puzzle
- Simplifies Telia Company's footprint

2

INVESTMENT GENERATED RETURN TO SHAREHOLDERS

- Total net cash flow SEK 15 billion, incl taxes
- Roughly 5 percent annual return

3

REDUCED RISK

- Ends all disputes
- Reduced geographical risk

4

LIQUIDITY AND LOWER LEVERAGE

- USD 530 million in added liquidity at approval
- No TRY risk and no tax
- Net debt to EBITDA reduced by 0.16x



TRANSACTION HIGHLIGHTS

Rationale	<ul style="list-style-type: none">• The final big step in our effort to simplify and focus on the Nordic and Baltic region• Ends all disputes and litigations between Telia Company and the other Turkcell Holding owners
Target company	<ul style="list-style-type: none">• Telia Company's ownership in Turkcell Holding
Price and funding	<ul style="list-style-type: none">• Telia Company divests its 47.1 percent in Turkcell Holding to the state owned Turkey Wealth Fund for USD 530 million in cash• Turkey Wealth Fund finances the deal through state mandate and loan from L1
Financial effects	<ul style="list-style-type: none">• The transaction is expected to result in a loss of c. SEK 3 billion for Telia Company before reclassification of accumulated foreign exchange losses of c. SEK 17 billion to net income (which will have no material effect on group equity)• Net debt to EBITDA to decrease by 0.16x as per 31 March (2.71x reported end Q1 2020)
Time table	<ul style="list-style-type: none">• Expected closing second half of 2020 subject to regulatory approval as well as the AGM in Turkcell



BACKGROUND AND RATIONALE

GRADUALLY REDUCED INTEREST IN TURKEY

- Telia Company has had no direct ownership interest in Turkcell since September 2017 when it completed the 14% direct stake divestiture, when we also made it clear we were not long term owners
- Turkcell and Telia Company jointly owned the holding company Fintur, which was dissolved in 2019
- Telia Company has had one seat out of seven at the Turkcell board, with limited influence
- By divesting the 47.1% interest in Turkcell Holding Telia Company completes its exit from Turkey

TURKCELL HOLDING STRUCTURE

- Turkcell Holding is a privately held holding company owned by Cukurova, LetterOne (jointly 52.9%) and Telia Company (47.1%)
- Telia Company's stake is illiquid as Turkcell Holding is not a publicly traded company
- Turkcell Holding has no other business besides owning Turkcell shares

CHALLENGING CORPORATE GOVERNANCE

- The governance of Turkcell Holding has been challenging among its three owners. Challenges have mainly related to:
 - How to vote at Turkcell AGMs including dividend
 - Potential decision to sell assets and decide on Turkcell Holding dividends
 - If and how to wind up the company
- Turkcell Holding owners have had a shareholders agreement and the right of first refusal, meaning that shares cannot be sold without acceptance from the other owners



FINANCIAL IMPACT

CASH FLOW, LEVERAGE AND EQUITY

Cash flow impact 2020*

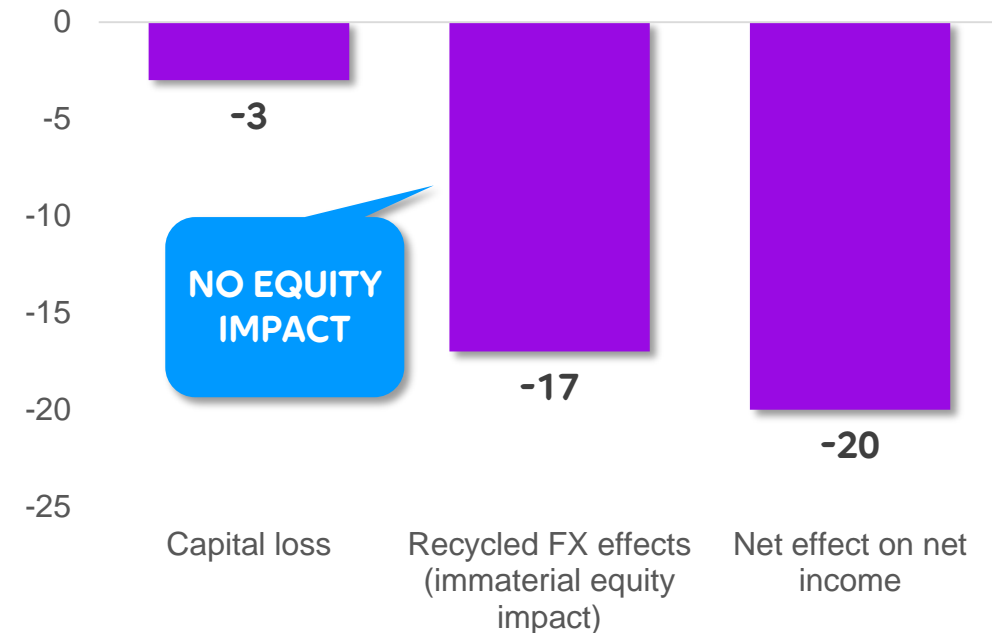
SEK 5.0 BILLIONS

Leverage incl transaction as per 31 March

2.55X

P&L STATEMENT

SEK in billions



- Final amounts subject to timing of the transaction closing



HUMAN RIGHTS AND COMPLIANCE

Human Rights

- Conclusion from due diligence process: Very limited effects of Telia Company leaving since we do not have operational control and have had no/limited opportunities for mitigation in the past
- Human rights clauses are included in the Global Settlement Agreement

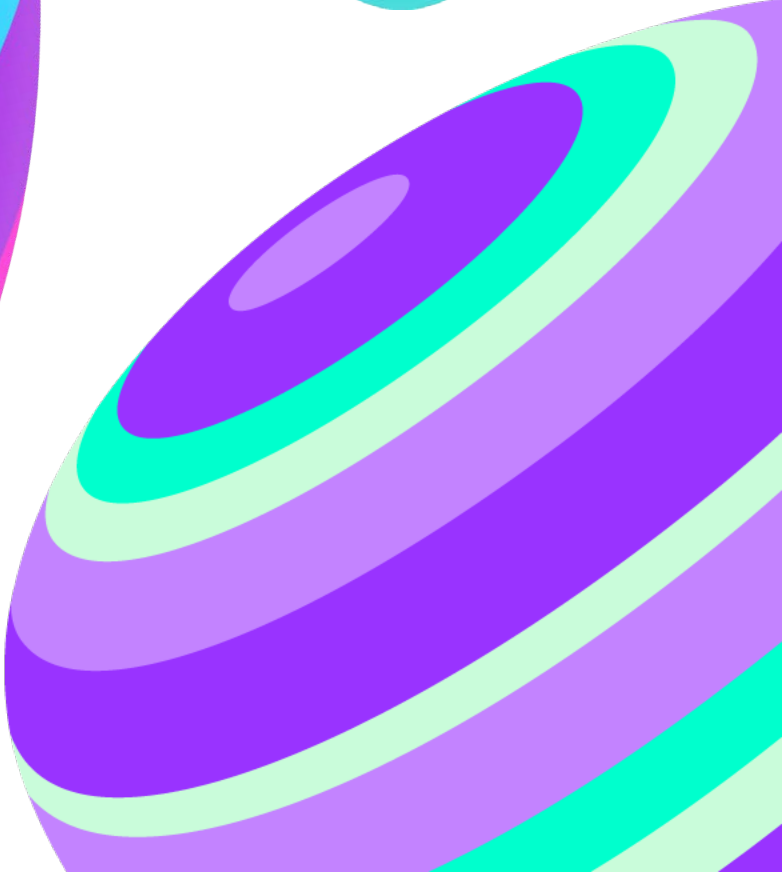
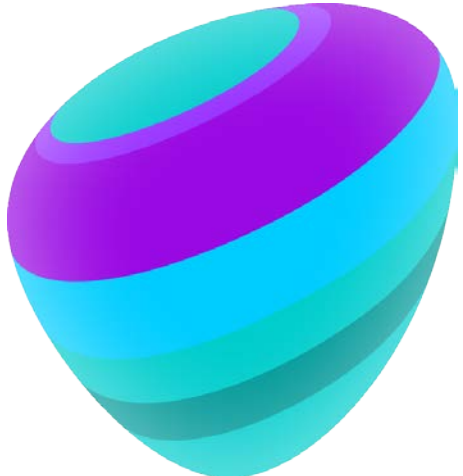
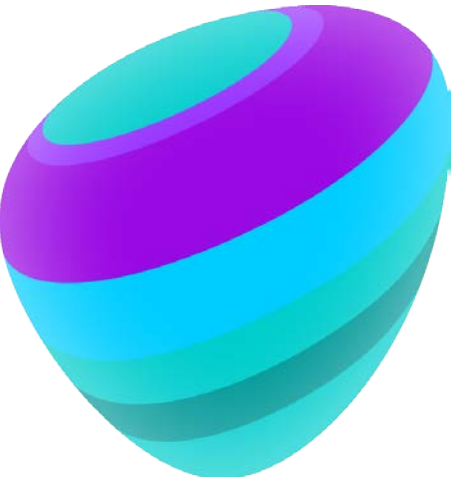
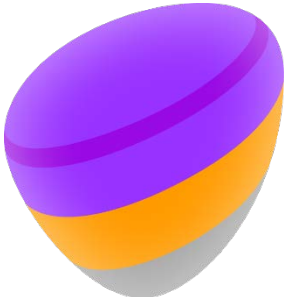
Compliance

- The purchasing entity has undergone a due diligence process, conducted by both internal and external expertise
- Key individuals and counterparts have been screened
- Anti-money laundering control over source and flow of funds has been conducted





Q&A



DISCLAIMER & FORWARD-LOOKING STATEMENTS

This document contains the use of alternative performance measures (APM's) to provide readers with additional financial information that is regularly reviewed by management, such as adjusted EBITDA, CAPEX and operational free cash flow. These APM's should not be viewed as a substitute for Telia Company's IFRS based figures, but as a complement. APM definitions can be found in Telia Company's interims reports and Annual and Sustainability Report 2019 and may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies. Telia Company's management considers these APM's combined with IFRS performance measures and in conjunction with each other, the most appropriate way to measure the performance of Telia Company.

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.

