INTERIM REPORT
APRIL – JUNE 2018

JOHAN DENNELIND
PRESIDENT & CEO

EXECEUTING ON STRATEGY AND FINANCIALS

COST REDUCTION ON TRACK
-0.7BN
H1 2018

REPORTED EBITDA GROWTH
+6.9%
IN ALL MARKETS
REPORTED Q2 2018

STRONG OPERATIONAL FREE
+12%
CASH FLOW
YTD 2018

LEVERAGE & LIQUIDITY
LEVERAGE
1.14x
Q2 2018
LIQUIDITY
46BN

DELIVERING ON THE M&A AGENDA
BONNIER
BROADCASTING
SEK 9.2 BILLION

GET/TDC NORWAY
GET
NOK 21.0 BILLION

NOK 21.0 BILLION
SEK 9.2 BILLION

C MORE
MTV
TDC Norway
A STRONGER TELIA COMPANY WITH KEY AMBITIONS INTACT

<table>
<thead>
<tr>
<th>2017 (SEK BILLION)</th>
<th>GET/ TDC NORWAY**</th>
<th>BONNIER BROADCASTING</th>
<th>RUN-RATE SYNERGIES (PER YEAR)</th>
<th>COMBINED PRO FORMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (margin)</td>
<td>1.8</td>
<td>0.5</td>
<td>1.2</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>43.4%</td>
<td>6.8%</td>
<td></td>
<td>&gt;28.5%</td>
</tr>
<tr>
<td>EBITDA-CAPEX* (cash conversion)</td>
<td>1.0</td>
<td>0.4</td>
<td>1.3</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>53.1%</td>
<td>82.4%</td>
<td></td>
<td>76.5%</td>
</tr>
<tr>
<td>Net debt/EBITDA (x)</td>
<td>0.7x</td>
<td>0.2x</td>
<td>-0.1x</td>
<td>0.8x</td>
</tr>
</tbody>
</table>

**Excluding licenses
** SEK/NOK rate of 1.04

OUR BALANCE SHEET TARGETS AND ANNOUNCED SHAREHOLDER RETURNS REMAIN INTACT

- GROW DIVIDEND OVER TIME
- SEK 15 BILLION IN SHARE BUY-BACK
- LEVERAGE TARGET OF 2x PLUS/MINUS 0.5x
- SOLID CREDIT RATING A-/BBB+

TRANSACTION RATIONALE

- STRATEGIC SWEET-SPOT
- BEST IN CLASS STAND ALONE OPERATION
- FINANCIALLY ACCRETIVE
- Convergence in both B2C and B2B
- Extensive reach from connecting ~1.8 million Norwegians every day
- Strong operational track record
- Highly synergistic and cash flow accretive transaction
- Purchase price of NOK 21 billion (EV/EBITDA 9.0x including synergies)
- Cash flow accretive day one
- EBITDA synergies of NOK 0.6 billion 50/50 split between revenues and OPEX
- Proven track record and value creation from M&A in Norway

SWEET-SPOT ACQUISITION OF GET AND TDC NORWAY

TRANSACTION OVERVIEW

<table>
<thead>
<tr>
<th>GET</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4.8</td>
</tr>
<tr>
<td>Revenue CAGR 2015-2017</td>
<td>3.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.7</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>43.4%</td>
</tr>
<tr>
<td>EBITDA CAGR 2015-2017</td>
<td>7.6%</td>
</tr>
<tr>
<td>EBITDA-CAPEX</td>
<td>0.9</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>53.1%</td>
</tr>
</tbody>
</table>

COMPANY OVERVIEW

- High stickiness with low-single digit churn
- High speed broadband, advanced TV entertainment and smart home services
- Multiservice network with a range of as-a-service products

<table>
<thead>
<tr>
<th>TDC</th>
<th>800k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes passed*</td>
<td>800k</td>
</tr>
<tr>
<td>Homes connected</td>
<td>950k</td>
</tr>
<tr>
<td>RGUs</td>
<td>950k</td>
</tr>
<tr>
<td>RGUs</td>
<td>77k</td>
</tr>
</tbody>
</table>
* Including 24 Partners

<table>
<thead>
<tr>
<th>QGet</th>
<th>518k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes passed*</td>
<td>518k</td>
</tr>
<tr>
<td>B2B customers</td>
<td>2k</td>
</tr>
<tr>
<td>RGUs</td>
<td>77k</td>
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</tbody>
</table>
GROWTH IN GET TO CONTINUE

REVENUE DEVELOPMENT
Growth y-o-y, adjusted**
- Continuous growth in Get driven by broadband and TV
- Decline in TDC Norway mainly attributable to loss of low ARPU mobile and fixed voice subscriptions

GET BROADBAND
Subs. in 000’s, ARPU in local currency
- Broadband subscriptions steadily growing
- 3,000 net adds Q2 and 4 percent base expansion Q2 y-o-y
- Price management and upsell supported ARPU 2018

GET TV
Subs. in 000’s, ARPU in local currency
- Subscription base stabilizing - flat sequential development Q2
- Rather stable ARPU development

AMBITION OF LOW SINGLE DIGIT REVENUE GROWTH GOING FORWARD

CONTINUED STRONG EBITDA DEVELOPMENT

SERVICE REVENUE DEVELOPMENT
Organic growth, external service revenues
- Drop Q2 to approx. half driven by less low-margin transit service revenues
- B2C rather flat while still pressure in B2B
- Mobile still growing in majority of markets

EBITDA DEVELOPMENT
Organic growth, reported Q2'18, excluding adjustment items
- Organic EBITDA growth in 6 of 7 markets - reported growth in all markets
- Support from lower costs
- Still FX and M&A tailwind
DELIVERING ON THE COST PROGRAM

COST SAVINGS REALIZATION – H1 2018

- Executing according to plan
- Continues to work on getting cost awareness as part of the organizational culture

H1 2018 Full year target

0.7 1.1

COST SAVINGS ON TRACK HALF WAY THROUGH

COST SAVINGS BREAKDOWN – H1 2018

- Sweden down SEK 0.4 billion from mainly lower resource costs – saving pace expected to come down H2
- ICT growth offsets savings in Finland

GROWING MOBILE ARPU IN ALL MARKETS

MOBILE SERVICE REVENUE GROWTH

Organic growth

- Mobile revenue growth in 5 of 7 markets
- Mixed Nordic picture
- Solid performance in the Baltics

MOBILE ARPU GROWTH Q2

In local currency, y-o-y

- Mobile ARPU growth in all markets
- Sweden strong despite B2B price pressure

SWEDEN +3.9% NORWAY +0.5%
FINLAND +2.7% THE BALTICS +3.6%
DIGITALIZATION TO DRIVE SUSTAINABILITY

EXAMPLES OF HOW WE CONTRIBUTE

- Construction site digitalization to enable best use of resources, efficiency and better safety
- Partnership in smart temperature control to get more energy efficient buildings in Stockholm
- Connected wearable devices to increase safety and quality of elderly care in Denmark
- Empowering and interacting with children/youth via YOUNITE and protecting children via CSAM
- Reduced energy consumption as an integral part of our sustainability agenda

OUTLOOK FOR 2018 IS UNCHANGED

- **OPERATIONAL FCF*** Above SEK 9.7 billion
  Operational FCF together with dividends from associated companies should cover a dividend around the 2017 level
- **EBITDA** In line or slightly above the 2017 level of SEK 25.2 billion

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* Free cash flow from continuing operations, excluding licenses and dividends from associated companies
** Based on current structure, i.e. including M&A made so far, excluding adjustment items, in local currencies
REVENUE PRESSURE ONLY PARTIALLY IMPACTING EBITDA

NET SALES DEVELOPMENT
Organic growth

Service revenues
-2.3%
+1.3%

Q2 17 Equipment Mobile Fixed Other Q2 18

- Significant step-up in equipment sales
- Mobile revenue growth not enough to compensate for legacy and low-margin fixed transit revenues

SERVICE REVENUE GROWTH – BY MARKET
Organic growth Q2, external service revenues

Total underlying*

0% -5% -10% SE FI NO DK Baltics Carrier Total

- Decline in low-margin transit revenues represented approx. half of the decline - part of strategy and results in no material EBITDA impact

* Excluding impact from low margin revenues in Lithuania and Telia Carrier
**SOLID ORGANIC EBITDA PERFORMANCE**

**EBITDA DEVELOPMENT – REPORTED**
Reported growth, excluding adjustment items

- EBITDA growth of 6.9 percent driven by
  - Solid organic growth
  - FX tailwind mainly from stronger EUR & NOK

**EBITDA DEVELOPMENT – ORGANIC**
Organic growth, y-o-y, excluding adjustment items

- EBITDA growth in 6 of 7 markets
- Significant reduction in Swedish resource costs
- Synergies from Phonero in Norway
- Solid cost control on group level

**POSITIVE EBITDA IN SWEDEN DUE TO LOWER COSTS**

**SERVICE REVENUES**
Organic growth, external revenues

- Stable and growing B2C for second consecutive quarter
- Somewhat intensified price pressure in B2B

**MOBILE POSTPAID – B2C**
In local currency

- Solid growth in ARPU key driver behind strong revenue growth
- Less tailwind expected from VAS and invoicing fees in H2

**EBITDA**
Organic growth, excl. adj. items

- Cost savings more than compensated for revenue pressure from legacy services
**FLAT DEVELOPMENT IN FINLAND FROM SOFTER MOBILE**

**SERVICE REVENUES* & EBITDA**

SEK million, reported currency & organic growth

- M&A and FX boosted reported numbers
- Leverage potential from data center & ice hockey rights
- Assembly deal - a game opener for eSports

<table>
<thead>
<tr>
<th></th>
<th>Service revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 17</td>
<td>2,913</td>
<td>1,028</td>
</tr>
<tr>
<td>Q2 18</td>
<td>3,248</td>
<td>1,124</td>
</tr>
</tbody>
</table>

**MOBILE SUBSCRIPTIONS AND ARPU**

Total subscription base in 000’s, ARPU in local currency

- Growth in base and ARPU Q2
- Good intake on B2B
- Positive signals on churn
- Selective price increases made in the quarter

**EBITDA GROWTH IN NORWAY DUE TO LOWER COSTS**

**SERVICE REVENUES* & EBITDA**

SEK million, reported currency & organic growth

- Softer on mobile B2B
- Lower special-number revenues
- One-off items impacted growth negatively

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<th>Service revenues</th>
<th>EBITDA</th>
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<tbody>
<tr>
<td>Q2 17</td>
<td>2,164</td>
<td>885</td>
</tr>
<tr>
<td>Q2 18</td>
<td>2,221</td>
<td>987</td>
</tr>
</tbody>
</table>

**EBITDA** DEVELOPMENT

SEK million, reported EBITDA growth

- Organic growth supported by synergy realization
- Tailwind from FX

<table>
<thead>
<tr>
<th></th>
<th>Organic</th>
<th>FX</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 17</td>
<td>885</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 18</td>
<td>987</td>
<td></td>
<td>+11.6%</td>
</tr>
</tbody>
</table>
LED CONTINUES TO DELIVER EBITDA GROWTH

SERVICE REVENUE DEVELOPMENT
Organic growth, external service revenues
- Estonia
- Lithuania
- Denmark

EBITDA* DEVELOPMENT
SEK million, reported currency & organic growth
- Estonia
- Lithuania
- Denmark

- Lithuania down from drop in low-margin transit revenues - mobile grew by 14 percent
- Continued mobile and fixed growth in Estonia
- Denmark remains challenging

- Estonia supported by revenue growth
- Solid mobile revenue and cost development in Lithuania
- Strong execution on costs in Denmark

*Excluding adjustment items

STRONG CASH FLOW TREND

OPERATIONAL FREE CASH FLOW TREND
Continuing operations, SEK billion

OPERATIONAL FREE CASH FLOW - H1
Continuing operations, SEK billion

- Good support from operations
- Continuing to execute on working capital
- Negative contribution from tax and interest
LEVERAGE REMAINS LOW SUPPORTED BY OPERATIONS

NET DEBT DEVELOPMENT – Q2
Continuing and discontinued operations, SEK billion

<table>
<thead>
<tr>
<th></th>
<th>Q1 18</th>
<th></th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>28.5</td>
<td>+5.0</td>
<td>32.4</td>
</tr>
<tr>
<td>Cash CAPEX</td>
<td></td>
<td>+1.1</td>
<td></td>
</tr>
<tr>
<td>1st dividend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st dividend</td>
<td>-6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tranche</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy-backs</td>
<td></td>
<td>+1.0</td>
<td></td>
</tr>
<tr>
<td>FX &amp; Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Strong operations support
- 1st dividend paid & buy-back program initiated

NET DEBT BREAKDOWN – Q2
SEK billion, Q2 2018

<table>
<thead>
<tr>
<th></th>
<th>Liquidity (continuing operations)</th>
<th>Gross debt (continuing operations)</th>
<th>Eurasia, net</th>
<th>Net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 18</td>
<td>46.0</td>
<td>-83.6</td>
<td>5.2</td>
<td>-32.4</td>
</tr>
</tbody>
</table>

- Average funding cost of around 2.8 percent on gross debt and around 0.2 percent yield on liquidity
- Low refinancing levels in the coming years (SEK 1 billion 2018, SEK 5 billion 2019, SEK 6 billion 2020 and SEK 7 billion in 2021)

SHAREHOLDER REMUNERATION INTACT

PRO FORMA LEVERAGE
Leverage ratio, continuing and discontinued operations, rounded numbers

<table>
<thead>
<tr>
<th></th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkcell dividend dividend proceeds Uzbek settlement</td>
<td>1.1x</td>
</tr>
<tr>
<td>2nd dividend</td>
<td>0.1x</td>
</tr>
<tr>
<td>Buy-backs 2018</td>
<td>0.2x</td>
</tr>
<tr>
<td>Get/TDC Norway purchase price</td>
<td>0.7x</td>
</tr>
<tr>
<td>Illustrative cash flow*</td>
<td>2.2x</td>
</tr>
<tr>
<td>Pro forma year end 2018</td>
<td>0.2x</td>
</tr>
<tr>
<td>Bonnier broadcasting purchase price</td>
<td>-0.1x</td>
</tr>
<tr>
<td>Get/TDC Norway incl. full synergies</td>
<td>0.2x</td>
</tr>
<tr>
<td>Bonnier broadcasting incl. full synergies</td>
<td>-0.1x</td>
</tr>
<tr>
<td>ANNUAL CASH FLOW</td>
<td>0.2x</td>
</tr>
</tbody>
</table>

- We remain committed to the leverage range of 2x +/- 0.5x
- Comfortable being in the upper part of the leverage range due to:
  - more diversified group
  - strong cash flow generation
  - acquisitions with strong cash flow
  - All of which supports deleveraging
- Commitment to the dividend policy and the three year buy-back program remain unchanged

* Pro forma illustrative cash flow 2018 is based on the 2017 level of operational free cash flow less operational free cash flow H1 2018
PIONEERS IN BRINGING TRUE CONVERGENCE TO NORDIC CUSTOMERS

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 |
| FINANCIAL EFFECTS | • Implies EV/EBIT, including full run rate synergies of 7.7x* |
| BALANCE SHEET IMPACT | • 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 |
| CONDITIONS | • Total consideration to be financed using cash on balance sheet |
| | • Net debt to EBITDA impact 0.2x |
| TIME TABLE | • Subject to approval from EU Competition Authority |
| | • 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 RESHAPING 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>
<th>TOP FORMATS</th>
</tr>
</thead>
</table>
| **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 | ![Top Formats](image1.png) |
| **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 | ![Top Formats](image2.png) |
| **mtv3** | 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 | ![Top Formats](image3.png) |

*Csov=Commercial share of viewing  
**Source MMS, among age group 15-59 years

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### TELIA – A LEADING TV DISTRIBUTOR

#### MOST SATISFIED TV CUSTOMERS

- 1.8 million TV customers
- 100 channels
- 1 app

#### GROWING TV CUSTOMER STOCK

[Graph showing growing TV customer stock from Q1 2017 to Q2 2018]
**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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**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

### MATERIALIZING ON REVENUES

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

TOUGHER AD MARKET

- SVOD market
- Pay TV market

Source: MediaVision, Ficora

• 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

38%

Source: MediaVision, Ficora

• 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

FINANCIAL OVERVIEW - BONNIER BROADCASTING

FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018 Q1</th>
<th>2018 R12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>7.4</td>
<td>7.4</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>0.3</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
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</tbody>
</table>

FINANCIAL BREAKDOWN

<table>
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<tr>
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<th>2016</th>
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<th>2018 Q1</th>
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<tbody>
<tr>
<td>TV4</td>
<td>4.2</td>
<td>4.4</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>C MORE</td>
<td>1.5</td>
<td>1.6</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>MTV</td>
<td>1.8</td>
<td>1.7</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td>0.0</td>
<td>-0.2</td>
<td>-0.2</td>
<td></td>
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<tr>
<td>NET SALES</td>
<td>7.4</td>
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OPERATIONAL CASH FLOW

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

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

**CHURN**
- TV+BB
- C More
- Telia

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

- Common tech & development
- Insourcing
- Other
**FINANCIALLY ACCRETFIVE TRANSACTION**

<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>Revenues</td>
<td>79.8</td>
<td>7.4</td>
<td>n.a</td>
<td>&gt;87.2</td>
</tr>
<tr>
<td>EBIT (margin)</td>
<td>13.8</td>
<td>0.4</td>
<td>0.6</td>
<td>14.8</td>
</tr>
<tr>
<td>EBITDA-CAPEX (cash conversion)</td>
<td>10.3</td>
<td>0.4</td>
<td>0.6</td>
<td>11.3</td>
</tr>
</tbody>
</table>

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</thead>
<tbody>
<tr>
<td>EPS (SEK)</td>
<td>1.92</td>
<td>0.06</td>
<td>0.11</td>
<td>2.08 (+8.6%)</td>
</tr>
<tr>
<td>Op FCF* (cash conversion)</td>
<td>9.7</td>
<td>0.3</td>
<td>0.5</td>
<td>10.4 (+7.3%)</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**

**Q&A**
EPS UP VERSUS LAST YEAR

TOTAL EPS DEVELOPMENT
SEK, continuing and discontinued operations

-0.07 0.00 -0.01
Q2 17 Operating income* Associated companies M&A Other

0.15 0.18 -0.13
Continuing Operations M&A Other Q2 18

0.28 0.10
0.50
Q2 2017 impacted by write down in mainly Uzbekistan
Q2 2017 impacted by the divestments of Turkcell and Sergel

* Excluding income from associates and adjustment items

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.