ANOTHER GOOD QUARTER

CONTINUED EBITDA GROWTH

+6.4%
+1.8% ORGANICALLY IN Q3

CASH FLOW REMAINS STRONG

9.4BN
YTD Q3

EBITDA OUTLOOK

REVISED UP
SLIGHTLY ABOVE LAST YEAR

NET COST PROGRAM 2018

1BN
REALIZED YTD Q3

UPDATED OPERATING MODEL

CUSTOMER FOCUS
SPEED AND FLEXIBILITY
EFFICIENCY AND SCALABILITY

GET/TDC NORWAY DEAL CLOSED

EFFECTIVE FROM JANUARY 1, 2019
KEY HIGHLIGHTS BY COUNTRY

**EBITDA ABOVE NOK 1 BILLION**
- TDC NORWAY/GET CLOSED
- PHONERO SYNERGIES REALIZED
- STRONG B2C ROADMAP

**6% ORGANIC EBITDA GROWTH**
- STRONG B2B DUE TO GOOD M&A EXECELUTION
- LIIGA SUCCESSFULLY LAUNCHED
- EARLY 5G INTEREST

**3% GROWTH IN B2C MOBILE**
- MOST SATISFIED MOBILE CUSTOMERS (SKI*)
- INCREASED MOBILE B2C MARKET SHARE
- COST BASE TOO HIGH

**4% ORGANIC EBITDA GROWTH**
- DOUBLE DIGIT MOBILE GROWTH (LIT)
- IMPROVING CUSTOMER NPS (DEN)
- TELA ONE (EST & LIT)

*SKI = Swedish Quality Index (October 2018)

CONTINUED EBITDA GROWTH

**SERVICE REVENUE DEVELOPMENT**
Organic growth, external service revenues

- Low margin voice revenue decline representing 2/3 of the drop in Q3 and half of the drop in Q2
- Continued legacy pressure in Sweden
- Mobile growth in 5 of 7 markets

**EBITDA DEVELOPMENT**
Organic growth, excluding adjustment items

- Organic EBITDA growth in 5 of 7 markets
- Continued cost savings realization
- Reported growth of 6.4 percent supported by FX

![Graphs and charts illustrating service revenue and EBITDA development](image-url)
SIGNIFICANT STEPS TO SUPPORT SWEDEN TURNAROUND

SWEDEN EBITDA DEVELOPMENT
Organic growth, excluding adjustment items

- In previous quarters cost savings mitigated revenue pressure
- Tougther cost comparisons
- Slower realization of cost savings in Q3

* Includes thunderstorm costs and FX effects

UPDATED OPERATING MODEL - JAN 1, 2019

- Common Product and Services unit to capture synergies and increased speed
- Around 500 employees move to common units
- More customer centric and faster go-to-market approach locally
- Other countries to follow

- Significant structural cost savings from transformation expected in 2020
- Short term cost savings in focus to compensate

DELIVERING ON THE COST PROGRAM

COST SAVINGS REALIZATION – 9M 2018
SEK in billions

- Strong cost execution YTD
- Continued focus on ensuring that cost awareness is part of the organizational culture

COST SAVINGS BREAKDOWN – 9M 2018

- Despite Sweden being behind target, other units compensate
MOBILE REVENUES CONTINUE TO GROW

Mobile revenue growth in 5 of 7 markets
Strong B2B development in Finland
Lithuania +14 percent on mobile in Q3

ARPU continued to grow in majority of markets
Core ARPU main driver through price increases and customer migration

MOBILE SERVICE REVENUE GROWTH

MOBILE ARPU GROWTH Q3

Organic growth

In local currency, pre & post-paid, y-o-y

SWEDEN
+1.9%

NORWAY
+0.3%

FINLAND
+4.1%

FINLAND
+4.1%

LIT
+9.9%

EST
+0.2%

DEN
-4.4%

• LIIGA SUCCESSFULLY LAUNCHED

50% new customers to Telia
55% on the high ARPU Liiga pass
43% of sales online

• DELIVERING ON OUR ACQUISITIONS

Cumulative adjusted EBITDA vs. business cases, YTD Q3

NEBULA

INMICS

PROPENTUS

CLOUD SOLUTIONS

18% ABOVE BUSINESS CASES

• Four companies acquired 2017/2018, representing a full ICT portfolio
• Delivering on the business cases
GET/TDC NORWAY DEAL CLOSED – THE NEXT ERA STARTS

DEAL CLOSED

- Deal approved without remedies
- Closed on October 15
- Clear integration roadmap established

Q3 PERFORMANCE*

** Revenues y-o-y, KPI’s q-o-q

<table>
<thead>
<tr>
<th>Revenues Flat</th>
<th>TV RGU’s UNCHANGED**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BROADBAND</th>
<th>+3,000</th>
</tr>
</thead>
</table>

SYNERGIES TO REALIZE

- TELE2 SEK 1 BILLION
- phonero NOK 0.4 BILLION
- NOK 0.7 BILLION (Full run-rate by end of 2021, including SEK 0.1 billion in CAPEX)

* Preliminary and unaudited numbers in local currency based on the accounting principles and definitions applied under TDC’s ownership
** Excluding a clean out of 8,000 non-revenue generating RGU’s from shutting down the analogue network
RGU= Revenue Generating Unit

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BONNIER BROADCASTING UPDATE

THE KEY RATIONALE

OFFENSIVE

1. DIFFERENTIATION / UNIQUE EXPERIENCES
2. AD-ENGINE AND COMPETENCE FOR THE FUTURE
3. DATA ANALYTICS & CUSTOMER KNOWLEDGE

DEFENSIVE

4. WELL POSITIONED IN TRADITIONAL TV AND AVOD
5. IMPROVED POSITION IN MEDIA/AD LANDSCAPE & FLEXIBILITY IN CONTENT USAGE
6. IMPROVED CONVERGENCE TO REDUCE CHURN

THE FINANCIALS

<table>
<thead>
<tr>
<th>SEK in millions</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA synergies</td>
<td>100</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Integration costs</td>
<td>-200</td>
<td>-200</td>
<td>0</td>
</tr>
</tbody>
</table>

- Operational free cash flow of SEK 500 million 2020

MERGER FILING PROCESS INITIATED & ON-GOING DIALOGUE WITH EU COMMISSION
RE-ITERATE EXPECTED CLOSING IN H2 2019
PRESSURE ON LEGACY AND LOW MARGIN REVENUES

NET SALES DEVELOPMENT
Organic growth

- Net sales flat - equipment growth of 13 percent

SERVICE REVENUE DEVELOPMENT
Organic growth, external service revenues

- Sweden pressured mainly by fixed telephony
- Telia Carrier down from drop in low-margin volumes
CONTINUED POSITIVE GROUP EBITDA DEVELOPMENT

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

- Continued FX tailwind on reported numbers

**EBITDA DEVELOPMENT - ORGANIC**
Organic growth, excluding adjustment items

- Overall strong cost control in the group
- Sweden burdened by legacy and higher costs
- Good operational development in Finland
- Synergy realization and strong cost control in Norway

OTT TV MOMENTUM IN SWEDEN

**SERVICE REVENUES**
Organic growth, external revenues

- Slower mobile growth due to tougher comparisons
- Stable but still challenging in B2B

**MOBILE – B2C**
In local currency

- Less tailwind from VAS behind slower growth pace Q3

**MORE ACTIVE TV USERS**
Users and usage

- Telia Play increasingly attractive
- More active TV users
  - +21,000 TV NET ADDS IN Q3 2018
  - +38% ACTIVE PLAY USERS Y-O-Y
  - +74% MINUTES PER PLAY USER Y-O-Y
GOOD MOBILE AND EBITDA DEVELOPMENT IN FINLAND

SERVICE REVENUES* & EBITDA**
SEK million, reported currency & organic growth

- B2C mobile stable – increasing growth in B2B
- Cost focus and M&A execution drive EBITDA

MOBILE SUBSCRIPTIONS AND ARPU
Total subscription base in 000’s, ARPU in local currency

- Added subscriptions in both B2C and B2B Q3
- Several new large B2B contracts
- ARPU growth driven by mix and core ARPU

SIGNIFICANT EBITDA GROWTH IN NORWAY

SERVICE REVENUES* & EBITDA**
SEK million, reported currency & organic growth

- Similar revenue trend as previous quarters
- Headwind from lower special-number revenues (NOK 30 million impact)

EBITDA** DEVELOPMENT
NOK million, adjusted EBITDA, R12

- Strong operating leverage from Phonero synergies
- Highest absolute EBITDA so far
SERVICE REVENUE DEVELOPMENT
Organic growth, external service revenues
- Lithuania back to growth
  - Mobile revenue growth of 14 percent
  - Continued mobile and fixed revenue growth in Estonia
  - Tough comparison in Denmark from close down of prepaid service
- Revenue growth and cost control in Lithuania and Estonia
- Strong execution on cost in Denmark

EBITDA* DEVELOPMENT
SEK million, reported currency & organic growth

CASH CAPEX TREND RATHER FLAT

CAPEX EXCLUDING LICENSES
SEK in millions, rolling twelve months (R12)

- Booked CAPEX impacted Q2 2017 by Liiga CAPEX and Q3 2018 by Telia Helsinki Data Center CAPEX
- Cash CAPEX excl. licenses flattening out
- 5G related CAPEX limited before 2020. Then replace 4G related investments
- Note: 700 MHz auction in Sweden due December 2018

* Booked CAPEX impacted Q2 2017 by Liiga CAPEX and Q3 2018 by Helsinki data center CAPEX
EBITDA INCREASINGLY SUPPORTING CASH FLOW

OPERATIONAL FREE CASH FLOW TREND
Continuing operations, SEK billion, R12

- Operational free cash flow of SEK 9.4 billion YTD
- Equals a growth of 5.8 percent

OPERATIONAL FREE CASH FLOW - YTD
Continuing operations, SEK billion

- Continued good operational trend
- Working capital negative in Q3
  - Improvement potential over time unchanged

LEVERAGE UNCHANGED Q3

NET DEBT DEVELOPMENT – Q3
Continuing and discontinued operations, SEK billion

- Buy-backs impacted leverage by 0.05x in Q3
- Get/TDC Norway paid Q4
- 2nd dividend of SEK 5 billion paid Q4
- Uzbekistan legal settlement to be paid latest Q1 2019
- Committed to capital allocation and balance sheet targets
### A STRONGER TELIA COMPANY

<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>EBITDA-CAPEX</td>
<td>1.0</td>
<td>0.4</td>
<td>1.3</td>
<td>2.7</td>
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</tbody>
</table>

* SEK/NOK rate of 1.04

#### GET/TDC NORWAY
- Closed and consolidated from October 15
  - Integration costs of NOK 0.4 billion, equally split between 2019 and 2020
  - Full synergies of NOK 0.7 billion (of which NOK 0.1 billion in CAPEX) by end of 2021

#### BONNIER BROADCASTING
- Expected closing in H2 2019
  - Integration costs of SEK 0.4 billion, equally split between 2020 and 2021
  - Full synergies of SEK 0.6 billion in 2022, ramped up gradually

### EBITDA OUTLOOK FOR 2018 UPDATED

#### OPERATIONAL FCF*
- Above SEK 9.7 billion (unchanged)
- Operational FCF together with dividends from associated companies should cover a dividend around the 2017 level

#### EBITDA**
- Slightly above the 2017 level of SEK 25.2 billion (updated)
  - (Previously: In line or slightly above the 2017 level of SEK 25.2 billion)

* 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 TDC Norway and GET), excluding adjustment items, in local currencies

NB. Full year outlook excludes the impact from Get/TDC Norway in Q4 2018
EPS IMPROVED

TOTAL EPS DEVELOPMENT
SEK, continuing and discontinued operations

<table>
<thead>
<tr>
<th>Q3 17</th>
<th>Operating income*</th>
<th>M&amp;A</th>
<th>Other</th>
<th>Q3 18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.53</td>
<td>0.06</td>
<td>0.45</td>
<td>0.66</td>
</tr>
</tbody>
</table>

-0.09
-0.04
-0.08
-0.17
+0.13

Q3 17
Q3 18

- Due to Turkcell capital loss Q3 2017
- Due to divestments of Azercell and Geocell

Continuing Operations
Discontinued Operations

* Excluding income from associates and adjustment items
## ENVIRONMENTAL, SOCIAL AND GOVERNANCE - ESG

### DATA CENTER IN WORLD CLASS

- Certified as a trustworthy and safe manager of data
  - Business continuity ISO certified
  - Information security management ISO certified
- Runs on 100% renewable energy
- Energy being reused supplying heating for 20,000 households

### MORE UPDATES

- New human rights policy adopted. Expanding our commitments in
  - Freedom of expression
  - Children’s rights
- A revised Supplier Code of Conduct was adopted.
  - Tougher requirements in responsible sourcing of minerals and human rights due diligence.
- Being part of the digital pilot eSFI
  - Aims at finding new innovative ways for language learning
  - Lead to a quicker introduction for immigrants into society and the labor market.

## 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.