DELIVERED ON OUR FULL YEAR AMBITIONS

OPERATIONAL FREE CASH FLOW

10.8BN
(TARGET: > SEK 9.7 BILLION)

ADJUSTED EBITDA*
+1.7%
(TARGET: SLIGHTLY ABOVE LY)

COST 2018

1.3BN
(TARGET: SEK 1.1 BN NET SAVINGS)

DELMER ON BUYBACKS AND PROPOSING DIVIDEND OF 2.36

SAME ABSOLUTE AMOUNT AS FOR 2017
(SEK 2.30 LAST YEAR)

IMPROVING ON NPS
MORE SATISFIED/LOYAL CUSTOMERS IN ALL MARKETS

ESG WORK RECOGNIZED

* In local currencies, excluding adjustment items and TDC Norway/Nel
2018 M&A TAKING US TO WANTED LEADING CONVERGED POSITION IN THE NORDICS

ACQUISITIONS
Signed or closed 2018

- TDC Norway
- Get
- INMICS
- C More
- ASSEMBLY
- NextGenTel
- Cloud Solutions
- MTV
- AINA

INTENSE M&A HAS TAKEN TELIA COMPANY TO THE WANTED POSITION

DIVESTMENTS
All closed 2018

- Azercell
- Spotify
- Ucell
- Geocell
- Kcell

EURASIA IN ALL MATERIAL ASPECTS EXITED

* Expected to be closed H2 2019

A QUARTER WITH SEVERAL HIGHS BUT LOWER EBITDA

ENDING THE YEAR WITH STRONG CASH FLOW

+76%
VS. Q4 2017

B2B & ICT

STRONG B2B PIPELINE IN CORE MARKETS & ICT JOURNEY UNDER WAY

ICT

FIRST NEGATIVE ORGANIC EBITDA QUARTER IN 2018

-5.5%
VS. Q4 2017

TDC NORWAY/GET TRADING ACCORDING TO PLAN

CUSTOMER FOCUS YIELDING

GOOD NPS MOMENTUM IN KEY MARKETS
+7 +1 +4
AS PREDICTED A CHALLENGING REVENUE/EBITDA Q

SERVICE REVENUE DEVELOPMENT

Organic growth, external service revenues
- Service revenue growth
- Service revenue growth excl. Telia Carrier

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q1</td>
</tr>
<tr>
<td>Service revenue growth</td>
<td>-2.5%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Service revenue growth excl. Telia Carrier</td>
<td>-2.5%</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

- Telia Carrier again a material part of the decline
- Sweden pressured by fixed telephony
- Mobile revenue growth in 6 of 7 markets

EBITDA DEVELOPMENT

Reported in absolute & organic growth, excl. adj. items
- EBITDA
- EBITDA growth, yoy

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6,590</td>
<td>6,495</td>
</tr>
<tr>
<td>EBITDA growth, yoy</td>
<td>3.8%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

- First negative EBITDA quarter in 2018
- Sweden main driver - legacy pressure, credit losses, marketing and higher sales-related costs
- Finland neutral and Norway strong

DELIVERED ON COST 2018 – BUT NOT THE DESIRED MIX

RESOURCE COST 2018

Change in cost, organic
- Employees: -4%
- Consultants: -17%
- Total: -6%

- All countries contribute
- Majority from Sweden

COST REDUCTION 2018

SEK in billions
- Outcome
- OPEX
- COGS

- Target SEK 1.1 billion
- Material part of cost reduction from less low margin revenues
- Organic OPEX down by 2 percent

COST AGENDA 2019

- NEW OPERATING MODEL TO SUPPORT
- CONTINUED RESOURCE OPTIMIZATION ACROSS GROUP
- -3% NET AMBITION ON SWEDISH OPEX
- Structural cost reductions are ahead of us
**STABLE MOBILE REVENUE DEVELOPMENT**

**MOBILE SERVICE REVENUE GROWTH**

Organic growth

- Mobile revenue growth in 6 of 7 markets
- Low single-digit growth in B2C Sweden
- Lithuania improved growth sequentially by 2 p.p. to 16 percent

**MOBILE ARPU GROWTH Q4**

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

- **SWEDEN** +1.6%
- **NORWAY** +1.3%
- **FINLAND** +1.2%
- **LIT** +10%
- **EST** -2.7%
- **DEN** +1.3%

- ARPU growth still in majority of markets
- Continued ARPA/ARPU uplift in scope for 2019

**SWEDEN GROWING EXCLUDING LEGACY PRESSURE**

**REVENUE BREAKDOWN**

Service revenues (SR), y-o-y in %

- Legacy reducing growth by 2-3 p.p. per quarter
- *Legacy revenues comprise fixed telephony and other copper based services excluding DSL

**LEGACY HEADWIND BY Q**

SR, SEK in millions, y-o-y in absolute

- Price increases from 2017 no longer impacting
- Similar stock reduction as in previous quarters

**FIBER OTC DEVELOPMENT**

SR, SEK in millions, y-o-y in absolute

- Fiber installation revenues down 14 percent full year
- Slower roll-out as we have entered the tail
- 1.8 million homes passed plus 0.9 million through OCN
STABLE Q4 TRADING FOR GET

Q4 TRADING PERFORMANCE – GET

Revenues, EBITDA & ARPU y-o-y, subscriptions q-o-q

<table>
<thead>
<tr>
<th></th>
<th>REVENUES</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>+1%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CUSTOMERS</th>
<th>ARPU</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>STABLE</td>
</tr>
<tr>
<td>CUSTOMERS</td>
<td>ARPU</td>
</tr>
<tr>
<td>BROADBAND</td>
<td>STABLE</td>
</tr>
<tr>
<td>CUSTOMERS</td>
<td>+2,000</td>
</tr>
<tr>
<td>ARPU</td>
<td>+2%</td>
</tr>
</tbody>
</table>

- Stable revenues and EBITDA development with slightly improving KPI’s
- Positive impact on EBITDA from broadband partly offset by lower TV gross profit
- A somewhat tough year ending with good momentum on the customer side
- Churn managed lower in all segments and products
- NPS improved H2 vs. H1 2018

SUSTAINABILITY BECOMING A CORE PART OF OUR DNA

MAKING ESG IMPACT

EURSIA EXIT IN A RESPONSIBLE WAY

YOUNITE EMPLOYEE ENGAGEMENT FOR SOCIAL IMPACT

NORDIC COALITION IMPORTANT FIRST CROSS INDUSTRY STEP TAKEN

NEW CLIMATE GOALS DARING AMBITIONS TO BE IN THE FOREFRONT
SHAREHOLDER REMUNERATION

FIRST SHARE BUYBACK YEAR ON TRACK

SHARES BOUGHT UNTIL 31 DECEMBER
99.3M

GROSS VALUE
SEK 4.1BN

AVERAGE PRICE
SEK 41.6

DIVIDEND FOR 2018

SAME ABSOLUTE AMOUNT AS IN 2017
SEK 2.36 IN TWO SEPARATE TRANCHES

COMMITTED TO 3-YEAR SHARE BUYBACK AMBITION OF SEK 5 BILLION PER YEAR

IMPROVING CASH FLOW AND STABLE DIVIDEND

FREE CASH FLOW AND PAY-OUT RATIOS

SEK billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend from associated companies</th>
<th>Operational free cash flow</th>
<th>Pay-out ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.00</td>
<td>7.5</td>
<td>115%</td>
</tr>
<tr>
<td>2017</td>
<td>5.5</td>
<td>2.7</td>
<td>80%</td>
</tr>
<tr>
<td>2018</td>
<td>10.8</td>
<td>11.7</td>
<td>84%</td>
</tr>
</tbody>
</table>

PROPOSED DIVIDEND EQUALS AN AMOUNT OF SEK 9.9 BILLION – UNCHANGED VS. 2017
LOOKING AHEAD AT 2019

THE 2019 FUNDAMENTALS...

- CORE REVENUE GROWTH – FOCUS ON ARPA/ARPU
- LEGACY HEADWIND UNCHANGED
- COST FOCUS AND CAPEX DISCIPLINE TO CONTINUE
- M&A SUPPORTS EARNINGS/CASH FLOW GROWTH

...LEADS TO

GROWTH IN OPERATIONAL FREE CASH FLOW

OUTLOOK FOR 2019 AND RATING

OPERATIONAL FREE CASH FLOW

Operational free cash flow to be between SEK 12.0-12.5 billion
(SEK 10.8 billion 2018)

RATING

Telia Company shall continue to target a solid investment grade long-term credit rating of A- to BBB+
PRESSURE ON REVENUES AND EBITDA AS EXPECTED

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

- Sweden down mainly due to fixed telephony
- Telia Carrier continued according to strategy to take down low-margin revenues – a more neutral development expected 2019

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

- Mixed picture on EBITDA development
- Sweden burdened by fixed telephony erosion and higher costs
- Norway benefiting from Phonero synergies
GROWTH IN CORE OFFSET BY LEGACY PRESSURE IN SWEDEN

**SERVICE REVENUES**
- Organic growth, external revenues
  - B2C incl. fiber installation revenues
  - B2C excl. fiber installation revenues
- **B2B**
- **B2C**

Q4 17 Q1 18 Q2 18 Q3 18 Q4 18
- Slower mobile growth and higher telephony drop pace in B2C
- Flat trend in B2B
- Most satisfied TV customers again

**MOBILE – B2C**
- In local currency
  - Mobile B2C postpaid ARPU
  - Mobile B2C revenue growth

Q4 17 Q1 18 Q2 18 Q3 18 Q4 18
- Slightly lower ARPU due to lapsing effect from invoice fees
- Subscription revenues grew by 1.6 percent Q4

**MOBILE SUBS. – B2C**
- Postpaid subscriptions in thousands

Jan 17 Dec 18
- Net addition growth Q4
- Only negative for three months over the last two years

STABLE QUARTER IN FINLAND

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

Q4 17 Q4 18
- Flat mobile revenue development in both B2C and B2B
- Neutral cost base development
- OPEX down despite higher marketing spend

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

- Flat subscription base as growth in B2B from the acquisition of AinaCom was offset by loss in B2C
- AinaCom to be EBITDA accretive from 2019
STRONG ORGANIC EBITDA GROWTH IN NORWAY

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

Norway organic revenues slightly down due to less subscriptions
Phonero synergies supported EBITDA

NORWAY CASH FLOW DEVELOPMENT R12
Adj. EBITDA, CAPEX ex. licenses, local currency, R12

Strong cash flow development on back of M&A
Next growth phase started Q4

MOBILE GROWTH IN LED

SERVICE REVENUE DEVELOPMENT
Organic growth, external service revenues

Lithuania down due to transit revenue decline - mobile revenues grew 16 percent
Continued mobile and fixed revenue growth in Estonia
Mobile positive in Denmark but fixed headwind continued

EBITDA* DEVELOPMENT
SEK million, reported currency & organic growth

Higher resource and marketing costs in Lithuania
Revenue growth and a flat cost base in Estonia
Strong execution on cost in Denmark again

= Organic growth  * External service revenues  ** Excluding adjustment items
CASH CAPEX TRENDING DOWN

- Lower cash CAPEX excl. licenses Q4 despite TDC Norway/Get
- Sweden main driver from less fiber and network capacity investments

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

- Booked CAPEX excl. licenses (R12)
- Cash CAPEX excl. licenses in stable FX (R12)

CASH CAPEX – ILLUSTRATIVE 2019
SEK in billions, excl. licenses & M&A, at stable FX

- CAPEX excl. licenses and TDC/Get is estimated to continue down
- Continue to invest to retain best network status

** 2016 are based on non-restated figures and adjusted for capitalized wages

LEVERAGE INCREASE FROM M&A

NET DEBT DEVELOPMENT – Q4
Continuing and discontinued operations, SEK billion

- Major M&A agenda concluded
- Fintur cash of around SEK 3.5 billion to be distributed 2019 to Turkcell
- Remaining legal settlement of SEK 1.9 billion to be paid 2019
- Swedish 700 MHz of SEK 1.1 billion to be paid 2019

≈2.5% of total shares bought back since the start of the buy-back program

~Leverage ratio (including a full year of TDC Norway/Get)
CASH FLOW FOCUS YIELDING RESULTS

OPERATIONAL FREE CASH FLOW
Continuing operations, SEK billion, R12 & outlook 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>12.0</td>
<td>12.5</td>
<td>12.8</td>
<td>12.8</td>
</tr>
</tbody>
</table>

- Company focus has shifted and increased on cash flow generation recent years

OP. FCF 2019 – OUTLOOK
SEK billion, illustrative 2019 per bucket

\[ \text{EBITDA} + \text{NWC} + \text{CAPEX}^* + \text{FINANCE} + \text{TAX} + \text{OTHER} = \text{OPERATIONAL FREE CASH FLOW} \]

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>-3.4</td>
<td>-4.3</td>
<td>-4.3</td>
</tr>
<tr>
<td>BN</td>
<td>13.1</td>
<td>15.1</td>
<td>15.1</td>
</tr>
</tbody>
</table>

* CAPEX excluding licenses

IFRS16 IN SHORT
WHAT IT RELATES TO
- Financial leases seen as debt
- EBITDA no longer includes financial lease costs
- All lease contracts need to be reviewed
- Extension options should be reasonably certain to be exercised to be added to debt

IFRS16 IMPACT ON P&L AND CASH FLOW
- Significant impact on EBITDA
- Neutral on net cash flow
- Requires new definition of operational free cash flow to keep the current base intact

LEASE LIABILITIES (+SEK 15 BILLION)
SAVE THE DATE - ANALYST AND INVESTOR BRIEFING

VENUE: STOCKHOLM
DATE: 21 MARCH

TOPICS: STRATEGY AND ESG
SERVICE REVENUE
COST BASE MANAGEMENT
CASH FLOW
EPS DECLINED Q4

TOTAL EPS DEVELOPMENT
SEK, continuing and discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>Q4 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>0.18</td>
<td>-0.44</td>
</tr>
<tr>
<td>Associates</td>
<td>-0.15</td>
<td>-0.26</td>
</tr>
<tr>
<td>Finance net</td>
<td>-0.65</td>
<td>0.35</td>
</tr>
<tr>
<td>Other</td>
<td>-0.02</td>
<td>0.03</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>Primarily due to that part of the MegaFon divestment LY also resulted in a capital loss in the financial net</td>
<td></td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>Rather flat as mainly write downs LY was offset by a capital loss from the Ucell disposal in 2018</td>
<td></td>
</tr>
</tbody>
</table>

CONTINUING OPERATIONS

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.