

Q1

**Interim Report
January - March 2022**

A strong start to the year

First quarter summary

- Net sales amounted to SEK 21,818 million (21,814) and like for like³, net sales increased 2.1%.
- Service revenues increased 0.1% to SEK 18,757 million (18,747) and like for like³, service revenues increased 3.2%. For the Core Telco business, i.e. excluding TV and Media, service revenues increased 2.9% on a like for like basis.
- Operational expenses declined 3.0% driven by further business transformation progress.
- Adjusted EBITDA increased 0.3% to SEK 7,202 million (7,179) and like for like³, adjusted EBITDA increased 0.1%. For the Core Telco business, i.e. excluding TV and Media, adjusted EBITDA increased 4.6% on a like for like basis.
- Total net income amounted to SEK 1,086 million (953).
- Operational free cash flow decreased to SEK 2,163 million (4,036) and cash flow from operating activities decreased to SEK 5,972 million (7,474).
- A green hybrid bond of EUR 500 million was issued, to finance more energy efficient networks and green digital solutions.
- The leverage ratio was 2.09x at the end of the quarter.
- The outlook for 2022 remains unchanged: Service revenues and adjusted EBITDA, like for like, are estimated to grow by low single digit. Cash CAPEX, excluding fees for licenses and spectrum, is estimated to be in the range of SEK 14.0-15.0 billion.
- It is expected that the Swedish tower transaction, announced on 27 January 2022, will close in the second quarter and the net proceeds are estimated at approximately SEK 5.4 billion.
- The Board of Directors has previously announced its intention to return the net proceeds from the Swedish tower transaction to the shareholders, by means of an extraordinary dividend or a share buy-back program. The Board has now resolved that the method for such transfer shall be a share buy-back program.

18,757

Service revenues
Q1 2022
(SEK million)

7,202

Adjusted
EBITDA
Q1 2022
(SEK million)

2,163

Operational
free cash flow
Q1 2022
(SEK million)

Highlights

SEK in millions, except key ratios, per share data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	21,818	21,814	0.0	88,343
Change (%) like for like ³	2.1			
of which service revenues (external) ¹	18,757	18,747	0.1	75,180
change (%) like for like ^{1,3}	3.2			
Adjusted ² EBITDA ¹	7,202	7,179	0.3	29,861
change (%) like for like ^{1,3}	0.1			
Margin (%)	33.0	32.9		33.8
Adjusted ² operating income ¹	2,609	2,195	18.8	10,033
Operating income	2,437	1,795	35.8	15,232
Income after financial items	1,407	1,107	27.1	12,598
Total net income	1,086	953	13.9	11,836
EPS total (SEK)	0.23	0.23	-1.6	2.86
Operational free cash flow ¹	2,163	4,036	-46.4	10,401
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	3,285	2,926	12.3	15,885

1) See Note 15 Alternative Performance Measures and/or section Definitions. 2) Adjustment items, see Note 2. 3) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period.

CEO comment...

"We experienced a strong start to 2022. Our transformation towards a smarter, more digital, and more customer centric Telia delivering sustainable growth is becoming increasingly visible. Network investments combined with richer content and service orchestration is spurring growth across all business units, while improvements in how we serve our customers are reducing response times and enhancing their experience. The latter provides a solid fundament for positive long-term customer satisfaction and cost to serve metrics, enabled by our digital transformation. This, combined with continued workforce streamlining, sees operational expenses declining, defying the inflationary pressure around us. Overshadowing the quarter, the appalling Russian invasion of Ukraine – which we condemn in the strongest of terms - has, yet again, highlighted the importance of our purpose, our products and our services as we keep people connected and enterprises secure at a time when communication is more important than ever.

During the quarter we have seen solid momentum across our four strategic priorities.

Core to Inspiring our Customers is a constant improvement of our offerings, currently most visible in the form of new technologies and broader aggregated content, both of which are underpinning positive ARPU development, on average up 2-3%, in the quarter. Premium sports content helps both our leading broadband and TV business in Sweden, now surpassing 1 million TV customers, and contributing to 13% growth in fiber revenue across the group. Less visible, but of increasing importance, is enhanced security of communications. Across our markets governments are raising defense budgets and public enterprises requesting enhanced security of communications. Telia's experience in being a trusted partner to authorities sees us well-positioned to provide for elevated communications needs of the armed forces and critical public organizations across the Nordics and Baltics.

We Connect Everyone by building 5G - on track for more than 90% population coverage in most markets by 2023 - modernizing our 4G networks, and by building out fiber. Specifically on 5G we now offer 5G to 36% of the Nordic/Baltic population, with close to 70% population coverage in Finland, and 50% in both Norway and Denmark. We pride ourselves on network innovation as exemplified by becoming the first telco in the world to deploy 4G/5G edge slicing to operate a private network when we connected Sandvik's test mine in Finland in February, enabling the development of digital mining solutions based on Telia's edge computing feature. We are also proud to have been awarded the RAN contract for the next generation's emergency services network in Sweden by The Swedish Civil Contingencies Agency, MSB, illustrating again our trusted partner status for critical services.

Our strategic priority to Transform to Digital is advancing. IT infrastructure modernization and further dismantling of legacy – now with over 25% of legacy systems removed – resulted in SEK 80 million of structural cost savings in the quarter. Besides lower IT costs, the transformation is enabling operational benefits and we can now see a reduction in incoming calls from consumers in



Sweden, as we remove fault sources and pursue a channel shift towards digital.

These efforts all contribute to our Deliver Sustainably priority, the essence of which is to execute consistently and sustainably over time, creating value for all our stakeholders. I am pleased that our financial metrics are healthy with our return to service revenue and EBITDA growth increasingly robust as exemplified by our Core Telco businesses growing service revenue by 2.9% and EBITDA by 4.6%, respectively. Mobile service revenue grew in all business units, and we are working to introduce CPI-linked pricing in our Enterprise contracts wherever possible to create sustainable inflationary pricing mechanisms. We are on track to meet our SEK 2 billion operational expense reduction target by 2023, as operational expenses declined by 3% in Q1, despite inflation. This helped all our Core Telco units, including Finland, to grow EBITDA in the quarter. Our balance sheet is resilient with leverage at 2.09x at the end of the quarter, in the lower part of the target range, and in March we were able to issue our second green hybrid bond, of EUR 500 million, at satisfactory terms despite market volatility, to finance more energy efficient networks and green digital solutions.

Looking at our markets, Sweden delivered on its stated ambition to stay in positive growth territory, with service revenue growing 1.8% and EBITDA 4.4%. Both mobile and fixed service revenue grew, and customer bases were stable in both postpaid mobile and broadband. Fiber growth once again was higher than the decline in copper broadband connections, and Telia Sweden's leading IPTV product continues to be a star performer with 15% revenue growth.

A turnaround in Finland during 2022 remains of absolute priority, and we are seeing positive signs in the quarter with a stabilization of both service revenue and EBITDA. This comes on the back of

a comprehensive, long-term oriented turn-around plan encapsulating network quality, brand perception, commercial execution, cost transformation and more, aiming to enable performance in line with the market over time. While improvements are starting to show, we have more work to do and remain on track for a confirmed and sustainable turnaround in the second half of the year.

As Norway's largest challenger, Telia Norway is delivering a broad-based acceleration of its performance with service revenue up 6.6%. This was led by the Enterprise segment continuing to win significant contracts, this quarter including an extension of a central framework agreement comprising 120 government agencies. Both mobile and fixed services grew, at 9.0% and 2.5% respectively. A solid base for further acceleration is provided by our market leading 5G network, the most awarded 5G network in an Opensignal survey of actual user experiences, including exclusive top ranking in the 5G gaming category.

Our market leaders in Lithuania and Estonia continued previous quarters excellent track record of consistent delivery, with mid-to high single digit growth in both service revenue and EBITDA – 5.6% and 5.4% in Lithuania and 8.0% and 7.8% in Estonia respectively. And, improvements in Denmark are gathering pace with mobile-led service revenue growth of 3.0% in the quarter, up from flat in Q4, driving EBITDA growth of 5.4%. We aim to continue the growth trajectory by ensuring pricing reflective of our improved network quality, increased data traffic and inflation.

Our TV and Media unit saw several moving parts during the quarter. Advertising again performed strongly with 11% revenue growth. The transition to digital continues at full speed with digital advertising growing 26% and delivering one third of the overall growth, despite good momentum in linear. Pay TV revenue was flat in the quarter as strong growth in sports in Sweden, spurred by Champions League, was offset by declines in other segments, in particular driven by fierce global OTT competition within movies and series. Stronger content and fine-tuned commercial propositions are planned for the coming quarters to counter the latter. As stated in January, higher premium sports content costs are resulting in a lower EBITDA contribution this year for TV and Media, with a decline of SEK 311 million in Q1. The significant increase in content costs compared to the corresponding period of last year, will, however, gradually fade during the year, and our 2022 guidance for the group of low single digit growth in both service revenue and EBITDA is unchanged.

The sale of 49% of our Swedish towers announced in January is proceeding as planned and is expected to close in Q2, earlier than previously estimated. Pending closing of the transaction, the Board of Directors has decided to execute a share buy-back program of SEK 5.4 billion, which, combined with our strong, committed ordinary dividend, will further strengthen an attractive and sustainable shareholder remuneration profile.

While to date our markets have proven resilient to the impact from the Russian invasion of Ukraine, we are deeply concerned about the human suffering caused by the conflict and are focused on enabling our products and services to provide relief

and support wherever possible. This has included temporarily providing free or reduced-price connections to and from Ukraine; access to news channels and information on the conflict; device, connectivity and job campaign support for Ukrainian refugees and for Ukrainian businesses; as well as donations to humanitarian relief efforts in Ukraine, among other. Saddened by the situation, I am inspired by the resilience of our colleagues in the Baltics and in Finland, in particular, in the face of uncertainty, and immensely proud that Telia keeps people and society connected in times like these.

Notwithstanding the lack of clarity on the longevity and outcome of the conflict, which we continue to monitor closely, I am emboldened by the visible signs of progress we are making in creating a better Telia for the benefits of customers, employees and stakeholders alike.”

Allison Kirkby
President & CEO

In CEO comment, all growth rates disclosed are based on the “like for like” definition and EBITDA refers to adjusted EBITDA, unless otherwise stated. See definitions for more information.

Outlook for 2022 (unchanged)

Service revenues, like for like, are estimated to grow by low single digit.

Adjusted EBITDA, like for like, is estimated to grow by low single digit.

Cash CAPEX, excluding fees for licenses and spectrum, is estimated to be in the range of SEK 14.0-15.0 billion.

Ambition for 2021-2023 (unchanged)

Service revenues, like for like, are estimated to grow by low single digit.

Adjusted EBITDA, like for like, is estimated to grow by low to mid-single digit.

Cash CAPEX, excluding fees for licenses and spectrum, is estimated to return to around 15% of net sales by 2023.

Leverage and credit rating target

Telia Company targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade of A- to BBB+.

Dividend policy

Telia Company intends to follow a progressive dividend policy, with a floor of SEK 2.00 per share and an ambition for low to mid-single digit percentage growth.

The operational free cash flow is expected to cover the minimum level throughout the 2021-2023 period.

The structural part¹ of operational free cash flow is expected to cover the minimum level of dividend from 2022.

Ordinary dividend to shareholders

For 2021, the Annual General Meeting (AGM) decided on an ordinary dividend of SEK 2.05 per share (2.00), totaling SEK 8.4 billion (8.2). The dividend will be split and distributed into two tranches of SEK 1.00 per share and SEK 1.05 per share, respectively.

First distribution

The Annual General Meeting (AGM) decided that the first distribution of the dividend was to be distributed by Euroclear Sweden on April 13, 2022.

Second distribution

The Annual General Meeting (AGM) decided that the final day for trading in shares entitling shareholders to dividend be set for October 25, 2022. The record date at Euroclear Sweden for the right to receive dividend will be October 27, 2022. The dividend is expected to be distributed by Euroclear Sweden on November 1, 2022.

Share buyback program

The Board of Directors announced on 27 January 2022 its intention to propose a transfer of the net proceeds from the Swedish tower transaction to the shareholders, by means of share buy-backs or an extraordinary dividend. The Board of Directors has now resolved that the method for such distribution shall be a share buy-back program. The program is conditional on the closing of the transaction, which is expected to occur in the second quarter of 2022, and subject to a final decision by the Board of Directors.

¹) Telia Company consider the structural part of Operational free cash flow to be Operational free cash flow less contribution from change in working capital.

Review of the group, first quarter 2022

Sales and earnings

Net sales amounted to SEK 21,818 million (21,814) and like for like, net sales increased by 2.1%.

Service revenues increased 0.1% to SEK 18,757 million (18,747). Like for like, service revenues increased 3.2% driven by a positive development for all units but Finland.

Adjusted EBITDA increased 0.3% to SEK 7,202 million (7,179) and the adjusted EBITDA margin increased slightly to 33.0% (32.9). Like for like, adjusted EBITDA increased 0.1% as a positive development in all markets to a large extent was offset by lower adjusted EBITDA for the TV and Media unit.

Adjustment items affecting operating income decreased to SEK -172 million (-401) mainly impacted by gains from divested operations and lower personnel redundancy restructuring costs.

Adjusted operating income increased to SEK 2,609 million (2,195).

Financial items totaled SEK -1,030 million (-688) of which SEK -808 million (-705) related to net interest expenses. 2022 was impacted by higher costs mainly related to net interest expenses as well as negative market value changes.

Income taxes amounted to SEK -321 million (-154). The effective tax rate was 22.8% (13.9). The effective tax rate the corresponding quarter last year was mainly impacted by prior year adjustments of deferred taxes.

Total net income amounted to SEK 1,086 million (953).

Other comprehensive income decreased to SEK 3,563 million (5,643), related to a revaluation of defined benefit pension plans driven by a lower return on plan assets, partly offset by increased pension obligation discount rates. Furthermore, there was also an impact from translation differences mainly related to NOK, compared to the corresponding quarter last year.

Cash flow

Cash flow from operating activities decreased to SEK 5,972 million (7,474) mainly impacted by lower contribution from working capital.

Free cash flow decreased to 2,766 million (3,849) mainly due to lower contribution from working capital partly offset by lower cash CAPEX.

Operational free cash flow, from continuing operations, decreased to SEK 2,163 million (4,036).

Cash flow from investing activities amounted to SEK -4,596 million (-5,609) mainly impacted by lower investments in short term investments.

Cash flow from financing activities amounted to SEK -7,757 million (-1,552) mainly impacted by net repayments of borrowings.

Financial position

CAPEX excluding right-of-use assets, decreased to SEK 3,456 million (3,687). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 3,285 million (2,926). Cash CAPEX decreased to SEK 3,205 million (3,625).

Net debt was SEK 62,172 million at the end of the first quarter (63,133 at the end of the fourth quarter of 2021). The net debt/adjusted EBITDA ratio was 2.09x.

Investments in associated companies and joint ventures, pension obligation assets and other non-current assets increased to SEK 6,289 million (4,749) mainly due to positive remeasurements of defined benefit pension plans.

Short-term interest-bearing receivables increased to SEK 12,515 million (8,841) mainly due to an increase in other short-term interest-bearing receivables as well as investments in investment bonds.

Long-term borrowings amounted to SEK 91,665 million (91,637), as issued green hybrid bond was offset by repaid long-term debt.

Provisions for pensions and other long-term provisions decreased to SEK 5,488 million (7,001) mainly due to remeasurements of defined benefit pension plans.

Short-term borrowings decreased to SEK 6,147 million (10,017) mainly due to repayment of matured debt.

Impact from the war in Ukraine

On 24 February 2022, Russian military forces launched a military action against Ukraine. Telia Company's operational exposure to the war in Ukraine including the imposed sanctions is deemed limited. The upward trend in energy prices impacting Telia Company's energy costs is likely to continue during 2022 as the war is expected to lead to a very volatile energy market, but for the first quarter 2022 the impact on the group's energy costs is limited. The impact on roaming revenues from travel decrease due to the war and the current initiative of free voice traffic to Ukraine had no adverse impact in the first quarter. Russian TV channels have been closed down as a consequence of the sanctions, but the financial impact is not material.

The general credit risk has increased due to the war in Ukraine and the related imposed sanctions, but there has been no need for any significant increases in Telia Company's allowances for expected credit losses in the first quarter 2022. As the financial markets have been affected by the war in Ukraine, volatility in foreign exchange rates and interest rate markets has increased. Telia Company's financial risk management is in all material aspects unchanged, but with additional focus to maintain a continued strong liquidity position. Debt capital markets remains open to Telia Company and the main funding need 12 months ahead is refinancing of remaining upcoming calls of hybrid capital of approximately SEK 10 billion. The increase in interest rates, which is partly related to the Ukraine war, has had a negative impact on the market value of Telia Company's investment bonds, resulting in a limited negative effect on the finance net in the first quarter 2022. See also section "Risks and uncertainties".

Significant events in the first quarter

- On January 4, 2022, Telia Company announced the divestment of SIA Telia Latvija to SIA Tet for an enterprise value of EUR 10.75 million (approximately SEK 110 million) on a cash and debt free basis. The transaction is expected to be closed during the second quarter of 2022. See Note 12.
- On January 27, 2022, Telia Company announced the launch of a pilot in partnership with the energy storage solution provider Polarium to develop energy optimization.
- On January 27, 2022, Telia Company announced a divestment of a 49% stake in its Swedish tower business to Brookfield and Alecta. The transaction price corresponds to an enterprise value for 100% of SEK 11,224 million on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected in the second quarter of 2022. See Note 12.
- On March 11, 2022, Telia Company released its Annual and Sustainability Report 2021.
- On March 22, 2022, Telia Company announced the issuance of its second green hybrid bond. The proceeds of EUR 500 million (SEK 5.2 billion) will finance more energy efficient networks, including the Swedish network transformation from copper to fiber and deployment of 5G, as well as digital solutions that enable customers to reduce energy use and emissions. See Note 8.

Significant events after the end of the first quarter

- On April 6, 2022, Telia Company announced the resolutions passed at the Annual General Meeting, including the appointment of the new board. Further the annual general meeting approved implementation of a long-term incentive program 2022/2025.

Sweden

- For the 12th consecutive year Telia came out as the most sustainable telecommunications brand in Europe's largest study on sustainability, the Sustainable Brand Index.
- After securing the top position in all measurement categories: speech, data and crowd, the independent measurement company umlaut again ranked Telia's mobile network as the best in Sweden.
- Telia won MSB's (Swedish Civil Contingencies Agency) procurement of radio access network for services to blue light authorities and other socially important actors. The solution to be developed is a complement to the current blue light network, and the first step to a fully developed and modern mobile data communication system.
- Telia signed an agreement with SCA to deliver a dedicated 5G-ready mobile network to SCA's paper mill in Obbola. The new mobile network will cater for a robust and secure digital infrastructure and at the same time enable for new digital solutions.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	8,548	8,401	1.8	34,451
<i>Change (%) like for like</i>	<i>1.8</i>			
<i>of which service revenues (external)</i>	<i>7,380</i>	<i>7,233</i>	<i>2.0</i>	<i>29,582</i>
<i>change (%) like for like</i>	<i>1.8</i>			
Adjusted EBITDA	3,337	3,197	4.4	13,359
Margin (%)	39.0	38.1		38.8
<i>change (%) like for like</i>	<i>4.4</i>			
Adjusted operating income	1,663	1,330	25.0	5,833
Operating income	1,605	1,218	31.8	5,588
CAPEX excluding fees for licenses, spectrum and right-of-use assets	759	556	36.5	3,685
Subscriptions, (thousands)				
Mobile	7,117	6,292	13.1	6,914
<i>of which machine-to-machine (postpaid)</i>	<i>2,360</i>	<i>1,426</i>	<i>65.5</i>	<i>2,120</i>
Fixed telephony	475	630	-24.6	509
Broadband	1,249	1,236	1.1	1,248
TV	1,015	935	8.6	997
Employees	4,288	4,495	-4.6	4,342

Net sales increased 1.8% to SEK 8,548 million (8,401) and like for like, net sales increased 1.8% driven mainly by increased service revenues and partly also increased sale of equipment.

Service revenues, like for like, increased by 1.8% driven by mobile and fixed service revenues increasing by 3.0% and 1.6%, respectively. For mobile service revenues the increase was due to a positive ARPU development, whereas fixed service revenues increased as a positive development for mainly fixed broadband and TV more than compensated for a continued decline for fixed telephony revenues.

Adjusted EBITDA increased 4.4% to SEK 3,337 million (3,197) and adjusted EBITDA margin increased to 39.0% (38.1). Adjusted EBITDA like for like increased 4.4% driven by both increased service revenues as well as lower operational expenses. The latter primarily driven by reduced resource costs and partly also lower marketing expenses.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 36.5% to SEK 759 million (556) mainly due to investments associated with upgrading the mobile network as well as roll-out of 5G.

Mobile subscriptions grew by 203,000 in the quarter as a loss of 35,000 prepaid subscriptions was more than offset by an addition of 240,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased by 18,000 and fixed broadband subscriptions increased by 1,000 in the quarter.

Finland

- As a result of the ongoing network modernization and 5G roll-out, close to 70% of Finns in 166 municipalities now have access to Telia's fast and reliable 5G network. This at the same time when also 4G connectivity has improved, bringing more reliable and faster connections across the country.
- Telia became the first operator in the world to implement a virtual private network based on network slicing and edge computing at the Sandvik test mine in Tampere. Thanks to this advanced slicing feature, Telia can provide a virtual private network on public 4G and 5G networks securely, reliably and efficiently to companies for whom a private network is not a realistic option.
- Telia won awards in all five categories in Tutela's independent report that examines user experience in Finnish mobile networks based on extensive crowdsourced measurements. Telia did particularly well in overall Core Consistent Quality and average Coverage Score. With all other indicators, Telia was also at the top, and shared the number one position for 5G Consistent Quality as well as Video Experience.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	3,630	3,542	2.5	14,504
Change (%) like for like	-0.7			
of which service revenues (external)	3,092	2,991	3.4	12,125
change (%) like for like	-0.3			
Adjusted EBITDA	1,111	1,063	4.4	4,322
Margin (%)	30.6	30.0		29.8
change (%) like for like	1.9			
Adjusted operating income	238	257	-7.5	1,069
Operating income	201	241	-16.8	1,354
CAPEX excluding fees for licenses, spectrum and right-of-use assets	321	344	-6.7	1,833
Subscriptions, (thousands)				
Mobile	3,208	3,155	1.7	3,234
of which machine-to-machine (postpaid)	315	281	12.3	309
Fixed telephony	16	20	-20.0	17
Broadband	467	470	-0.6	474
TV	658	590	11.5	646
Employees	2,802	2,971	-5.7	2,860

Net sales increased 2.5% to SEK 3,630 million (3,542) and like for like, net sales declined 0.7% driven mainly by decreased equipment sales. The effect of exchange rate fluctuations was positive by 3.5%.

Service revenues, like for like, declined 0.3% as an increase of 0.9% for mobile service revenues could not fully compensate for mainly a 1.3% decline for fixed service revenues driven predominately by lower revenues from legacy products in business solutions and fixed broadband.

Adjusted EBITDA increased 4.4% to SEK 1,111 million (1,063) and adjusted EBITDA margin increased to 30.6% (30.0). Adjusted EBITDA like for like increased 1.9% driven predominately by lower operational expenses.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 6.7% to SEK 321 million (344).

Mobile subscriptions decreased in the quarter by 26,000 driven by the loss of 21,000 postpaid subscriptions, predominately in the Enterprise segment. TV subscriptions increased by 12,000 and fixed broadband subscriptions declined by 7,000 in the quarter.

Norway

- Telia continued to take great leaps forward on network modernization and was by the benchmarking company Opensignal awarded for having the best 5G gaming network in Norway.
- Telia and Telia-owned Phonero extended the current agreement with the Armed Forces of Norway for delivery of fixed and mobile connectivity services and Telia also managed to secure a multiyear contract with the state's sourcing center for telephony services.
- Telia signed a strategic multiyear agreement regarding connectivity solutions with usbl, one of Norway's largest developer of housing associations. Under the agreement Telia will provide TV, broadband and other solutions that provides both flexibility and continuous technological development for usbl's new housing projects.
- Telia continued to further strengthen its TV offering by adding Netflix to the options menu for customers to choose from. This allows Telia's customers, in addition to the already available selection of more than 100 different TV channels and streaming services, to use its TV points for Netflix.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	3,649	3,309	10.3	13,788
Change (%) like for like	3.1			
of which service revenues (external)	3,146	2,756	14.1	11,510
change (%) like for like	6.6			
Adjusted EBITDA	1,666	1,524	9.3	6,240
Margin (%)	45.7	46.1		45.3
change (%) like for like	2.0			
Adjusted operating income	644	498	29.2	2,351
Operating income	636	431	47.6	2,192
CAPEX excluding fees for licenses, spectrum and right-of-use assets	532	586	-9.1	3,043
Subscriptions, (thousands)				
Mobile	2,302	2,262	1.8	2,289
of which machine-to-machine (postpaid)	134	116	15.5	125
Fixed telephony	32	37	-13.5	32
Broadband	490	480	2.1	492
TV	477	468	1.9	477
Employees	1,410	1,645	-14.3	1,412

Net sales increased 10.3% to SEK 3,649 million (3,309) and like for like, net sales increased 3.1% due to increased service revenues. The effect of exchange rate fluctuations was positive by 7.2%.

Service revenues, like for like, increased 6.6% due to growth for both mobile as well as fixed service revenues. For mobile service revenues, the growth of 9.0% was mainly the result from a growing customer base as well as a positive ARPU development. For fixed service revenues the growth of 2.5% was due to an 8.2% increase for fixed broadband revenues, which more than compensated for lower fixed telephony, TV and business solutions revenues.

Adjusted EBITDA increased 9.3% to SEK 1,666 million (1,524) and adjusted EBITDA margin declined to 45.7% (46.1). Adjusted EBITDA like for like increased 2.0% as the service revenue growth as well as realized efficiencies more than offset the positive effects from higher special items in the corresponding quarter last year.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 9.1% to SEK 532 million (586).

Mobile subscriptions increased by 13,000 in the quarter driven by the addition of 15,000 postpaid subscription. TV subscriptions remained unchanged and fixed broadband subscriptions decreased by 2,000 in the quarter.

Denmark

- Through a new agreement with Norlys, Telia extended its fiber reach by an additional 700,000 households to 1.7 million. And if adding also own infrastructure, Telia is now able to provide high-speed broadband to 9 out of 10 Danish households.
- In line with the ambition of being the natural choice for Danish families when it comes to TV and streaming, Telia continued to expand its portfolio of attractive streaming solutions, by adding TV 2 PLAY, which Telia customers now can access both easily and at an attractive price.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	1,275	1,281	-0.5	5,214
Change (%) like for like	-3.9			
of which service revenues (external)	990	921	7.5	3,807
change (%) like for like	3.0			
Adjusted EBITDA	235	212	10.5	906
Margin (%)	18.4	16.6		17.4
change (%) like for like	5.4			
Adjusted operating income	-4	-38	-89.4	-67
Operating income	2	-52		-299
CAPEX excluding fees for licenses, spectrum and right-of-use assets	121	43	182.4	462
Subscriptions, (thousands)				
Mobile	1,627	1,496	8.7	1,620
of which machine-to-machine (postpaid)	267	120	123.2	254
Fixed telephony	55	65	-15.4	62
Broadband	64	66	-3.0	66
TV	23	29	-20.7	24
Employees	668	711	-6.0	690

Net sales decreased 0.5% to SEK 1,275 million (1,281) and like for like, net sales decreased 3.9% as increased service revenues was more than offset by decreased equipment sales. The effect of exchange rate fluctuations was positive by 3.4%.

Service revenues, like for like, increased 3.0% as mobile service revenue growth of 6.5% driven by an increased ARPU, more than compensated for a 13.3% decline for fixed service revenues due to lower revenues from fixed telephony and business solutions.

Adjusted EBITDA increased 10.5% to SEK 235 million (212) and adjusted EBITDA margin increased to 18.4% (16.6). Adjusted EBITDA like for like increased 5.4% following the combination of increased service revenues and lower operational expenses.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 182.4% to SEK 121 million (43) due to mainly investments associated with upgrading the mobile network as well as roll-out of 5G.

Mobile subscriptions increased by 7,000 in the quarter driven by the addition of 13,000 postpaid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions decreased by 2,000 and TV subscriptions declined by 1,000 in the quarter.

Lithuania

- After testing 5G for three years and having installed over 650 next-generation Ericsson base stations last year, Telia launched, as the first operator, 5G services based on available commercial frequencies. The launch in Vilnius is using the 2,100 MHz frequency band and includes some 20 base stations operating in Dynamic Spectrum Sharing mode, which allows the same frequency band to be used in parallel for both 4G and 5G.
- Telia was awarded by NAVA for its significant contribution to environmental protection. For example, Telia was the first operator to introduce refurbished mobile phones and also to launch the Eco rating initiative which evaluates the environmental impact of mobile phones. Furthermore, Telia has also come far on the supplier side where 7 out of the 10 suppliers that generates the greatest amount of greenhouse gases in the supply chain have in 2021 adopted, or have committed to adopt, science-based targets.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	1,113	999	11.4	4,320
Change (%) like for like	7.5			
of which service revenues (external)	862	781	10.4	3,272
change (%) like for like	5.6			
Adjusted EBITDA	401	368	9.2	1,511
Margin (%)	36.1	36.8		35.0
change (%) like for like	5.4			
Adjusted operating income	195	176	11.1	756
Operating income	196	184	6.7	752
CAPEX excluding fees for licenses, spectrum and right-of-use assets	92	64	43.0	669
Subscriptions, (thousands)				
Mobile	1,532	1,385	10.7	1,518
of which machine-to-machine (postpaid)	309	215	44.0	309
Fixed telephony	195	222	-12.2	201
Broadband	422	418	1.0	421
TV	254	253	0.4	255
Employees	1,596	1,583	0.8	1,599

Net sales increased 11.4% to SEK 1,113 million (999) and like for like, net sales increased 7.5% driven by both higher equipment sales and increased service revenues. The effect of exchange rate fluctuations was positive by 3.9%.

Service revenues, like for like, increased 5.6% driven by both mobile and fixed service revenues. For mobile service revenues that increased 8.7%, the growth was the result from an increased number of subscriptions as well as higher ARPU. For fixed service revenues, which increased 3.7%, the growth was driven by a positive development for fixed broadband and business solution revenues.

Adjusted EBITDA increased 9.2% to SEK 401 million (368) and adjusted EBITDA margin decreased to 36.1% (36.8). Adjusted EBITDA like for like increased 5.4% following of the increase in service revenues.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 43.0% to SEK 92 million (64) mainly due to investments associated with upgrading the mobile network as well as roll-out of 5G.

Mobile subscriptions increased by 14,000 in the quarter. Fixed broadband subscriptions increased by 1,000 and TV subscriptions decreased by 1,000 in the quarter.

Estonia

- According to a report performed by the global analysis company Opensignal, Telia's customers enjoy internet with the highest average download and upload speeds in Estonia. The most prominent difference versus other operators was mobile internet download speeds that for Telia customers on average reached 59 Mbit/s, while for competition the corresponding figure was below 40 Mbit/s.
- Telia and the University of Tartu announced the start of a nationwide program of young digital mentors, with the aim to motivate young people to act together with the elderly to strengthen digital competences as well as relationships across generations.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	868	778	11.6	3,331
Change (%) like for like	7.7			
of which service revenues (external)	729	642	13.5	2,689
change (%) like for like	8.0			
Adjusted EBITDA	326	292	11.7	1,196
Margin (%)	37.5	37.5		35.9
change (%) like for like	7.8			
Adjusted operating income	169	130	30.0	542
Operating income	168	126	32.9	536
CAPEX excluding fees for licenses, spectrum and right-of-use assets	55	52	4.7	417
Subscriptions, (thousands)				
Mobile	1,209	1,121	7.9	1,186
of which machine-to-machine (postpaid)	416	357	16.5	396
Fixed telephony	204	223	-8.5	209
Broadband	242	242	0.0	243
TV	205	207	-1.0	207
Employees	1,293	1,326	-2.5	1,306

Net sales increased 11.6% to SEK 868 million (778) and like for like, net sales increased 7.7% driven mainly by increased service revenues. The effect of exchange rate fluctuations was positive by 3.9%.

Service revenues, like for like, increased 8.0% from mobile service revenues increasing 6.1% driven by subscription base expansion and ARPU growth, and fixed service revenues growing by 9.0% due to a positive development for most services.

Adjusted EBITDA increased 11.7% to SEK 326 million (292) and adjusted EBITDA margin remained unchanged at 37.5% (37.5). Adjusted EBITDA like for like increased 7.8% driven by the service revenue increase.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 4.7% to SEK 55 million (52).

Mobile subscriptions increased by 24,000 in the quarter driven by the addition of 20,000 postpaid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions decreased by 1,000 and TV decreased by 2,000 in the quarter.

TV and Media

- Digital consumption continued to develop strongly with revenue from digital advertising increasing 26% compared to the corresponding quarter last year.
- The share of viewing for TV4's linear channels amongst 15-64 year olds decreased slightly to 30.1% compared to 30.5% in the corresponding quarter last year, explained by competition from the Winter Olympics that was carried by another broadcaster. However, excluding the impact from this particular content, TV and Media continued to further strengthen its market leading position.
- To make it clearer that C More is an integral part of Telia's connectivity offering on mobile, broadband and TV, the brand identity of C More received a makeover and was brought closer to Telia's brand.
- C More strengthened its sports portfolio by adding the international racing series Extreme E, where electric SUV's race across different continents and environments to increase the awareness of climate change and the challenges that different eco systems face.

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	2,031	1,904	6.7	8,648
Change (%) like for like	5.8			
of which service revenues (external) change (%) like for like	2,031	1,904	6.7	8,647
	5.8			
Adjusted EBITDA	-191	120		878
Margin (%)	-9.4	6.3		10.2
change (%) like for like				
Adjusted operating income	-383	-86	347.7	99
Operating income	-382	-107	258.0	13
CAPEX excluding fees for licenses, spectrum and right-of-use assets	50	56	-10.1	263
Subscriptions, (thousands)				
TV (SVOD)	741	764	-3.0	771
Employees	1,411	1,477	-4.5	1,377

Net sales increased 6.7% to SEK 2,031 million (1,904) and like for like, net sales increased 5.8% driven by increased service revenues. The effect of exchange rate fluctuations was positive by 0.9%.

Service revenues, like for like, increased 5.8% explained by a 9.7% increase for advertising revenues due to successful work on capitalizing on a growing demand for tv-advertising in combination with a market leading total-tv reach.

Adjusted EBITDA decreased to SEK -191 million (120) and adjusted EBITDA margin decreased to -9.4% (6.3). Adjusted EBITDA like for like decreased to SEK -191 million as the service revenue growth was more than offset by mainly higher content costs.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 10.1% to SEK 50 million (56).

Direct subscriptions video-on-demand (SVOD) decreased by 30,000 in the quarter driven by a decline for non-sports subscriptions in Sweden.

Other operations

Highlights

SEK in millions, except margins, operational data and changes	Jan-Mar 2022	Jan-Mar 2021	Chg %	Jan-Dec 2021
Net sales	988	2,144	-53.9	5,723
<i>Change (%) like for like</i>	-1.1			
<i>of which Telia Carrier</i>	-	1,261	-100.0	1,944
<i>of which Latvia</i>	697	608	14.6	2,562
Adjusted EBITDA	318	402	-21.0	1,449
<i>of which Telia Carrier</i>	-	214	-100.0	371
<i>of which Latvia</i>	206	196	5.0	840
Margin (%)	32.2	18.8		25.3
Income from associated companies	13	26	-50.4	97
<i>of which Latvia</i>	29	28	3.6	112
Adjusted operating income	87	-72		-551
Operating income	10	-247		5,096
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,354	1,225	10.6	5,512
Subscriptions, (thousands)				
Mobile Latvia	1,349	1,320	2.2	1,347
<i>of which machine-to-machine (postpaid)</i>	382	361	5.6	380
Employees	5,989	6,482	-7.6	5,980

In the fourth quarter of 2020 an agreement was signed to divest Telia Carrier to Polhem Infra and the transaction was closed on June 1, 2021. As the Telia Carrier business was divested on June 1, 2021, the reported figures of Telia Carrier for 2021 therefore only represent January-May.

In the fourth quarter of 2021 SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of Santa Monica Networks which was consolidated from October 2021. See Note 13.

In the first quarter of 2022 an agreement was signed regarding a divestment of SIA Telia Latvija, a leading B2B telecom services provider in Latvia. The transaction is expected to be closed during the second quarter of 2022. See Note 12.

Net sales declined 53.9% to SEK 988 million (2,144) due to the divestment of Telia Carrier. Like for like, net sales decreased 1.1%. The effect of exchange rate fluctuations was positive by 1.6%.

Adjusted EBITDA declined 21.0% to SEK 318 million (402) and adjusted EBITDA margin increased to 32.2% (18.8) due to the divestment of Telia Carrier. Adjusted EBITDA like for like increased 40.8% due to mainly efficiency gains realized at central functions.

In Latvia, net sales increased 14.6% to SEK 697 million (608) and like for like, net sales increased 1.2% driven by increased equipment sales. The effect of exchange rate fluctuations was positive by 4.0%. Adjusted EBITDA increased 5.0% to SEK 206 million (196) and the adjusted EBITDA margin decreased to 29.6% (32.3). Adjusted EBITDA like for like decreased 2.3% due to increased operational expenses. The number of mobile subscriptions increased by 3,000 in the quarter. In January, 2022, LMT successfully acquired 1,400 MHz spectrum in the frequency auction.

Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Note	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Continuing operations				
Net sales	3, 4	21,818	21,814	88,343
Cost of sales		-14,057	-14,481	-58,311
Gross profit		7,761	7,333	30,031
Selling, administration and R&D expenses		-5,261	-5,261	-20,843
Other operating income and expenses, net		-76	-300	5,940
Income from associated companies and joint ventures		14	24	104
Operating income	3	2,437	1,795	15,232
Financial items, net		-1,030	-688	-2,634
Income after financial items	3	1,407	1,107	12,598
Income taxes		-321	-154	-937
Net income from continuing operations		1,086	953	11,661
Discontinued operations				
Net income from discontinued operations	12	-	-	176
Total net income		1,086	953	11,836
Items that may be reclassified to net income:				
Foreign currency translation differences		1,277	2,616	3,030
Cash flow hedges		151	-83	61
Cost of hedging		-19	150	143
Debt instruments at fair value through OCI		-5	-36	-40
Income taxes relating to items that may be reclassified		2	71	52
Items that will not be reclassified to net income:				
Equity instruments at fair value through OCI		-16	3	126
Remeasurements of defined benefit pension plans		2,730	3,673	6,654
Income taxes relating to items that will not be reclassified		-558	-751	-1,360
Other comprehensive income		3,563	5,643	8,666
Total comprehensive income		4,649	6,596	20,502
Total net income attributable to:				
Owners of the parent		929	944	11,680
Non-controlling interests		157	9	156
Total comprehensive income attributable to:				
Owners of the parent		4,479	6,565	20,321
Non-controlling interests		170	31	181
Earnings per share (SEK), basic and diluted				
<i>of which continuing operations</i>		0.23	0.23	2.86
		0.23	0.23	2.81
Number of shares (thousands)				
Outstanding at period-end	6	4,089,632	4,089,632	4,089,632
Weighted average, basic and diluted		4,089,632	4,089,632	4,089,632
EBITDA from continuing operations				
Adjusted EBITDA from continuing operations	15	7,030	6,778	35,151
Depreciation, amortization and impairment losses from continuing operations	2, 15	7,202	7,179	29,861
Adjusted operating income from continuing operations		-4,607	-5,007	-20,023
	2, 15	2,609	2,195	10,033

Condensed consolidated statements of financial position

SEK in millions	Note	Mar 31, 2022	Dec 31, 2021
Assets			
Goodwill and other intangible assets	5	91,459	89,943
Property, plant and equipment	5	73,170	72,741
Film and program rights, non-current		1,495	1,416
Right-of-use assets	5	16,034	15,485
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	9	6,289	4,749
Deferred tax assets		1,229	1,302
Long-term interest-bearing receivables	7, 9	8,354	9,244
Total non-current assets		198,031	194,879
Film and program rights, current		2,435	3,005
Inventories		2,097	2,040
Trade and other receivables and current tax receivables	9	13,018	13,902
Short-term interest-bearing receivables	7, 9	12,515	8,841
Cash and cash equivalents	7	8,130	14,358
Total current assets		38,196	42,146
Total assets		236,227	237,025
Equity and liabilities			
Equity attributable to owners of the parent		85,213	80,731
Equity attributable to non-controlling interests		2,921	2,812
Total equity		88,134	83,544
Long-term borrowings	7, 9	91,665	91,637
Deferred tax liabilities		10,787	10,185
Provisions for pensions and other long-term provisions		5,488	7,001
Other long-term liabilities		1,887	1,914
Total non-current liabilities		109,827	110,736
Short-term borrowings	7, 9	6,147	10,017
Trade payables and other current liabilities, current tax payables and short-term provisions		32,119	32,729
Total current liabilities		38,266	42,746
Total equity and liabilities		236,227	237,025

Condensed consolidated statements of cash flows

SEK in millions	Note	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Cash flow before change in working capital		7,263	6,810	29,333
Increase/decrease Film and program right assets and liabilities ¹		-184	135	310
Increase/decrease other operating receivables, liabilities and inventory		406	1,600	2,710
Change in working capital		222	1,736	3,020
Amortization and impairment of Film and program rights ¹		-1,513	-1,072	-4,977
Cash flow from operating activities		5,972	7,474	27,376
<i>of which from discontinued operations</i>		-	-	-131
Cash CAPEX	15	-3,205	-3,625	-15,647
Free cash flow	15	2,766	3,849	11,729
<i>of which from discontinued operations</i>		-	-	-131
Cash flow from other investing activities		-1,390	-1,984	4,739
Total cash flow from investing activities		-4,596	-5,609	-10,908
<i>of which from discontinued operations</i>		-	-	-
Cash flow before financing activities		1,376	1,865	16,468
Cash flow from financing activities		-7,757	-1,552	-10,600
<i>of which from discontinued operations</i>		-	-	-
Cash flow for the period		-6,381	313	5,868
<i>of which from discontinued operations</i>		-	-	-131
Cash and cash equivalents, opening balance		14,358	8,332	8,332
Cash flow for the period		-6,381	313	5,868
Exchange rate differences in cash and cash equivalents		153	198	157
Cash and cash equivalents, closing balance		8,130	8,843	14,358

See Note 15 section Operational free cash flow for further information.

1) Total cash out flow from acquired Film and program rights is the total of Increase/decrease Film and program right assets and liabilities and Amortization and impairment of Film and program rights.

Condensed consolidated statements of changes in equity

SEK in millions	Owners of the parent	Non-controlling interests	Total equity
Opening balance, January 1, 2021	62,378	1,118	63,496
Share-based payments	4	-	4
New share issue	-	7	7
<i>Total transactions with owners</i>	4	7	11
Total comprehensive income	6,565	31	6,596
Closing balance, March 31, 2021	68,947	1,156	70,103
Dividends	-8,179	-178	-8,357
Share-based payments	9	-	9
Repurchased treasury shares	-21	-	-21
Change in non-controlling interests	6,219	1,684	7,903
<i>Total transactions with owners</i>	-1,972	1,506	-465
Total comprehensive income	13,756	150	13,906
Closing balance, December 31, 2021	80,731	2,812	83,544
Dividends	-	-61	-61
Share-based payments	3	-	3
<i>Total transactions with owners</i>	3	-61	-58
Total comprehensive income	4,479	170	4,649
Closing balance, March 31, 2022	85,213	2,921	88,134

Note 1.

Basis of preparation

General

The Telia Company group applies International Financial Reporting Standards (IFRSs) as adopted by the European Union. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act as well as standard RFR 2 Accounting for Legal Entities and other statements issued by the Swedish Financial Reporting Board. For the group this Interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and for the parent company in accordance with the Swedish Annual Accounts Act. The accounting policies adopted, and computation methods used are consistent with those followed in the Annual and Sustainability Report 2021. All amounts in this report are presented in SEK millions, unless otherwise stated. Rounding differences may occur. If prior periods have

been restated for comparability to reflect changes in financial and operational data, the changes are only described if material. In this interim report the comparative financial information for the segments has been adjusted for the changed accounting principles for cloud computing cost described in the Annual and Sustainability report 2021.

For more information regarding:

- Sales and earnings, Cash flow and Financial position, see page 6.
- Significant events in the first quarter, see page 7.
- Significant events after the end of the first quarter, see page 7.
- Risks and uncertainties, see page 34.

Note 2.

Adjustment items

Adjustment items within operating income, continuing operations

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Total within EBITDA	-172	-401	5,290
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:			
Sweden	-58	-113	-227
Finland	-37	-16	-48
Norway	-8	-67	-112
Denmark	6	-14	-163
Lithuania	-1	-4	-18
Estonia	-1	-4	-6
TV and Media	-5	-21	-86
Other operations	-161	-175	-722
Sub total	-265	-412	-1,383
<i>whereof personnel redundancy restructuring costs</i>	-113	-259	-561
<i>whereof transformation and integration consultant costs</i>	-98	-64	-376
<i>whereof other</i>	-54	-89	-446
Capital gains/losses ¹	93	12	6,673
Within Depreciation, amortization and impairment losses	-	-	-91
Within Income from associated companies and joint ventures	-	-	-
Total adjustment items within operating income, continuing operations	-172	-401	5,198

1) Full year 2021 includes a capital gain from the disposal of Telia Carrier and a capital gain from the disposal of the Alerta business.

Note 3.

Segment information

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales			
Sweden	8,548	8,401	34,451
<i>of which external</i>	8,530	8,356	34,316
Finland	3,630	3,542	14,504
<i>of which external</i>	3,582	3,482	14,316
Norway	3,649	3,309	13,788
<i>of which external</i>	3,640	3,304	13,771
Denmark	1,275	1,281	5,214
<i>of which external</i>	1,262	1,260	5,150
Lithuania	1,113	999	4,320
<i>of which external</i>	1,107	986	4,286
Estonia	868	778	3,331
<i>of which external</i>	864	766	3,299
TV and Media	2,031	1,904	8,648
<i>of which external</i>	2,031	1,904	8,647
Other operations	988	2,144	5,723
Total segments	22,102	22,359	89,977
Eliminations	-285	-545	-1,635
Group	21,818	21,814	88,343
Adjusted EBITDA			
Sweden	3,337	3,197	13,359
Finland	1,111	1,063	4,322
Norway	1,666	1,524	6,240
Denmark	235	212	906
Lithuania	401	368	1,511
Estonia	326	292	1,196
TV and Media	-191	120	878
Other operations	318	402	1,449
Total segments	7,202	7,179	29,861
Eliminations	-	-	-
Group	7,202	7,179	29,861
Operating income			
Sweden	1,605	1,218	5,588
Finland	201	241	1,354
Norway	636	431	2,192
Denmark	2	-52	-299
Lithuania	196	184	752
Estonia	168	126	536
TV and Media	-382	-107	13
Other operations	10	-247	5,096
Total segments	2,437	1,795	15,232
Eliminations	-	-	-
Group	2,437	1,795	15,232
Financial items, net	-1,030	-688	-2,634
Income after financial items	1,407	1,107	12,598

SEK in millions	Mar 31, 2022	Mar 31, 2022	Dec 31, 2021	Dec 31, 2021
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Sweden	45,700	12,359	46,398	12,486
Finland	44,523	4,777	44,796	5,494
Norway	58,794	7,472	56,779	7,400
Denmark	7,478	2,436	7,470	2,474
Lithuania	6,639	2,058	6,674	2,072
Estonia	5,665	1,206	5,682	1,303
TV and Media	12,326	1,981	13,032	2,638
Other operations	24,295	6,296	24,612	6,706
Total segments	205,421	38,585	205,444	40,573
Unallocated	30,806	109,509	31,581	112,910
Total assets/liabilities, group	236,227	148,094	237,025	153,482

Note 4.

Net sales

SEK in millions	Jan-Mar 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	3,161	1,579	1,840	645	340	257	-	357	-	8,178
Interconnect	119	84	113	71	29	16	-	25	-	456
Other mobile service revenues	134	168	167	95	7	3	-	11	-	585
Total mobile service revenues	3,414	1,831	2,119	810	376	276	-	393	-	9,219
Telephony	349	16	28	31	43	25	-	0	-	492
Broadband	1,209	161	399	55	168	155	0	2	-	2,149
TV	560	139	421	18	101	75	732	-	-	2,045
Business solutions	663	587	108	29	73	83	-	0	-	1,543
Other fixed service revenues	946	301	27	20	99	111	-	9	-	1,514
Total fixed service revenues	3,727	1,205	984	153	483	449	732	11	-	7,744
Advertising revenues	-	-	-	-	-	-	1,264	-	-	1,264
Other service revenues	240	55	43	27	3	4	35	124	-	530
Total service revenues¹	7,380	3,092	3,146	990	862	729	2,031	528	-	18,757
Total equipment revenues¹	1,150	491	494	272	245	136	-	273	-	3,060
Total external net sales	8,530	3,582	3,640	1,262	1,107	864	2,031	801	-	21,818
Internal net sales	18	47	9	14	6	4	0	187	-285	-
Total net sales	8,548	3,630	3,649	1,275	1,113	868	2,031	988	-285	21,818

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time.

SEK in millions	Jan-Mar 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	3,077	1,513	1,577	607	289	225	-	322	-	7,611
Interconnect	120	96	96	55	36	20	-	34	-	458
Other mobile service revenues	116	136	142	70	6	2	-	5	-	479
Total mobile service revenues	3,314	1,745	1,816	733	332	247	-	361	-	8,548
Telephony	431	17	28	51	47	28	-	0	-	602
Broadband	1,168	164	344	43	148	144	-	7	-	2,017
TV	488	134	396	16	99	69	727	-	-	1,929
Business solutions	680	594	104	46	58	63	-	21	-	1,566
Other fixed service revenues	885	273	23	10	92	87	-	1,025	-	2,396
Total fixed service revenues	3,651	1,182	896	165	444	392	727	1,054	-	8,510
Advertising revenues	-	-	-	-	-	-	1,142	-	-	1,142
Other service revenues	268	64	45	23	5	3	35	105	-	546
Total service revenues¹	7,233	2,991	2,756	921	781	642	1,904	1,519	-	18,747
Total equipment revenues¹	1,123	491	548	339	205	124	-	237	-	3,067
Total external net sales	8,356	3,482	3,304	1,260	986	766	1,904	1,757	-	21,814
Internal net sales	45	60	5	21	14	12	0	388	-545	0
Total net sales	8,401	3,542	3,309	1,281	999	778	1,904	2,144	-545	21,814

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time.

SEK in millions	Jan-Dec 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	12,556	6,106	6,688	2,470	1,232	943	-	1,333	-	31,329
Interconnect	492	376	416	264	139	78	-	117	-	1,883
Other mobile service revenues	532	587	628	347	36	14	-	26	-	2,170
Total mobile service revenues	13,580	7,070	7,732	3,081	1,407	1,035	-	1,476	-	35,381
Telephony	1,583	64	102	178	181	105	-	1	-	2,215
Broadband	4,726	653	1,413	192	619	585	3	10	-	8,202
TV	2,034	541	1,594	70	396	287	2,992	0	-	7,913
Business solutions	2,754	2,369	417	144	274	271	-	36	-	6,264
Other fixed service revenues	3,829	1,190	94	48	380	391	-	1,583	-	7,516
Total fixed service revenues	14,926	4,816	3,620	633	1,849	1,641	2,995	1,629	-	32,109
Advertising revenues	-	-	-	-	-	-	5,530	-	-	5,530
Other service revenues	1,076	240	158	93	16	13	122	441	-	2,159
Total service revenues¹	29,582	12,125	11,510	3,807	3,272	2,689	8,647	3,546	-	75,180
Total equipment revenues¹	4,734	2,191	2,261	1,343	1,014	610	-	1,010	-	13,162
Total external net sales	34,316	14,316	13,771	5,150	4,286	3,299	8,647	4,556	-	88,342
Internal net sales	134	188	17	64	33	32	0	1,166	-1,635	0
Total net sales	34,451	14,504	13,788	5,214	4,320	3,331	8,648	5,723	-1,635	88,343

1) In all material aspects, equipment revenues are recognized at a point in time and service revenues over time.

Note 5. Investments

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
CAPEX	4,718	4,743	22,441
Intangible assets	932	1,352	5,008
Property, plant and equipment	2,524	2,335	12,993
Right-of-use assets	1,263	1,055	4,440
Acquisitions and other investments	46	37	639
Asset retirement obligations	34	26	162
Goodwill, intangible and tangible non-current assets acquired in business combinations	-	-	416
Equity instruments	12	11	61
Total investments	4,764	4,780	23,080

Note 6. Treasury shares

No Telia Company shares were held by the company or by its subsidiaries as of March 31, 2022 or as of December 31, 2021. The total number of issued and outstanding shares was 4,089,631,702.

Note 7. Net debt

SEK in millions	Mar 31, 2022	Dec 31, 2021
Long-term borrowings	91,665	91,634
<i>of which lease liabilities, non-current</i>	<i>13,120</i>	<i>12,859</i>
Less 50% of hybrid capital ¹	-10,475	-10,428
Short-term borrowings	6,147	10,017
<i>of which lease liabilities, current</i>	<i>3,161</i>	<i>2,872</i>
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-3,694	-1,705
Less long-term bonds and interest rates derivatives at fair value through income statement and OCI	-5,610	-5,931
Less short-term investments	-7,731	-6,097
Less cash and cash equivalents	-8,130	-14,358
Net debt	62,172	63,133

1) 50% of hybrid capital is treated as equity, consistent with market practice for this type of instrument, and reduces net debt.

Derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA) are part of the balance sheet line items Long-term interest-bearing receivables and Short-term interest-bearing receivables. Hybrid capital is part of the balance sheet line-item Long-term borrowings. Long-term bonds at fair

value through income statement and OCI are part of the balance sheet line-item Long-term interest-bearing receivables. Short-term investments are part of the balance sheet line-item Short-term interest-bearing receivables.

Note 8.

Loan financing and credit rating

On March 22, 2022, Telia Company issued its second green hybrid bond of EUR 500 million (SEK 5.2 billion) to a yield of 2.88% and with a coupon of 2.75%. The proceeds will finance more energy efficient networks as well as digital solutions that enable customers to reduce energy use and emissions. The bond was, as last time, issued under Telia's Green Bond Framework, which outlines how the proceeds can be used and how impact will be reported. It has a maturity of 61.25 years with the first reset date after 6.25 years.

The new hybrid bond is issued as part of Telia's refinancing of the upcoming call dates for existing hybrid bonds and at the same time outstanding hybrid bonds with a nominal amount corresponding to SEK 5.2 billion (SEK 3.2 billion and EUR 200 million respectively) with call

dates in October 2022 and April 2023 was simultaneously bought back. The total size of the company's hybrid notes remains unchanged. Outstanding senior bonds with a nominal amount corresponding to SEK 4.0 billion was repaid during the first quarter.

The credit rating of Telia Company remained unchanged during the first quarter of 2022. Moody's rating for long-term borrowings is Baa1 with a stable outlook. The Standard & Poor long-term rating is BBB+ and the short-term rating is A-2, both with a stable outlook.

Note 9.

Financial instruments – fair values

Long-term and short-term borrowings ¹ SEK in millions	Mar 31, 2022		Dec 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Long-term borrowings				
Interest rate derivatives at fair value	2,727	2,727	771	771
Cross-currency interest rate derivatives at fair value	694	694	800	800
Subtotal	3,420	3,420	1,570	1,570
Open-market financing borrowings in fair value hedge relationships	49,357	54,835	53,451	59,477
Open-market financing borrowings at amortized cost	25,225	28,783	23,215	28,084
Other borrowings at amortized cost	542	542	541	541
Lease liabilities at amortized cost	13,120		12,859	
Total long-term borrowings	91,665		91,637	
Short-term borrowings				
Interest rate derivatives at fair value	120	120	92	92
Cross-currency interest rate derivatives at fair value	223	223	223	223
Subtotal	343	343	315	315
Utilized bank overdraft and short-term credit facilities at amortized cost	5	5	6	6
Open-market financing borrowings in fair value hedge relationships	1,924	1,932	6,001	6,037
Other borrowings at amortized cost	714	715	823	823
Lease liabilities at amortized cost	3,161		2,872	
Total short-term borrowings	6,147		10,017	

1) For financial assets the carrying amount is a reasonable approximation of fair value. For information on fair value estimation, see the Annual and Sustainability Report 2021, Note C3 to the consolidated financial statements.

Financial assets and liabilities by fair value hierarchy level ¹ SEK in millions	Mar 31, 2022				Dec 31, 2021			
	Carrying value	of which			Carrying value	of which		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets at fair value								
Equity instruments at fair value through OCI	572	-	-	572	576	-	-	576
Equity instruments at fair value through income statement	18	-	-	18	18	-	-	18
Long- and short-term bonds at fair value through OCI	831	831	-	-	830	830	-	-
Long- and short-term bonds at fair value through income statement	13,933	10,429	3,505	-	11,578	9,883	1,695	-
Derivatives designated as hedging instruments	756	-	756	-	1,034	-	1,034	-
Derivatives at fair value through income statement	123	-	123	-	462	-	462	-
Total financial assets at fair value by level	16,232	11,259	4,383	590	14,497	10,713	3,191	594
Financial liabilities at fair value								
Derivatives designated as hedging instruments	3,458	-	3,458	-	1,734	-	1,734	-
Derivatives at fair value through income statement	426	-	426	-	166	-	166	-
Total financial liabilities at fair value by level	3,885	-	3,885	-	1,900	-	1,900	-

1) For information on fair value hierarchy levels and fair value estimation, see the Annual and Sustainability Report 2021, Note C3 to the consolidated financial statements and the section below.

Fair value measurement of Level 3 financial instruments

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these equity instruments, Telia Company has a market approach to derive the fair value. Telia Company's primary valuation technique used for estimating the fair value of unlisted equity instruments in Level 3 is based on the most recent transaction for the specific company if such transaction has been recently done.

If there have been significant changes in circumstances between the transaction date and the balance sheet date that, in the assessment of Telia Company, would have a material impact on the fair value, the carrying value is adjusted to reflect the changes.

Movements within Level 3, fair value hierarchy, SEK in millions	Assets, Jan-Mar 2022		Total
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	
Level 3, opening balance	576	18	594
Changes in fair value	-16	-	-16
<i>of which recognized in other comprehensive income</i>	-16	-	-16
Purchases/Equity conversions	12	-	12
Exchange rate differences	0	-	0
Level 3, closing balance	572	18	590

Movements within Level 3, fair value hierarchy, SEK in millions	Assets, Jan-Dec 2021		Total
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	
Level 3, opening balance	473	18	491
Changes in fair value	126	-	126
<i>of which recognized in other comprehensive income</i>	126	-	126
Purchases/capital contributions	50	-	50
Disposals	-71	-	-71
Settlements	-2	-	-2
Exchange rate differences	1	-	1
Level 3, closing balance	576	18	594

Note 10.

Contingent liabilities, collateral pledged and litigations

SEK in millions	Mar 31, 2022	Dec 31, 2021
Issued financial guarantees	327	288
<i>of which referred to guarantees for pension obligations</i>	326	287
Collateral pledged	41	38
Total contingent liabilities and collateral pledged	368	326

For ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2021.

Note 11.

Contractual obligations and commitments

SEK in millions	Mar 31, 2022	Dec 31, 2021
Contractual obligations and commitments	20,706	20,399
<i>of which film and program rights</i>	14,473	14,556
Total contractual obligations and commitments	20,706	20,399

Note 12.

Assets held for sale, discontinued operations and disposals

Net income from discontinued operations (region Eurasia)

There was no net income from discontinued operations in the first quarter 2022 and 2021. Full year 2021 had net income from discontinued operations of SEK 176 million related to a gain from changes in provisions for transaction warranties and EPS from discontinued operations was SEK 0.04.

Disposals

Digital Health business

On March 1, 2022, Telia Company divested its Digital Health business to Camanio AB at a price of SEK 39 million, which resulted in a capital gain and positive cash flow effect of SEK 39 million in the first quarter 2022.

SIA Telia Latvija

On January 4, 2022, Telia Company signed an agreement to divest its 100% ownership in SIA Telia Latvija to Telia Company's associated

company SIA Tet at a price corresponding to an enterprise value of EUR 10.75 million (approximately SEK 110 million) on a cash and debt free basis. The price represents a FY 2021 (estimated) EV/EBITDA multiple of 10x. The transaction is subject to customary regulatory approvals and is expected to close during the second quarter of 2022. The net assets in SIA Telia Latvija have not been recognized as asset classified as held for sale based on materiality.

Partial disposals

Tower business in Sweden

On January 27, 2022, Telia Company signed an agreement to divest a 49% stake in its Swedish tower business to Brookfield and Alecta. The transaction price corresponds to an enterprise value for 100% of SEK 11,224 million on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected to occur in the second quarter of 2022.

Note 13.

Business combinations

On October 8, 2021, SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of the Baltic data transmission network and IT security solutions enterprise group, Santa Monica Networks from Livonia Partners. The preliminary purchase price allocation disclosed in the Annual and Sustainability report 2021 has been adjusted during the first quarter 2022 based on the finalized valuation of identified intangible assets and related deferred tax. The carrying value of intangible assets

has been increased by SEK 131 million (whereof customer relationships SEK 100 million and brands SEK 31 million) and a related deferred tax liability of SEK 10 million has been recognized. Goodwill has been reduced by the corresponding net amount of SEK -121 million. The cost of the combination, the fair values of net assets acquired and goodwill for the combination are presented in the table below.

SEK in millions	Santa Monica Networks
Cost of combination	366
Fair value of net assets acquired	
Intangible assets	132
<i>of which customer relationships</i>	100
<i>of which brands</i>	31
Other non-current assets	7
Non-current assets	140
Other current assets	136
Cash and cash equivalents	21
Current assets	158
Total assets acquired	297
Deferred tax liabilities	10
Other non-current liabilities	30
Non-current liabilities	40
Current liabilities	178
Total liabilities assumed	219
Total fair value of net assets acquired	79
Goodwill	287

No part of goodwill is expected to be deductible for tax purposes. Acquisition related costs of SEK 2 million have been recognized as other operating expenses in 2021. The fair value and gross contractual amounts of acquired receivables were SEK 68 million (accounts

receivables). The total value is expected to be collected. For more information on the Santa Monica Networks business combination, see Note C34 in the Annual and Sustainability report 2021.

Note 14.

Financial key ratios

The key ratios presented in the table below are based on the total Telia Company group including both continuing and discontinued operations.

	Mar 31, 2022	Dec 31, 2021
Return on equity (% , rolling 12 months) ¹	15.6	18.5
Return on capital employed (% , rolling 12 months) ¹	9.1	9.1
Equity/assets ratio (%) ¹	36.4	31.7
Net debt/adjusted EBITDA ratio (multiple, rolling 12 months)	2.09	2.14
Parent owners' equity per share (SEK) ¹	20.84	19.74

1) Equity is adjusted by weighted ordinary dividend, see the Annual and Sustainability Report 2021 section Definitions for key ratio definitions.

Note 15.

Alternative performance measurements

In addition to financial performance measures prepared in accordance with IFRS, Telia Company presents non-IFRS financial performance measures. These alternative measures are considered to be important performance indicators for investors and other users of the Interim report. The alternative performance measures should be considered as a complement to, but not a substitute for, the information prepared in

accordance with IFRS. Telia Company's definitions of these non-IFRS measures are described in the Annual and Sustainability Report 2021. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

Service revenues

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	21,818	21,814	88,343
Excluded: Equipment revenues	-3,060	-3,067	-13,162
Service revenues (external)	18,757	18,747	75,180
Excluded: Effects from changes in foreign exchange rates ¹	-379	61	-
Excluded: Effects from acquired and disposed operations	-16	-1,012	-1,506
Service revenues on a like-for-like basis²	18,362	17,796	73,674
<i>of which Core Telco business</i>	<i>16,345</i>	<i>15,890</i>	<i>65,027</i>
<i>of which TV and Media</i>	<i>2,017</i>	<i>1,905</i>	<i>8,647</i>

1) Changes in foreign exchange rates refers to full year average rates prior year. 2) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period. See also section Definitions.

EBITDA and adjusted EBITDA

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income	2,437	1,795	15,232
Income from associated companies and joint ventures	-14	-24	-104
Total depreciation/amortization/write-down	4,607	5,007	20,023
EBITDA	7,030	6,778	35,151
Adjustment items within EBITDA (Note 2)	172	401	-5,290
Adjusted EBITDA	7,202	7,179	29,861
Excluded: Effects from changes in foreign exchange rates ¹	-172	28	-
Excluded: Effects from acquired and disposed operations	-7	-190	-358
Adjusted EBITDA on a like-for-like basis²	7,023	7,018	29,504
<i>of which Core Telco business</i>	<i>7,214</i>	<i>6,898</i>	<i>28,625</i>
<i>of which TV and Media</i>	<i>-191</i>	<i>120</i>	<i>878</i>

1) Changes in foreign exchange rates refers to full year average rates prior year. 2) Like for like excludes exchange rate effects and is based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period. See also section Definitions.

Adjusted operating income

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income	2,437	1,795	15,232
Adjustment items within Operating income (Note 2)	172	401	-5,198
Adjusted operating income	2,609	2,195	10,033

CAPEX, Cash CAPEX and Cash CAPEX in relation to net sales

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Investments in intangible assets	932	1,352	5,008
Investments in property, plant and equipment	2,524	2,335	12,993
CAPEX excluding right of use assets	3,456	3,687	18,001
Investments in right-of-use assets	1,263	1,055	4,440
CAPEX	4,718	4,743	22,441
Excluded: investments in license and spectrum fees and right-of-use assets	-1,434	-1,817	-6,556
CAPEX excluding fees for licenses and spectrum and right of use assets	3,285	2,926	15,885

SEK in millions, except ratio	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
CAPEX	4,718	4,743	22,441
Excluded: investments in right-of-use assets	-1,263	-1,055	-4,440
Net of not paid investments and additional payments from previous periods	-251	-62	-2,354
Cash CAPEX	3,205	3,625	15,647
Excluded: Cash CAPEX for licenses and spectrum fees	-185	-868	-1,266
Cash CAPEX, excluding fees for licenses and spectrum	3,020	2,757	14,381
Net sales	21,818	21,814	88,343
Cash CAPEX, excluding fees for licenses and spectrum in relation to net sales (%)	13.8	12.6	16.3

Free cash flow (continuing and discontinued operations)

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Cash flow from operating activities	5,972	7,474	27,376
Cash CAPEX (paid intangible and tangible assets)	-3,205	-3,625	-15,647
Free cash flow	2,766	3,849	11,729

Operational free cash flow

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Cash flow from operating activities from continuing operations	5,972	7,474	27,507
Cash CAPEX from continuing operations	-3,205	-3,625	-15,647
Free cash flow, continuing operations	2,766	3,849	11,861
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	185	868	1,266
Excluded: Dividends from associates from continuing operations	0	-	-152
Excluded: Taxes paid on dividends from associates from continuing operations	-	-	-
Repayments of lease liabilities	-788	-680	-2,574
Operational free cash flow	2,163	4,036	10,401
Excluded: Changes in working capital	-222	-1,736	-3,020
Structural part of Operational free cash flow	1,941	2,301	7,381

Net debt and Net debt/Adjusted EBITDA ratio (multiple, rolling 12 months)

SEK in millions, except for multiple	Mar 31, 2022	Dec 31, 2021
Net debt	62,172	63,133
Adjusted EBITDA continuing operations accumulated current year	7,202	29,861
Adjusted EBITDA continuing operations previous year	22,682	-
Excluding: Disposed operations	-156	-371
Adjusted EBITDA rolling 12 months excluding disposed operations	29,728	29,491
Net debt/adjusted EBITDA ratio (multiple)	2.09x	2.14x

Adjusted EBITDA margin

SEK in millions, except ratio	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	21,818	21,814	88,343
Adjusted EBITDA	7,202	7,179	29,861
Adjusted EBITDA margin (%)	33.0	32.9	33.8

Parent company

Condensed income statements

SEK in millions	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	511	117	982
Cost of sales	-365	-	-487
Gross income	146	117	495
Operating expenses and other operating income, net	-285	-360	-1,063
Operating income	-139	-244	-568
Financial items, net	-567	-729	13,708
Income after financial items	-706	-972	13,140
Appropriations	1,011	1,074	5,663
Income before taxes	305	101	18,804
Income taxes	-65	-129	-926
Net income	240	-27	17,877

Net sales and Cost of sales in the first quarter 2022 increased to SEK 511 million (117) and SEK -365 million (-) respectively mainly due to increased Net sales and Cost of sales related to film and program rights.

Operating expenses and other operating income, net in first quarter 2022 decreased to SEK -285 million (-360) mainly due to reduced transaction- and restructuring expenses.

Financial items, net in the first quarter 2022 amounted to SEK -567 million (-729) positively impacted by increased earnings from group companies and decreased foreign exchange rate losses partly offset by increased interest expenses and losses related to negative market value changes.

Condensed balance sheets

SEK in millions	Mar 31, 2022	Dec 31, 2021
Assets		
Non-current assets	162,261	163,412
Current assets	38,013	43,865
Total assets	200,274	207,277
Equity and liabilities		
Restricted shareholders' equity	15,712	15,712
Non-restricted shareholders' equity	70,052	69,722
Total shareholders' equity	85,764	85,434
Untaxed reserves	6,452	6,707
Provisions	440	441
Long-term liabilities	78,040	78,240
Short-term liabilities and short-term provisions	29,578	36,455
Total equity and liabilities	200,274	207,277

Current assets decreased to SEK 38,013 million (43,865) mainly due to decreased cash and group contribution receivables offset by increased short-term bonds and other current interest-bearing receivables.

Long-term liabilities decreased to SEK 78,040 million (78,240), as issued green hybrid bond was offset by repaid long-term debt.

Short-term liabilities and short-term provisions decreased to SEK 29,578 million (36,455) mainly due to reduced short-term borrowings related to matured bonds.

Risks and uncertainties

Telia Company operates in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry. Telia Company has defined risk as anything that could have a material adverse effect on the achievement of Telia Company’s goals. Risks can be threats, uncertainties or lost opportunities relating to Telia Company’s current or future operations or activities. Telia Company has an established risk management framework in place to regularly identify, analyze, assess, and report business, financial as well as ethics and sustainability risks and uncertainties, and to mitigate such risks when appropriate. Telia Company’s risk universe consists of four categories and over thirty risk areas used to aggregate and categorize risks identified across the organization within the risk management framework, see below.

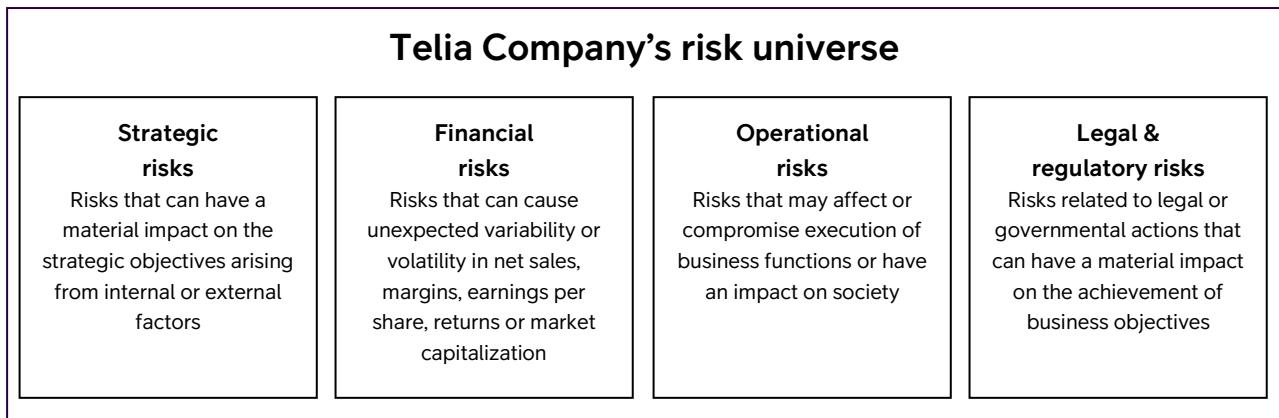
For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2021, Directors Report, section Risk and uncertainties.

In addition, on 24 February 2022, Russian military forces launched a military action against Ukraine. Although the length, impact and outcome of the ongoing military conflict is highly unpredictable, this conflict and related imposed sanctions could lead to market

disruptions. These disruptions may include significant volatility in commodity prices, international credit and capital markets, and asset prices, as well as supply chain interruptions, deteriorating financing conditions and increased risks for cyber-attacks. For Telia Company these market disruptions could lead to increased energy prices, disruptions and delays of supplies (in particular from Asia) and a decrease in travel to and from the Nordic and Baltic countries resulting in roaming decline, which all could have an adverse impact on Telia Company’s earnings. Telia Company may also be subject to direct cyber-attacks affecting our operation and our customers or be impacted indirectly by cyber-attacks against critical infrastructure in society.

Related mitigating activities:

- Actively monitoring of the situation in Ukraine and assessing its impact on Telia Company’s business
- Risk assessments and preparation of contingency plans
- Increased follow up of key business KPI’s to early mitigate negative impact on financials
- Increased crisis coordination throughout the group to mitigate negative impact of the situation



Stockholm, April 27, 2022

Allison Kirkby
President and CEO

This report has not been subject to review by
Telia Company's auditors.

Forward-looking statements

This report contains statements concerning, among other things, Telia Company's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Telia Company's future expectations. Telia Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions; however, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking

statement. Such important factors include but may not be limited to: Telia Company's market position; growth in the telecommunications industry; and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Telia Company, its associated companies and joint ventures, and the telecommunications industry in general. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, Telia Company undertakes no obligation to update any of them in the light of new information or future events.

Definitions

Adjustment items: comprise of capital gains and losses, impairment losses, restructuring programs (costs for phasing out operations and personnel redundancy costs and costs for major group wide business transformations) or other costs with the character of not being part of normal daily operations.

Advertising revenues: External net sales related to linear and digital/AVoD media, sponsorships and other types of advertising.

Broadband revenues: External net sales related to fixed broadband services.

Business solutions: External net sales related to fixed business networking and communication solutions.

CAPEX: An abbreviation of “Capital Expenditure”. Investments in intangible and tangible non-current assets and right-of-use assets, but excluding goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations, film and program rights and asset retirement obligations.

CAPEX excluding right-of-use assets: CAPEX excluding right-of-use assets.

EBITDA: An abbreviation of “Earnings before Interest, Tax, Depreciation and Amortization.” Equals operating income before depreciation, amortization and impairment losses and before income from associated companies and joint ventures but including amortization and impairment of film and program rights.

Employees: Total headcount excluding hourly paid employees.

Free cash flow: The total cash flow from operating activities and cash CAPEX.

Interconnect revenues: External net sales related to mobile termination.

Internal net sales: Group internal net sales.

Like for like (%): The change in net sales, external service revenues and adjusted EBITDA, excluding exchange rate effects and based on the current group structure, i.e. including the impact of any acquired operations and excluding the impact of any disposed operations, both in the current and in the comparable period.

Mobile subscription revenues: External net sales related to voice, messaging, data and content (including machine to machine).

Net debt: Interest-bearing liabilities less derivatives recognized as financial assets (and hedging long-term and short-term borrowings) and related credit support annex (CSA), less 50% of hybrid capital (which, consistent with market practice

for the type of instrument, is treated as equity), less short-term investments, long-term bonds at fair value through income statement and OCI and cash/cash equivalents.

Net debt/adjusted EBITDA ratio (multiple): Net debt divided by adjusted EBITDA rolling 12 months and excluding disposed operations.

Operational free cash flow: Free cash flow from continuing operations excluding cash CAPEX for licenses and spectrum fees, dividends from associated companies net of taxes and including repayment of lease liabilities.

Other fixed service revenues: External net sales of fixed services including fiber installation, wholesale and other infrastructure services.

Other mobile service revenues: External net sales related to visitors' roaming, wholesale and other services.

Return on capital employed: Operating income, including impairments and gains/losses on disposals, plus financial revenues excluding foreign exchange gains expressed as a percentage of average capital employed.

Structural part of Operational free cash flow: Operational free cash flow less contribution from change in working capital.

Telephony revenues: External net sales related to fixed telephony services.

Equipment revenues: External equipment net sales.

Service revenues: External net sales excluding equipment sales.

TV revenues: External net sales related to TV services.

In this report, comparable figures are provided in parentheses and refer to the same item in the corresponding period last year, unless otherwise stated.

Financial calendar

Interim Report January-June 2022
July 20, 2022

Interim Report January-September 2022
October 21, 2022

Year-end report January-December 2022
January 26, 2023

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.00 CET on April 27, 2022.

