

# Q2

**Interim Report  
January - June 2022**

## Growth momentum continued

### Second quarter summary

- Net sales increased 1.9% to SEK 22,293 million (21,877) and like for like, net sales increased 2.2%.
- Service revenues increased 1.5% to SEK 19,167 million (18,883) and like for like, service revenues increased 2.4%. For the Core Telco business, i.e. excluding TV and Media, service revenues increased 2.5% on a like for like basis.
- Adjusted EBITDA increased 0.3% to SEK 7,681 million (7,655) and like for like, adjusted EBITDA increased 0.8%. For the Core Telco business, i.e. excluding TV and Media, adjusted EBITDA increased 4.3% on a like for like basis.
- Total net income amounted to SEK 1,684 million (8,076).
- Operational free cash flow decreased to SEK 1,127 million (2,057) and cash flow from operating activities decreased to SEK 5,571 million (6,299).
- The leverage ratio was 2.01x 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.
- The divestment of a minority stake in the Swedish tower business to Brookfield and Alecta was completed, and due to that the previously announced share buy-back program was initiated.

**Service  
revenues**  
19,167

+2.4%, like for like  
(SEK million)

**Adjusted  
EBITDA**  
7,681

+0.8%, like for like  
(SEK million)

**Operational  
free cash  
flow**  
1,127

(SEK million)

### First half summary

- Net sales increased 1.0% to SEK 44,110 million (43,691) and like for like, net sales increased 2.1%.
- Service revenues increased 0.8% to SEK 37,925 million (37,629) and like for like, service revenues increased 2.8%. For the Core Telco business, i.e. excluding TV and Media, service revenues increased 2.7% on a like for like basis.
- Adjusted EBITDA increased 0.3% to SEK 14,883 million (14,833) and like for like, adjusted EBITDA increased 0.5%. For the Core Telco business, i.e. excluding TV and Media, adjusted EBITDA increased 4.4% on a like for like basis.

### Highlights

SEK in millions, except key ratios, per share data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	22,293	21,877	1.9	44,110	43,691	1.0
Change (%) like for like <sup>1,3</sup>	2.2			2.1		
of which service revenues (external) <sup>1</sup>	19,167	18,883	1.5	37,925	37,629	0.8
change (%) like for like <sup>1,3</sup>	2.4			2.8		
Adjusted <sup>2</sup> EBITDA <sup>1</sup>	7,681	7,655	0.3	14,883	14,833	0.3
change (%) like for like <sup>1,3</sup>	0.8			0.5		
Margin (%)	34.5	35.0		33.7	34.0	
Adjusted <sup>2</sup> operating income <sup>1</sup>	3,014	2,696	11.8	5,623	4,891	15.0
Operating income	2,831	9,031	-68.6	5,268	10,826	-51.3
Income after financial items	2,121	8,353	-74.6	3,528	9,460	-62.7
Total net income	1,684	8,076	-79.2	2,770	9,029	-69.3
EPS total (SEK)	0.37	1.97	-81.0	0.60	2.20	-72.7
Operational free cash flow <sup>1</sup>	1,127	2,057	-45.2	3,290	6,094	-46.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets <sup>1</sup>	3,982	3,628	9.8	7,266	6,553	10.9

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...

“Our half year results show continued strong momentum as we deliver on our plan to create a Better Telia, even as the world around us is in flux. The core telco business delivered another strong quarter with 4.3% EBITDA growth, on the back of better next generation networks, better digital services and a revenue base increasingly detached from copper legacy as we continue to modernize our infrastructure. With digitalization accelerating at pace, and the need for more secure and reliable connectivity more crucial than ever, our essential role in society has never been clearer. Ensuring that our customers can stay connected, informed, entertained, and enabled spurs our purpose to Reinvent Better Connected Living every day.

Execution momentum continued across our strategic priorities during the quarter. In line with **Inspiring customers** we are leveraging our innovation and digital infrastructure in the Enterprise segment to lead the market in advanced 5G applications, including Enterprise Mobile Networks (EMNs) and enhanced security services. In the Consumer segment, Telia Sweden launched Trygghetspaketet, a best-in-class digital security package supporting families online, while in Norway evidence of our improved customer experience was recognized with our OneCall brand receiving awards both for the Most Satisfied Customers and for the Best Customer Service in two nation-wide customer surveys. And, we have strengthened our convergent content aggregator position with the launch of even more bundles, building on content from C More, HBO, Britbox, TV 2 and Viaplay, for both mobile and fixed streaming in Sweden and Norway.

Within our **Connecting everyone** priority we are proud of our leading role in 5G. Having accelerated our roll-out, we are now reaching 49% of the population in our footprint, led by Norway and Finland at 70%. Testament to our ability to be a trusted and innovative connectivity partner to the most discerning customers is our new contract with the Norwegian armed forces to collaborate around the development of tactical private 5G networks. In the growing market for EMNs we are proud to have been chosen by Posiva Oy in Eurajoki, Finland, to build a 5G private network for the first-of-its-kind nuclear waste disposal facility, enabling an advanced automation system and improved safety for employees, and by forestry company SCA to supply a dedicated network for its factory in Munksund, Sweden. Our strategy to crystallize infrastructure asset value also continues with the closing of the Swedish tower transaction in June, as planned.

**Transforming to digital** is about reinventing customer experience in an ever increasing digital world. We achieve this by building and scaling our “5 Ps” – Products, Processes, Platforms, People and Partners. We have now closed more than a third of both our legacy products and legacy IT systems, and close to half of our target product portfolio is produced on our common target platforms. Adding also continuous process improvement, we achieve not only structural cost savings but a smoother experience for our customers, resulting in fewer manual interactions. We see a decline in incoming contacts to our B2C contact centers in our three largest markets, with volumes in Sweden down almost 30%. In addition, we are transforming the



channel mix, with 80% of all incoming contacts in Finland now going through digital channels.

Building the foundations to **Deliver sustainably** is vital in the current macro environment and I am pleased to see both revenue and EBITDA growth in the quarter, despite inflationary pressure and the higher content investments in TV and Media. Operational expenses continued to shrink, despite higher energy costs. Our energy portfolio is mostly hedged, however based on current energy prices and outlook we foresee an energy cost increase of around SEK 300 million for 2022. The transformation program is expected to reduce operational expenses by at least SEK 2 billion by 2023, although now excluding the impact from energy, which we expect to mitigate through a combination of both cost and pricing initiatives. Hence, **our 2022 outlook and mid-term ambitions for service revenue, EBITDA and cash CAPEX are unchanged.**

For longer term sustainability and cost resilience, we have entered into Power Purchase Agreements covering 75% of our network energy need in Denmark from solar, and 70% of all electricity need in Estonia from wind. And our balance sheet is in good shape with leverage at the low end of the 2.0x-2.5x target range, leaving ample room for the share buy-back program which started in June.

Telia **Sweden** delivered on its stated ambition to stay in growth territory with both fixed and mobile services contributing, not least through proactive pricing. Mobile revenue growth of 2.7% was ARPU-led, although the postpaid subscription base also increased by 32,000 this quarter. Broadband growth of 4.1% was also mainly ARPU-driven, while TV growth of 16% was driven equally by ARPU and a growing customer base. Headwinds from legacy continue at similar levels as before despite a shrinking base, but network modernization is progressing fast and 5G coverage doubled in the quarter, to a third of the population. The

Enterprise segment has delivered several quarters of growth, and now grew in SME for the first time in a long time. We aim to continue this trend with our unique breadth of services, leveraging our unparalleled digital infrastructure with the capacity of Telia Cygate to meet our customer's increasing demands for high-speed networks, cloud services and secure connectivity.

Turning around Telia **Finland** during 2022 remains of high priority and is materializing, step by step. An early focus in the transformation has been the key Consumer mobile segment which, building on a better network, improved brand perception, smarter pricing and better customer value, has consistently improved over several quarters and now grows subscription revenue by 3%. Looking ahead, we are increasingly moving customers to 5G to drive further customer value and ARPU in the coming quarters. Overall, service revenue in Finland was stable in Q2, while EBITDA grew by 5%, driven both by structural cost reductions and temporary savings.

Telia **Norway** again delivered strong service revenue growth in both mobile and broadband, by 8.9% and 8.1% respectively. EBITDA growth was more muted at 2%, due to higher content costs and lower equipment margins. The Enterprise segment continues to outperform the market, underpinned by a substantial improvement in NPS scores over the past year, and Telia won a framework contract with 34 municipalities in Western Norway, for both fixed and mobile services, winning on all of the three procurement criteria: coverage, price and solutions.

Our market leaders in **Lithuania** and **Estonia** built on previous strong results, growing service revenue by 7.5% and 4.7%, respectively. In a challenging macro-economic environment with very high inflation, both markets delivered strong revenue to EBITDA conversion, resulting in 9.0% growth in Lithuania and 4.6% in Estonia. Telia **Denmark** saw an even better profit trend with 9.5% EBITDA growth, driven in part by another good quarter for mobile, with a service revenue increase of 3.0%.

In **TV and Media**, advertising demand has now exceeded pre-pandemic levels with no signs of any macro-driven weakening to date. Digitalization of the advertising business is on track with 21% growth in digital ad revenue. The pay TV market continues to be fiercely competitive, in particular within the SVOD market, and the quarter was also affected by expected seasonal churn in sports. Telia, by virtue of being an aggregator, distributor, TV advertising leader, and operator of several OTT streaming services, all at the same time, is uniquely equipped in Sweden and Finland to meet these market challenges.

It has been decades since the world last saw the macro-economic conditions of today, with high-single digit inflation, and the telecom industry as we now know it did not exist at that time. Hence, operating in this environment will be a test for us. What also did not exist then, however, was the ubiquitous connectivity of today, and the critical role we play in keeping societies connected in a secure and reliable way. As we continue to invest in our digital infrastructure and advance our services, our trusted partner role and the value we can bring to our customers will only increase. **I am confident that the combination of Telia's people, values, unique assets, and our strategy to Reinvent Better, for all our stakeholders, will allow Telia to emerge from this period even stronger.**"

**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 part<sup>1</sup> 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 buy-back program

The Board of Directors announced in connection with Telia Company's interim report January-March 2022, its intention to transfer the net proceeds from the Swedish tower transaction to the shareholders, by means of share buy-backs or an extraordinary dividend.

The Swedish tower transaction was completed on June 1, 2022, and on the same date it was announced that the Board of Directors had decided to initiate a share buy-back program for a total amount of SEK 5.4 billion corresponding to the transaction proceeds less transaction costs.

The buy-back program is being carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) No 2016/1052 (the "Safe Harbour Regulation"). The buy-back program is managed by Goldman Sachs Bank Europe SE that makes its trading decisions regarding the timing of the buy-backs of Telia Company's shares independently of Telia Company. See Note 6.

<sup>1</sup>) 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, second quarter 2022

## Sales and earnings

**Net sales** increased 1.9% to SEK 22,293 million (21,877) and like for like, net sales increased by 2.2%.

**Service revenues** increased 1.5% to SEK 19,167 million (18,883). Like for like, service revenues increased 2.4% driven by a positive development for all units except for Finland.

**Adjusted EBITDA** increased 0.3% to SEK 7,681 million (7,655) and the adjusted EBITDA margin decreased to 34.5% (35.0). Like for like, adjusted EBITDA increased 0.8% as 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 amounted to SEK -183 million (6,335). The corresponding quarter last year was mainly impacted by a capital gain from the disposal of Telia Carrier.

**Adjusted operating income** increased to SEK 3,014 million (2,696).

**Financial items** totaled SEK -710 million (-678) of which SEK -561 million (-663) related to net interest expenses.

**Income taxes** amounted to SEK -437 million (-453). The effective tax rate was 20.6% (5.4). The effective tax rate the corresponding quarter last year was mainly impacted by a tax-exempt capital gain from the disposal of Telia Carrier.

**Total net income** amounted to SEK 1,684 million (8,076). The corresponding quarter last year was impacted by a capital gain from the disposal of Telia Carrier.

**Other comprehensive income** increased to SEK 5,218 million (-456), mainly related to revaluation of defined benefit pension plans driven by increased discount rates which was partly offset by lower return on plan assets. 2021 was negatively impacted by translation differences related mainly to NOK.

## Cash flow

**Cash flow from operating activities** decreased to SEK 5,571 million (6,168) mainly impacted by lower contribution from working capital.

**Free cash flow** decreased to 1,893 million (2,769) mainly due to lower contribution from working capital.

**Operational free cash flow**, from continuing operations, decreased to SEK 1,127 million (2,057) mainly due to lower contribution from working capital.

**Cash flow from investing activities** decreased to SEK -1,895 million (4,212) mainly as 2021 was positively impacted by the disposal of Telia Carrier. 2022 included higher cash CAPEX which was more than offset by divestments of short-term investments.

**Cash flow from financing activities** increased to SEK -628 million (-6,116) mainly due to the partial disposal of the tower business in Sweden.

## Financial position

**CAPEX** excluding right-of-use assets, decreased to SEK 3,982 million (3,988). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 3,982 million (3,628). Cash CAPEX increased to SEK 3,678 million (3,400).

**Net debt** was SEK 60,165 million at the end of the second quarter (62,172 at the end of the first quarter of 2022). The net debt/adjusted EBITDA ratio was 2.01x.

## Impact from the war in Ukraine

For information on impact from the war in Ukraine, see "Review of the Group, first half year 2022".



# Review of the group, first half year 2022

## Sales and earnings

**Net sales** increased 1.0% to SEK 44,110 million (43,691) and like for like, net sales increased by 2.1%.

**Service revenues** increased 0.8% to SEK 37,925 million (37,629). Like for like, service revenues increased 2.8% driven by a positive development for all units except for Finland.

**Adjusted EBITDA** increased 0.3% to SEK 14,883 million (14,833) and the adjusted EBITDA margin decreased to 33.7% (34.0). Like for like, adjusted EBITDA increased 0.5% as 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 amounted to SEK -354 million (5,935). 2021 was mainly impacted by a capital gain from the disposal of Telia Carrier.

**Adjusted operating income** increased to SEK 5,623 million (4,891).

**Financial items** totaled SEK -1,741 million (-1,366) of which SEK -1,369 million (-1,369) related to net interest expenses. 2022 was impacted by higher costs mainly related to negative market value changes.

**Income taxes** amounted to SEK -758 million (-606). The effective tax rate was 21.5% (6.4). The effective tax rate the corresponding period last year was mainly impacted by a tax-exempt capital gain from the disposal of Telia Carrier.

**Total net income** amounted to SEK 2,770 million (9,029). 2021 was impacted by a capital gain from the disposal of Telia Carrier.

**Other comprehensive income** increased to SEK 8,781 million (5,187), mainly related to revaluation of defined benefit pension plans driven by increased discount rates which was partly offset by lower return on plan assets.

## Cash flow

**Cash flow from operating activities** decreased to SEK 11,543 million (13,642) mainly impacted by lower contribution from working capital.

**Free cash flow** decreased to 4,659 million (6,618) mainly due to lower contribution from working capital.

**Operational free cash flow**, from continuing operations, decreased to SEK 3,290 million (6,094) mainly due to lower contribution from working capital.

**Cash flow from investing activities** decreased to SEK -6,491 million (-1,397) mainly as corresponding period last year was positively impacted by the disposal of Telia Carrier partly offset by investments in short-term investments.

**Cash flow from financing activities** decreased to SEK -8,384 million (-7,668) due to net repayments of borrowings and settlement of derivatives partly offset by the partial disposal of the tower business in Sweden.

## Financial position

**CAPEX** excluding right-of-use assets, decreased to SEK 7,438 million (7,675). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 7,266 million (6,553). Cash CAPEX decreased to SEK 6,884 million (7,024).

**Goodwill and other intangible assets** increased to SEK 91,925 million (89,943) mainly due to foreign exchange rate effects.

**Investments in associated companies and joint ventures, pension obligation assets and other non-current assets** increased to SEK 11,686 million (4,749) mainly due to positive remeasurements of defined benefit pension plans.

**Short-term interest-bearing receivables** increased to SEK 12,722 million (8,841), impacted by collaterals for derivatives due to market value changes.

**Long-term borrowings** increased to SEK 93,355 million (91,637) impacted by net effects from changes in interest and foreign exchange effects related to bonds and derivatives. Issue of green hybrid bond was offset by repayment of hybrid debt.

**Deferred tax liabilities** increased to SEK 11,685 million (10,185) mainly due to increase in deferred tax liability relating to pension obligation assets.

**Provisions for pensions and other long-term provisions** decreased to SEK 4,790 million (7,001) mainly due to remeasurements of defined benefit pension plans.

**Short-term borrowings** decreased to SEK 6,309 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. However, the war has resulted in higher prices and increased volatility in the energy market, which is likely to continue, and the energy prices are expected to remain at a high level during 2022. The group's energy costs for the first half year 2022 are almost SEK 0.2 billion higher and we foresee an energy cost increase of around SEK 0.3 billion for 2022 on a like for like basis.

The war in Ukraine has not had any significant impact on Telia Company's expected credit losses. 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 upcoming calls of hybrid capital. 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 half year 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 in the second 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.
- On May 9, 2022, Telia Company announced that the Board of Directors had decided to exercise the mandate for buy-back of shares in Telia Company to cover commitments under the “Long Term Incentive Program 2019/2022”. See Note 6.
- On May 31, 2022, Telia Company announced the completion of the sale of 100% of the shares in SIA Telia Latvija to SIA Tet. The sales price corresponds to an enterprise value of EUR 10.75 million on a cash and debt free basis. See Note 12.
- On June 1, 2022, Telia Company announced the completion of the sale of a minority 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. See Note 12.
- On June 1, 2022, Telia Company announced the initiation of a previously announced share buy-back program. The decision comes after the closing of the Swedish tower transaction and the previously communicated intention to buy back shares, as announced in connection with Telia Company’s interim report January-March 2022. See Note 6.

## Significant events after the end of the second quarter

- On July 15, 2022, Telia Estonia secured in an auction 130 MHz of spectrum in the 3.6 GHz band.



## Sweden

- Telia continued to lead the roll-out of 5G in Sweden and currently reach 34% of the population across 75 cities.
- The copper network dismantling and migration of customers onto future proof services continued and to date about 1.3 million telephone poles have been removed and recycled together with over 160,000 kilometers of cabling.
- Telia's TV service was the most appreciated in a survey performed by Nordic Bench and the TV news. In addition to the highest NPS value, Telia's TV service came out on top in 7 out of 15 categories. Furthermore, in the TV area, Telia signed a distribution agreement with BritBox allowing Telia's TV customers to access the most comprehensive collection of British entertainment.
- Telia launched a security service which provides an increased level of security for consumers in their ever more connected lives. With the service, everyone in the family gets comprehensive protection from a complete solution that both protects sensitive personal data such as username, password and credit card details as well as monitoring, warning and preventing ID theft.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	8,641	8,492	1.7	17,189	16,893	1.8
<i>Change (%) like for like</i>	1.7			1.8		
<i>of which service revenues (external)</i>	7,446	7,336	1.5	14,826	14,568	1.8
<i>change (%) like for like</i>	1.2			1.5		
Adjusted EBITDA	3,358	3,268	2.8	6,695	6,465	3.6
Margin (%)	38.9	38.5		38.9	38.3	
<i>change (%) like for like</i>	2.8			3.6		
Adjusted operating income	1,652	1,336	23.7	3,315	2,666	24.3
Operating income	1,634	1,322	23.6	3,239	2,540	27.5
CAPEX excluding fees for licenses, spectrum and right-of-use assets	878	731	20.2	1,637	1,286	27.3
Subscriptions, (thousands)						
Mobile	7,527	6,418	17.3	7,527	6,418	17.3
<i>of which machine-to-machine (postpaid)</i>	2,737	1,560	75.4	2,737	1,560	75.4
Fixed telephony	448	577	-22.4	448	577	-22.4
Broadband	1,246	1,226	1.6	1,246	1,226	1.6
TV	1,028	949	8.3	1,028	949	8.3
Employees	4,263	4,491	-5.1	4,263	4,491	-5.1

**Net sales** increased 1.7% to SEK 8,641 million (8,492) and like for like, net sales increased 1.7% driven by both increased service revenues as well as sale of equipment.

**Service revenues**, like for like, increased 1.2% as mobile and fixed service revenues increased 2.7% and 0.3%, respectively. For mobile service revenues the increase was primarily due to a positive ARPU development. For fixed service revenues the slight growth was driven by a positive development for TV and fixed broadband revenues, which more than compensated for a decline in fixed telephony and Other fixed service revenues.

**Adjusted EBITDA** increased 2.8% to SEK 3,358 million (3,268) and adjusted EBITDA margin increased to 38.9% (38.5). Adjusted EBITDA like for like increased 2.8% due to increased service revenues coupled with lower operational expenses.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 20.2% to SEK 878 million (731) due to mainly investments associated with upgrading the mobile network and roll-out of 5G.

**Mobile subscriptions** grew by 410,000 driven by an addition of 377,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased by 13,000 and fixed broadband subscriptions decreased by 3,000 in the quarter.

## Finland

- As the first operator in the Nordics, Telia introduced an independent 5G core standalone network in the last quarter of 2021. Since then, the standalone feature has been expanded to the entire 5G network operating in the 3.5GHz band and used in dozens of locations around Finland.
- Telia together with Nokia and Digita signed an agreement to supply a 5G private network to Posiva Oy for the needs of the nuclear fuel disposal process in Eurajoki. The private 5G network will enable the operation of an advanced automation system in the disposal process as well as improve safety and processes for employees.
- Telia and the Jyväskylä University of Applied Sciences signed a five-year partnership agreement for cooperation around strategic areas such as ICT, cybersecurity, data analytics and multidisciplinary competence development.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	3,655	3,549	3.0	7,285	7,090	2.7
<i>Change (%) like for like</i>	-0.4			-0.6		
<i>of which service revenues (external)</i>	3,117	3,017	3.3	6,209	6,008	3.4
<i>change (%) like for like</i>	-0.4			-0.3		
Adjusted EBITDA	1,130	1,038	8.8	2,241	2,102	6.6
Margin (%)	30.9	29.3		30.8	29.6	
<i>change (%) like for like</i>	5.3			3.6		
Adjusted operating income	253	221	14.5	491	478	2.7
Operating income	229	518	-55.9	430	760	-43.5
CAPEX excluding fees for licenses, spectrum and right-of-use assets	425	435	-2.2	746	779	-4.2
Subscriptions, (thousands)						
Mobile	3,231	3,195	1.1	3,231	3,195	1.1
<i>of which machine-to-machine (postpaid)</i>	329	290	13.6	329	290	13.6
Fixed telephony	16	18	-11.1	16	18	-11.1
Broadband	463	470	-1.5	463	470	-1.5
TV	658	610	7.9	658	610	7.9
Employees	2,836	3,058	-7.3	2,836	3,058	-7.3

**Net sales** increased 3.0% to SEK 3,655 million (3,549) and like for like, net sales declined 0.4% driven mainly by lower service revenues. The effect of exchange rate fluctuations was positive by 3.2%.

**Service revenues**, like for like, declined 0.4% as an increase of 2.1% for mobile service revenues, despite lower interconnect revenues, was more than offset by a 3.6% decline for fixed service revenues. The latter predominately driven by lower revenues from fixed broadband and legacy products in business solutions.

**Adjusted EBITDA** increased 8.8% to SEK 1,130 million (1,038) and adjusted EBITDA margin increased to 30.9% (29.3). Adjusted EBITDA like for like increased 5.3% driven by lower operational expenses relating mainly to resources and partly due to industrial action.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, decreased 2.2% to SEK 425 million (435).

**Mobile subscriptions** increased in the quarter by 22,000 driven largely by an addition of 14,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions remained unchanged and fixed broadband subscriptions declined by 4,000 in the quarter.

## Norway

- The 5G roll-out continued to make great progress and currently 70% of the population have access to Telia's high-speed 5G network. Furthermore, being in the forefront of this new technology, Telia together with Ericsson started performing tests on the 26GHz band opening for new services for both consumer and enterprise customers with unparalleled speed, capacity and latency.
- Telia and the Norwegian Defense Materiel Agency entered into an agreement to collaborate around the development of tactical private 5G networks, including virtual networks, as part of Telia's national 5G network. The architecture of the network ensures that data can be kept separate from other traffic in the public mobile network and given priority, if necessary.
- Telia and Telia-owned Phonero signed an agreement with 34 municipalities and about an equal number of municipal businesses in Rogaland and Vestland for connectivity services. The agreement has a duration of up to five years and includes amongst other mobile subscriptions, IoT services as well as fixed telephony.
- Telia's TV service became even better as the streaming services from TV 2 were added to the options menu. Following this Telia's TV customers can, in addition to more than 100 existing streaming services and channels, now also access and choose between TV 2 Play Basic and TV 2 Play Movies and Series. The latter customers can select by using their Telia TV points.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	3,662	3,343	9.5	7,311	6,652	9.9
Change (%) like for like	5.4			4.3		
of which service revenues (external)	3,137	2,827	10.9	6,282	5,583	12.5
change (%) like for like	6.8			6.7		
Adjusted EBITDA	1,591	1,507	5.6	3,257	3,031	7.5
Margin (%)	43.4	45.1		44.6	45.6	
change (%) like for like	2.0			2.0		
Adjusted operating income	594	529	12.1	1,237	1,028	20.4
Operating income	548	516	6.3	1,184	947	25.1
CAPEX excluding fees for licenses, spectrum and right-of-use assets	614	748	-17.9	1,146	1,334	-14.1
Subscriptions, (thousands)						
Mobile	2,346	2,277	3.0	2,346	2,277	3.0
of which machine-to-machine (postpaid)	165	124	33.3	165	124	33.3
Fixed telephony	29	35	-17.1	29	35	-17.1
Broadband	494	483	2.3	494	483	2.3
TV	475	477	-0.4	475	477	-0.4
Employees	1,370	1,464	-6.4	1,370	1,464	-6.4

**Net sales** increased 9.5% to SEK 3,662 million (3,343) and like for like, net sales increased 5.4% due to increased service revenues which more than compensated for lower sale of equipment. The effect of exchange rate fluctuations was positive by 4.1%.

**Service revenues**, like for like, increased 6.8% due to growth for both mobile and fixed service revenues. Mobile service revenues grew 8.9% attributable to an expanding customer base as well as a positive ARPU development whereas fixed service revenues increased 2.3% mainly due to an 8.1% increase for revenues from fixed broadband.

**Adjusted EBITDA** increased 5.6% to SEK 1,591 million (1,507) and adjusted EBITDA margin declined to 43.4% (45.1). Adjusted EBITDA like for like increased 2.0% as the growth in service revenues more than compensated for a higher cost level relating mainly to energy, marketing and content.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, decreased 17.9% to SEK 614 million (748).

**Mobile subscriptions** increased by 44,000 in the quarter driven largely by an addition of 30,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions declined by 2,000 and fixed broadband subscriptions increased by 4,000 in the quarter.

## Denmark

- Telia and Telenor entered into a long-term agreement for purchase of green energy with Better Energy. As a result, Better Energy will build a new solar park which is expected to be connected to the electricity grid in 2024. The solar park will supply green energy to Telia and Telenor's mobile network covering around 75% of the estimated power consumption for the network.
- Telia launched the service "Almost new", via which customers can buy high quality refurbished mobile phones with a warranty. The service of providing refurbished mobile phones will be an important part of Telia's strategy to be the natural hub for connectivity and streaming services to families as well as for Telia's ambitious sustainability agenda.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	1,269	1,242	2.2	2,544	2,523	0.8
Change (%) like for like	-1.0			-2.4		
of which service revenues (external)	994	937	6.1	1,984	1,858	6.8
change (%) like for like	2.2			2.6		
Adjusted EBITDA	248	217	14.1	483	430	12.3
Margin (%)	19.5	17.5		19.0	17.0	
change (%) like for like	9.5			7.5		
Adjusted operating income	-5	-17	-70.5	-9	-55	-83.6
Operating income	-2	-29	-94.7	1	-81	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	99	84	17.5	221	127	73.2
Subscriptions, (thousands)						
Mobile	1,631	1,542	5.8	1,631	1,542	5.8
of which machine-to-machine (postpaid)	280	185	51.8	280	185	51.8
Fixed telephony	53	63	-15.9	53	63	-15.9
Broadband	64	65	-1.5	64	65	-1.5
TV	20	26	-23.1	20	26	-23.1
Employees	670	702	-4.6	670	702	-4.6

**Net sales** increased 2.2% to SEK 1,269 million (1,242) and like for like, net sales declined 1.0% as increased service revenues could not fully compensate for lower equipment sales. The effect of exchange rate fluctuations was positive by 3.1%.

**Service revenues**, like for like, increased 2.2% as mobile service revenue growth of 3.0% driven by an increased ARPU, more than compensated for a 1.8% decline for fixed service revenues attributable to mainly lower revenues from fixed telephony.

**Adjusted EBITDA** increased 14.1% to SEK 248 million (217) and adjusted EBITDA margin increased to 19.5% (17.5). Adjusted EBITDA like for like increased 9.5% following the combination of increased service revenues and lower operational expenses.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 17.5% to SEK 99 million (84) due to mainly investments associated with upgrading the mobile network as well as roll-out of 5G.

**Mobile subscriptions** increased by 5,000 in the quarter driven by the addition of 14,000 postpaid subscriptions used for machine-to-machine related services. Fixed broadband subscriptions remained unchanged and TV subscriptions declined by 3,000 in the quarter.

## Lithuania

- As the first operator in Lithuania, Telia's brand EŽYS launched a prepaid roam like home offering that allows for mobile customers to continue to enjoy their connectivity and communicate while travelling inside the European Union. The offering was very well received by customers and was also a key contributor behind the growth of 30,000 prepaid subscriptions in the quarter.
- The 3G sunset took multiple steps forward and around 4,000 3G base stations have during the first half of the year been shut down and traffic moved to the much faster and better 4G network.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	1,171	1,052	11.3	2,284	2,051	11.3
Change (%) like for like	7.8			7.7		
of which service revenues (external)	905	811	11.7	1,767	1,591	11.1
change (%) like for like	7.5			6.6		
Adjusted EBITDA	414	368	12.5	816	736	10.9
Margin (%)	35.4	35.0		35.7	35.9	
change (%) like for like	9.0			7.2		
Adjusted operating income	208	183	13.5	403	359	12.3
Operating income	208	182	14.1	404	366	10.4
CAPEX excluding fees for licenses, spectrum and right-of-use assets	130	126	2.8	221	190	16.3
Subscriptions, (thousands)						
Mobile	1,582	1,409	12.3	1,582	1,409	12.3
of which machine-to-machine (postpaid)	322	225	42.6	322	225	42.6
Fixed telephony	188	215	-12.6	188	215	-12.6
Broadband	424	417	1.7	424	417	1.7
TV	254	254	0.0	254	254	0.0
Employees	1,566	1,600	-2.1	1,566	1,600	-2.1

**Net sales** increased 11.3% to SEK 1,171 million (1,052) and like for like, net sales increased 7.8% driven mainly by increased service revenues although to some extent also increased sale of equipment. The effect of exchange rate fluctuations was positive by 3.5%.

**Service revenues**, like for like, increased 7.5% due to positive development for both mobile and fixed service revenues. For mobile service revenues that increased 11.2%, the growth was the result from an increased number of subscriptions as well as a higher ARPU. For fixed service revenues that increased 5.1%, the growth was largely driven by fixed broadband.

**Adjusted EBITDA** increased 12.5% to SEK 414 million (368) and adjusted EBITDA margin increased to 35.4% (35.0). Adjusted EBITDA like for like increased 9.0% following the increase in service revenues.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 2.8% to SEK 130 million (126).

**Mobile subscriptions** increased by 50,000 in the quarter driven by the addition of 20,000 postpaid and 30,000 prepaid subscriptions. Fixed broadband subscriptions increased by 2,000 and TV subscriptions remained unchanged in the quarter.

## Estonia

- After launching 5G in the fourth quarter of last year the number of 5G base stations commissioned by Telia has been growing steadily and now exceeds 200, with coverage currently reaching about 35% of the population.
- Telia secured a contract with the Tallinn Water Company as part of which Telia will supply and manage 25,000 smart water meters to better monitor and optimize water usage in the city.
- Telia and public energy Company Eesti Energia signed a comprehensive long-term renewable electricity agreement, under which the energy company will supply renewable wind electricity to Telia over five years, starting end of 2022, with volumes estimated to cover about 70% of the power needs of Telia's server rooms, mobile base stations, control center and offices.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	867	826	5.0	1,736	1,604	8.2
Change (%) like for like	1.7			4.6		
of which service revenues (external)	725	665	9.1	1,454	1,307	11.3
change (%) like for like	4.7			6.3		
Adjusted EBITDA	323	299	7.9	649	591	9.8
Margin (%)	37.2	36.2		37.4	36.8	
change (%) like for like	4.6			6.2		
Adjusted operating income	151	139	8.8	320	269	19.0
Operating income	219	138	58.4	387	265	46.3
CAPEX excluding fees for licenses, spectrum and right-of-use assets	99	95	4.0	153	147	4.3
Subscriptions, (thousands)						
Mobile	1,232	1,148	7.3	1,232	1,148	7.3
of which machine-to-machine (postpaid)	424	375	12.9	424	375	12.9
Fixed telephony	200	218	-8.3	200	218	-8.3
Broadband	243	242	0.4	243	242	0.4
TV	203	207	-1.9	203	207	-1.9
Employees	1,300	1,302	-0.2	1,300	1,302	-0.2

**Net sales** increased 5.0% to SEK 867 million (826) and like for like, net sales increased 1.7% driven by increased service revenues partly offset by lower sale of equipment. The effect of exchange rate fluctuations was positive by 3.3%.

**Service revenues**, like for like, increased 4.7% from mobile service revenues increasing 5.9% driven by subscription base expansion and ARPU growth and fixed service revenues growing by 4.3% supported by a positive development for all services except for fixed telephony.

**Adjusted EBITDA** increased 7.9% to SEK 323 million (299) and adjusted EBITDA margin increased to 37.2% (36.2). Adjusted EBITDA like for like increased 4.6% driven by the service revenue increase.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 4.0% to SEK 99 million (95).

**Mobile subscriptions** increased by 22,000 in the quarter driven by the addition of 14,000 postpaid and 8,000 prepaid subscriptions. Fixed broadband subscriptions increased by 1,000 and TV decreased by 2,000 in the quarter.



## TV and Media

- The positive service revenue momentum continued supported by advertising revenues growing 4.2% from an increased share of viewing on linear as well as increased digital consumption in both Sweden and Finland, leading to a 21% increase for digital advertising revenues.
- For digital consumption, the time spent on TV4 Play increased by 5% and the linear portfolio of TV4 increased its share of viewing amongst the ages 15-64 to 35.6% compared to 35.1% in the corresponding quarter of last year.
- C More continued to provide first class local content and a few examples of this was that the sequel to the highly popular first season of *Fartblinda* (eng: *Speed blind*) premiered, as did the drama film *Dag för dag* (eng: *Day by day*). The latter being the second ever movie premiere at C More instead of the traditional movie theaters, and it instantly became a huge success with over 1 million viewers during the first month.

## Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	2,333	2,271	2.7	4,364	4,175	4.5
Change (%) like for like	2.0			3.7		
of which service revenues (external)	2,333	2,271	2.7	4,364	4,175	4.5
change (%) like for like	2.0			3.7		
Adjusted EBITDA	345	575	-39.9	154	695	-77.8
Margin (%)	14.8	25.3		3.5	16.6	
change (%) like for like	-40.1			-78.0		
Adjusted operating income	141	371	-62.1	-242	286	
Operating income	135	322	-58.0	-246	216	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	81	77	6.4	132	132	-0.6
Subscriptions, (thousands)						
TV (SVOD)	700	788	-11.2	700	788	-11.2
Employees	1,396	1,476	-5.4	1,396	1,476	-5.4

**Net sales** increased 2.7% to SEK 2,333 million (2,271) and like for like, net sales increased 2.0% driven by increased service revenues. The effect of exchange rate fluctuations was positive by 0.7%.

**Service revenues**, like for like, increased 2.0% driven by a 4.2% increase for advertising revenues due to successful work on capitalizing on a continued growing demand for tv-advertising in combination with a market leading total-tv reach.

**Adjusted EBITDA** decreased 39.9% to SEK 345 million (575) and adjusted EBITDA margin decreased to 14.8% (25.3). Adjusted EBITDA like for like decreased 40.1% as the service revenue growth was more than offset by higher operational expenses as well as content related costs.

**CAPEX** excluding fees for licenses, spectrum and right-of-use assets, increased 6.4% to SEK 81 million (77).

**Direct subscriptions video-on-demand (SVOD)** decreased by 41,000 in the quarter driven by seasonal variances regarding the sports subscriptions base.

## Other operations

### Highlights

SEK in millions, except margins, operational data and changes	Apr-Jun 2022	Apr-Jun 2021	Chg %	Jan-Jun 2022	Jan-Jun 2021	Chg %
Net sales	1,002	1,576	-36.4	1,990	3,720	-46.5
of which Telia Carrier	-	683	-100.0	-	1,944	-100.0
of which Latvia	714	603	18.4	1,410	1,211	16.5
Change (%) like for like	2.0			0.4		
Adjusted EBITDA	271	382	-29.0	589	785	-24.9
of which Telia Carrier	-	156	-100.0	-	371	-100.0
of which Latvia	218	192	13.4	424	389	9.2
Margin (%)	27.1	24.3		29.6	21.1	
Income from associated companies	16	24	-32.7	29	50	-41.9
of which Latvia	29	28	3.2	58	56	3.4
Adjusted operating income	21	-68		107	-140	
Operating income	-141	6,060		-130	5,813	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,656	1,332	24.3	3,010	2,557	17.7
Subscriptions, (thousands)						
Mobile Latvia	1,372	1,327	3.4	1,372	1,327	3.4
of which machine-to-machine (postpaid)	387	365	6.0	387	365	6.0
Employees	6,001	5,936	1.1	6,001	5,936	1.1

**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 was completed on June 1, 2022. See Note 12.

**Net sales** declined 36.4% to SEK 1,002 million (1,576) due to the divestment of Telia Carrier. Like for like, net sales increased 2.0%. The effect of exchange rate fluctuations was positive by 1.8%.

**Adjusted EBITDA** declined 29.0% to SEK 271 million (382) and adjusted EBITDA margin increased to 27.1% (24.3) due to the divestment of Telia Carrier. Adjusted EBITDA like for like increased 21.8% due to mainly efficiency gains realized at central functions.

**In Latvia**, net sales increased 18.4% to SEK 714 million (603) and like for like, net sales increased 4.9% driven by increased service revenues and equipment sales. The effect of exchange rate fluctuations was positive by 3.7%. Adjusted EBITDA increased 13.4% to SEK 218 million (192) and the adjusted EBITDA margin decreased to 30.5% (31.9). Adjusted EBITDA like for like increased 5.8% as an increase of 3.1% for service revenues more than offset higher operational expenses. The number of mobile subscriptions increased by 22,000 in the quarter.

## Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Note	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Continuing operations</b>					
Net sales	3, 4	22,293	21,877	44,110	43,691
Cost of sales		-14,050	-13,980	-28,107	-28,461
<b>Gross profit</b>		<b>8,242</b>	<b>7,897</b>	<b>16,003</b>	<b>15,230</b>
Selling, administration and R&D expenses		-5,351	-5,468	-10,612	-10,729
Other operating income and expenses, net		-79	6,578	-155	6,278
Income from associated companies and joint ventures		18	23	32	47
<b>Operating income</b>	<b>3</b>	<b>2,831</b>	<b>9,031</b>	<b>5,268</b>	<b>10,826</b>
Financial items, net		-710	-678	-1,741	-1,366
<b>Income after financial items</b>	<b>3</b>	<b>2,121</b>	<b>8,353</b>	<b>3,528</b>	<b>9,460</b>
Income taxes		-437	-453	-758	-606
<b>Net income from continuing operations</b>		<b>1,684</b>	<b>7,900</b>	<b>2,770</b>	<b>8,854</b>
<b>Discontinued operations</b>					
<b>Net income from discontinued operations</b>	<b>12</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>176</b>
<b>Total net income</b>		<b>1,684</b>	<b>8,076</b>	<b>2,770</b>	<b>9,029</b>
<b>Items that may be reclassified to net income:</b>					
Foreign currency translation differences		102	-925	1,380	1,692
Cash flow hedges		211	-25	362	-108
Cost of hedging		107	-28	88	122
Debt instruments at fair value through OCI		-6	-1	-11	-37
Income taxes relating to items that may be reclassified		101	-26	103	45
<b>Items that will not be reclassified to net income:</b>					
Equity instruments at fair value through OCI		-59	0	-75	3
Remeasurements of defined benefit pension plans		5,989	686	8,719	4,358
Income taxes relating to items that will not be reclassified		-1,226	-137	-1,784	-888
<b>Other comprehensive income</b>		<b>5,218</b>	<b>-456</b>	<b>8,781</b>	<b>5,187</b>
<b>Total comprehensive income</b>		<b>6,902</b>	<b>7,620</b>	<b>11,550</b>	<b>14,216</b>
Total net income attributable to:					
Owners of the parent		1,524	8,039	2,453	8,983
Non-controlling interests		160	37	316	46
Total comprehensive income attributable to:					
Owners of the parent		6,561	7,595	11,039	14,160
Non-controlling interests		341	25	511	56
Earnings per share (SEK), basic and diluted					
of which continuing operations		0.37	1.97	0.60	2.20
		0.37	1.92	0.60	2.15
Number of shares (thousands)					
Outstanding at period-end	6	4,079,785	4,089,632	4,079,785	4,089,632
Weighted average, basic and diluted		4,086,259	4,089,632	4,087,945	4,089,632
EBITDA from continuing operations					
	15	7,499	14,006	14,529	20,784
Adjusted EBITDA from continuing operations	2, 15	7,681	7,655	14,883	14,833
Depreciation, amortization and impairment losses from continuing operations		-4,686	-4,999	-9,293	-10,006
Adjusted operating income from continuing operations	2, 15	3,014	2,696	5,623	4,891

## Condensed consolidated statements of financial position

SEK in millions	Note	Jun 30, 2022	Dec 31, 2021
<b>Assets</b>			
Goodwill and other intangible assets	5	91,925	89,943
Property, plant and equipment	5	73,423	72,741
Film and program rights, non-current		2,349	1,416
Right-of-use assets	5	15,837	15,485
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	9	11,686	4,749
Deferred tax assets		1,022	1,302
Long-term interest-bearing receivables	7, 9	8,635	9,244
<b>Total non-current assets</b>		<b>204,877</b>	<b>194,879</b>
Film and program rights, current		1,869	3,005
Inventories		2,346	2,040
Trade and other receivables and current tax receivables	9	13,608	13,902
Short-term interest-bearing receivables	7, 9	12,722	8,841
Cash and cash equivalents	7	11,197	14,358
<b>Total current assets</b>		<b>41,741</b>	<b>42,146</b>
<b>Total assets</b>		<b>246,617</b>	<b>237,025</b>
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent		88,272	80,731
Equity attributable to non-controlling interests		3,205	2,812
<b>Total equity</b>		<b>91,477</b>	<b>83,544</b>
Long-term borrowings	7, 9	93,355	91,637
Deferred tax liabilities		11,685	10,185
Provisions for pensions and other long-term provisions		4,790	7,001
Other long-term liabilities		1,956	1,914
<b>Total non-current liabilities</b>		<b>111,785</b>	<b>110,736</b>
Short-term borrowings	7, 9	6,309	10,017
Trade payables and other current liabilities, current tax payables and short-term provisions		37,047	32,729
<b>Total current liabilities</b>		<b>43,356</b>	<b>42,746</b>
<b>Total equity and liabilities</b>		<b>246,617</b>	<b>237,025</b>

## Condensed consolidated statements of cash flows

SEK in millions	Note	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Cash flow before change in working capital</b>		<b>7,195</b>	<b>6,747</b>	<b>14,458</b>	<b>13,557</b>
Increase/decrease Film and program right assets and liabilities <sup>1</sup>		-41	-218	-225	-82
Increase/decrease other operating receivables, liabilities and inventory		-375	605	31	2,205
<b>Change in working capital</b>		<b>-416</b>	<b>387</b>	<b>-194</b>	<b>2,123</b>
Amortization and impairment of Film and program rights <sup>1</sup>		-1,208	-966	-2,721	-2,038
<b>Cash flow from operating activities</b>		<b>5,571</b>	<b>6,168</b>	<b>11,543</b>	<b>13,642</b>
<i>of which from discontinued operations</i>		-	-131	-	-131
Cash CAPEX	15	-3,678	-3,400	-6,884	-7,024
<b>Free cash flow</b>	<b>15</b>	<b>1,893</b>	<b>2,769</b>	<b>4,659</b>	<b>6,618</b>
<i>of which from discontinued operations</i>		-	-131	-	-131
Cash flow from other investing activities		1,783	7,612	393	5,627
<b>Total cash flow from investing activities</b>		<b>-1,895</b>	<b>4,212</b>	<b>-6,491</b>	<b>-1,397</b>
<i>of which from discontinued operations</i>		-	-	-	-
<b>Cash flow before financing activities</b>		<b>3,676</b>	<b>10,380</b>	<b>5,052</b>	<b>12,245</b>
<b>Cash flow from financing activities</b>		<b>-628</b>	<b>-6,116</b>	<b>-8,384</b>	<b>-7,668</b>
<i>of which from discontinued operations</i>		-	-	-	-
<b>Cash flow for the period</b>		<b>3,048</b>	<b>4,265</b>	<b>-3,332</b>	<b>4,577</b>
<i>of which from discontinued operations</i>		-	-131	-	-131
<b>Cash and cash equivalents, opening balance</b>		<b>8,130</b>	<b>8,843</b>	<b>14,358</b>	<b>8,332</b>
Cash flow for the period		3,048	4,265	-3,332	4,577
Exchange rate differences in cash and cash equivalents		18	-118	171	80
<b>Cash and cash equivalents, closing balance</b>		<b>11,197</b>	<b>12,989</b>	<b>11,197</b>	<b>12,989</b>

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
<b>Opening balance, January 1, 2021</b>	<b>62,378</b>	<b>1,118</b>	<b>63,496</b>
Dividends	-8,179	-177	-8,356
Share-based payments	7	-	7
Acquisition of treasury shares	-21	-	-21
New share issue	-	7	7
<i>Total transactions with owners</i>	<i>-8,194</i>	<i>-170</i>	<i>-8,364</i>
Total comprehensive income	14,160	56	14,216
<b>Closing balance, June 30, 2021</b>	<b>68,345</b>	<b>1,003</b>	<b>69,348</b>
Share-based payments	6	-	6
Change in non-controlling interests	6,219	1,684	7,903
<i>Total transactions with owners</i>	<i>6,225</i>	<i>1,684</i>	<i>7,909</i>
Total comprehensive income	6,161	125	6,286
<b>Closing balance, December 31, 2021</b>	<b>80,731</b>	<b>2,812</b>	<b>83,544</b>
Dividends	-8,373	-305	-8,679
Share-based payments	7	-	7
Acquisition of treasury shares	-396	-	-396
Change in non-controlling interests	5,265	186	5,451
<i>Total transactions with owners</i>	<i>-3,498</i>	<i>-119</i>	<i>-3,617</i>
Total comprehensive income	11,039	511	11,550
<b>Closing balance, June 30, 2022</b>	<b>88,272</b>	<b>3,205</b>	<b>91,477</b>



## 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:

- Review of the group, see pages 6-7.
- Significant events, see page 8.
- Risks and uncertainties, see page 35.

## Note 2.

### Adjustment items

#### Adjustment items within operating income, continuing operations

SEK in millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Total within EBITDA</b>	<b>-183</b>	<b>6,352</b>	<b>-354</b>	<b>5,951</b>
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:				
Sweden	-18	-14	-76	-126
Finland	-25	-12	-62	-28
Norway	-45	-14	-53	-81
Denmark	-16	-12	-9	-26
Lithuania	-3	-2	-4	-6
Estonia	-5	-1	-6	-4
TV and Media	-5	-49	-10	-70
Other operations	-162	-284	-322	-459
<b>Sub total</b>	<b>-278</b>	<b>-387</b>	<b>-543</b>	<b>-800</b>
<i>whereof personnel redundancy restructuring costs</i>	-79	-99	-192	-358
<i>whereof transformation and integration consultant costs</i>	-102	-138	-199	-202
<i>whereof other</i>	-97	-151	-151	-241
Capital gains/losses <sup>1</sup>	96	6,739	188	6,751
<b>Within Depreciation, amortization and impairment losses</b>	<b>-</b>	<b>-16</b>	<b>-</b>	<b>-16</b>
<b>Within Income from associated companies and joint ventures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total adjustment items within operating income, continuing operations</b>	<b>-183</b>	<b>6,335</b>	<b>-354</b>	<b>5,935</b>

1) Second quarter and first half 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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Net sales</b>				
Sweden	8,641	8,492	17,189	16,893
<i>of which external</i>	8,621	8,446	17,151	16,801
Finland	3,655	3,549	7,285	7,090
<i>of which external</i>	3,613	3,499	7,195	6,981
Norway	3,662	3,343	7,311	6,652
<i>of which external</i>	3,640	3,339	7,280	6,643
Denmark	1,269	1,242	2,544	2,523
<i>of which external</i>	1,259	1,228	2,520	2,488
Lithuania	1,171	1,052	2,284	2,051
<i>of which external</i>	1,165	1,042	2,272	2,027
Estonia	867	826	1,736	1,604
<i>of which external</i>	865	812	1,729	1,577
TV and Media	2,333	2,271	4,364	4,175
<i>of which external</i>	2,333	2,271	4,364	4,175
Other operations	1,002	1,576	1,990	3,720
<b>Total segments</b>	<b>22,600</b>	<b>22,351</b>	<b>44,702</b>	<b>44,710</b>
Eliminations	-307	-475	-592	-1,019
<b>Group</b>	<b>22,293</b>	<b>21,877</b>	<b>44,110</b>	<b>43,691</b>
<b>Adjusted EBITDA</b>				
Sweden	3,358	3,268	6,695	6,465
Finland	1,130	1,038	2,241	2,102
Norway	1,591	1,507	3,257	3,031
Denmark	248	217	483	430
Lithuania	414	368	816	736
Estonia	323	299	649	591
TV and Media	345	575	154	695
Other operations	271	382	589	785
<b>Total segments</b>	<b>7,681</b>	<b>7,655</b>	<b>14,883</b>	<b>14,833</b>
Eliminations	-	-	-	-
<b>Group</b>	<b>7,681</b>	<b>7,655</b>	<b>14,883</b>	<b>14,833</b>
<b>Operating income</b>				
Sweden	1,634	1,322	3,239	2,540
Finland	229	518	430	760
Norway	548	516	1,184	947
Denmark	-2	-29	1	-81
Lithuania	208	182	404	366
Estonia	219	138	387	265
TV and Media	135	322	-246	216
Other operations	-141	6,060	-130	5,813
<b>Total segments</b>	<b>2,832</b>	<b>9,031</b>	<b>5,268</b>	<b>10,826</b>
Eliminations	-	-	-	-
<b>Group</b>	<b>2,831</b>	<b>9,031</b>	<b>5,268</b>	<b>10,826</b>
Financial items, net	-710	-678	-1,741	-1,366
<b>Income after financial items</b>	<b>2,121</b>	<b>8,353</b>	<b>3,528</b>	<b>9,460</b>

SEK in millions	Jun 30, 2022	Jun 30, 2022	Dec 31, 2021	Dec 31, 2021
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Sweden	45,831	12,704	46,398	12,486
Finland	46,110	4,896	44,796	5,494
Norway	56,756	6,881	56,779	7,400
Denmark	7,724	2,674	7,470	2,474
Lithuania	6,911	2,115	6,674	2,072
Estonia	5,881	1,217	5,682	1,303
TV and Media	12,379	2,159	13,032	2,638
Other operations	25,159	6,811	24,612	6,706
<b>Total segments</b>	<b>206,751</b>	<b>39,456</b>	<b>205,444</b>	<b>40,573</b>
Unallocated	39,867	115,685	31,581	112,910
<b>Total assets/liabilities, group</b>	<b>246,617</b>	<b>155,141</b>	<b>237,025</b>	<b>153,482</b>

## Note 4.

### Net sales

SEK in millions	Apr-Jun 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	3,213	1,604	1,835	651	361	261	-	365	-	8,291
Interconnect	120	83	108	64	28	15	-	24	-	442
Other mobile service revenues	139	166	187	103	8	4	-	9	-	617
<b>Total mobile service revenues</b>	<b>3,472</b>	<b>1,853</b>	<b>2,130</b>	<b>818</b>	<b>398</b>	<b>280</b>	<b>-</b>	<b>398</b>	<b>-</b>	<b>9,350</b>
Telephony	332	14	24	30	42	23	-	1	-	466
Broadband	1,208	151	395	56	174	156	0	3	-	2,143
TV	569	133	407	20	98	77	717	-	-	2,022
Business solutions	672	594	111	29	75	73	-	0	-	1,554
Other fixed service revenues	930	316	26	19	115	115	-	10	-	1,531
<b>Total fixed service revenues</b>	<b>3,712</b>	<b>1,207</b>	<b>964</b>	<b>154</b>	<b>504</b>	<b>443</b>	<b>718</b>	<b>14</b>	<b>-</b>	<b>7,716</b>
<b>Advertising revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,576</b>	<b>-</b>	<b>-</b>	<b>1,576</b>
<b>Other service revenues</b>	<b>262</b>	<b>57</b>	<b>43</b>	<b>22</b>	<b>3</b>	<b>2</b>	<b>39</b>	<b>98</b>	<b>-</b>	<b>526</b>
<b>Total service revenues<sup>1</sup></b>	<b>7,446</b>	<b>3,117</b>	<b>3,137</b>	<b>994</b>	<b>905</b>	<b>725</b>	<b>2,333</b>	<b>510</b>	<b>-</b>	<b>19,167</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>1,175</b>	<b>496</b>	<b>503</b>	<b>264</b>	<b>260</b>	<b>139</b>	<b>-</b>	<b>287</b>	<b>-</b>	<b>3,125</b>
<b>Total external net sales</b>	<b>8,621</b>	<b>3,613</b>	<b>3,640</b>	<b>1,259</b>	<b>1,165</b>	<b>865</b>	<b>2,333</b>	<b>797</b>	<b>-</b>	<b>22,293</b>
Internal net sales	20	42	22	10	6	3	0	205	-307	-
<b>Total net sales</b>	<b>8,641</b>	<b>3,655</b>	<b>3,662</b>	<b>1,269</b>	<b>1,171</b>	<b>867</b>	<b>2,333</b>	<b>1,002</b>	<b>-307</b>	<b>22,293</b>

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

SEK in millions	Apr-Jun 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	3,127	1,521	1,628	628	303	232	-	328	-	7,767
Interconnect	125	98	105	56	36	19	-	35	-	474
Other mobile service revenues	121	138	149	84	7	3	0	6	-	509
<b>Total mobile service revenues</b>	<b>3,373</b>	<b>1,757</b>	<b>1,882</b>	<b>768</b>	<b>346</b>	<b>254</b>	<b>0</b>	<b>369</b>	<b>-</b>	<b>8,750</b>
Telephony	405	17	25	38	45	27	-	0	-	559
Broadband	1,160	162	353	48	153	145	0	1	-	2,023
TV	491	135	402	18	98	71	752	0	-	1,967
Business solutions	669	594	104	35	67	66	-	14	-	1,549
Other fixed service revenues	963	292	23	10	97	98	-	529	-	2,012
<b>Total fixed service revenues</b>	<b>3,689</b>	<b>1,200</b>	<b>907</b>	<b>148</b>	<b>461</b>	<b>408</b>	<b>752</b>	<b>544</b>	<b>-</b>	<b>8,109</b>
<b>Advertising revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1,500</b>
<b>Other service revenues</b>	<b>273</b>	<b>60</b>	<b>38</b>	<b>21</b>	<b>4</b>	<b>3</b>	<b>19</b>	<b>106</b>	<b>-</b>	<b>524</b>
<b>Total service revenues<sup>1</sup></b>	<b>7,336</b>	<b>3,017</b>	<b>2,827</b>	<b>937</b>	<b>811</b>	<b>665</b>	<b>2,271</b>	<b>1,019</b>	<b>-</b>	<b>18,883</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>1,110</b>	<b>482</b>	<b>512</b>	<b>291</b>	<b>231</b>	<b>147</b>	<b>-</b>	<b>222</b>	<b>-</b>	<b>2,994</b>
<b>Total external net sales</b>	<b>8,446</b>	<b>3,499</b>	<b>3,339</b>	<b>1,228</b>	<b>1,042</b>	<b>812</b>	<b>2,271</b>	<b>1,241</b>	<b>-</b>	<b>21,877</b>
Internal net sales	47	50	4	14	10	15	0	334	-475	-
<b>Total net sales</b>	<b>8,492</b>	<b>3,549</b>	<b>3,343</b>	<b>1,242</b>	<b>1,052</b>	<b>826</b>	<b>2,271</b>	<b>1,576</b>	<b>-475</b>	<b>21,877</b>

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

SEK in millions	Jan-Jun 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	6,374	3,183	3,675	1,296	702	518	-	722	-	16,469
Interconnect	239	167	221	135	57	31	-	49	-	898
Other mobile service revenues	273	335	354	198	15	6	-	20	-	1,201
<b>Total mobile service revenues</b>	<b>6,886</b>	<b>3,684</b>	<b>4,249</b>	<b>1,629</b>	<b>774</b>	<b>556</b>	<b>-</b>	<b>791</b>	<b>-</b>	<b>18,569</b>
Telephony	681	30	52	62	85	48	-	1	-	958
Broadband	2,417	312	794	111	342	311	1	5	-	4,292
TV	1,129	272	828	38	199	152	1,449	-	-	4,067
Business solutions	1,335	1,181	220	57	148	156	-	0	-	3,097
Other fixed service revenues	1,876	618	54	39	213	226	-	19	-	3,046
<b>Total fixed service revenues</b>	<b>7,438</b>	<b>2,413</b>	<b>1,948</b>	<b>307</b>	<b>987</b>	<b>892</b>	<b>1,450</b>	<b>25</b>	<b>-</b>	<b>15,459</b>
Advertising revenues	-	-	-	-	-	-	2,841	-	-	2,841
Other service revenues	502	112	85	49	6	6	74	222	-	1,056
<b>Total service revenues<sup>1</sup></b>	<b>14,826</b>	<b>6,209</b>	<b>6,282</b>	<b>1,984</b>	<b>1,767</b>	<b>1,454</b>	<b>4,364</b>	<b>1,038</b>	<b>-</b>	<b>37,925</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>2,325</b>	<b>986</b>	<b>998</b>	<b>536</b>	<b>505</b>	<b>275</b>	<b>-</b>	<b>560</b>	<b>-</b>	<b>6,185</b>
<b>Total external net sales</b>	<b>17,151</b>	<b>7,195</b>	<b>7,280</b>	<b>2,520</b>	<b>2,272</b>	<b>1,729</b>	<b>4,364</b>	<b>1,598</b>	<b>-</b>	<b>44,110</b>
Internal net sales	38	89	31	24	12	7	0	391	-592	-
<b>Total net sales</b>	<b>17,189</b>	<b>7,285</b>	<b>7,311</b>	<b>2,544</b>	<b>2,284</b>	<b>1,736</b>	<b>4,364</b>	<b>1,990</b>	<b>-592</b>	<b>44,110</b>

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

SEK in millions	Jan-Jun 2021									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	6,204	3,034	3,205	1,235	592	457	-	650	-	15,378
Interconnect	246	194	201	111	72	39	-	69	-	932
Other mobile service revenues	237	275	291	155	14	5	0	12	-	988
<b>Total mobile service revenues</b>	<b>6,687</b>	<b>3,503</b>	<b>3,698</b>	<b>1,501</b>	<b>678</b>	<b>501</b>	<b>0</b>	<b>730</b>	<b>-</b>	<b>17,298</b>
Telephony	836	34	54	88	92	56	-	1	-	1,161
Broadband	2,328	326	697	91	302	289	0	8	-	4,040
TV	978	269	799	34	197	141	1,478	0	-	3,896
Business solutions	1,350	1,188	208	80	125	129	-	35	-	3,115
Other fixed service revenues	1,848	565	46	20	189	186	-	1,555	-	4,408
<b>Total fixed service revenues</b>	<b>7,340</b>	<b>2,382</b>	<b>1,803</b>	<b>313</b>	<b>904</b>	<b>800</b>	<b>1,478</b>	<b>1,598</b>	<b>-</b>	<b>16,619</b>
Advertising revenues	-	-	-	-	-	-	2,642	-	-	2,642
Other service revenues	541	123	83	44	9	6	54	210	-	1,070
<b>Total service revenues<sup>1</sup></b>	<b>14,568</b>	<b>6,008</b>	<b>5,583</b>	<b>1,858</b>	<b>1,591</b>	<b>1,307</b>	<b>4,175</b>	<b>2,539</b>	<b>-</b>	<b>37,629</b>
<b>Total equipment revenues<sup>1</sup></b>	<b>2,233</b>	<b>973</b>	<b>1,059</b>	<b>630</b>	<b>436</b>	<b>270</b>	<b>-</b>	<b>459</b>	<b>-</b>	<b>6,062</b>
<b>Total external net sales</b>	<b>16,801</b>	<b>6,981</b>	<b>6,643</b>	<b>2,488</b>	<b>2,027</b>	<b>1,577</b>	<b>4,175</b>	<b>2,998</b>	<b>-</b>	<b>43,691</b>
Internal net sales	92	110	10	35	24	27	0	722	-1,019	-
<b>Total net sales</b>	<b>16,893</b>	<b>7,090</b>	<b>6,652</b>	<b>2,523</b>	<b>2,051</b>	<b>1,604</b>	<b>4,175</b>	<b>3,720</b>	<b>-1,019</b>	<b>43,691</b>

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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>CAPEX</b>	<b>4,533</b>	<b>5,115</b>	<b>9,252</b>	<b>9,858</b>
Intangible assets	927	1,098	1,859	2,450
Property, plant and equipment	3,055	2,890	5,579	5,225
Right-of-use assets	551	1,127	1,814	2,183
<b>Acquisitions and other investments</b>	<b>71</b>	<b>18</b>	<b>117</b>	<b>56</b>
Asset retirement obligations	6	6	40	32
Goodwill, intangible and tangible non-current assets acquired in business combinations	-	-	-	-
Equity instruments	65	12	77	24
<b>Total investments</b>	<b>4,604</b>	<b>5,133</b>	<b>9,369</b>	<b>9,913</b>

## Note 6.

### Treasury shares

On April 6, 2022, the Annual General Meeting authorized the Board of Directors to decide on a share buy-back program. Repurchases of shares may be made on one or more occasions before the annual general meeting 2023. On June 1, 2022, the Board of Directors decided to initiate a share buy-back program with the intention to buy back shares for SEK 5.4 billion starting no earlier than June 15, 2022 and ending no later than February 28, 2023. The total price for the repurchased shares under the share buy-back program during the second quarter and the first six months 2022 was SEK 382 million and no transaction costs were paid.

During May 2022 Telia Company acquired additional 339,912 treasury shares, at an average price of SEK 40,01 to cover commitments under the "Long term Incentive Program 2019/2022". The price for the repurchased shares during the second quarter and the first six months 2022 was SEK 14 million and transaction costs, net of tax, amounted to

SEK 0 million. During the second quarter of 2022, Telia Company transferred 312,716 shares to the incentive program participants.

In total the acquisitions of treasury shares under the share buy-back program and the LTI program reduced other contributed capital within parent shareholder's equity by SEK 396 million during the six-month period ended June 30, 2022.

As of June 30, 2022, Telia Company held 9,846,400 treasury shares (0) and the total number of issued and outstanding shares was 4,089,631,702 and 4,079,785,302 respectively.

## Note 7.

### Net debt

SEK in millions	Jun 30, 2022	Dec 31, 2021
Long-term borrowings	93,355	91,634
<i>of which lease liabilities, non-current</i>	12,960	12,859
Less 50% of hybrid capital <sup>1</sup>	-10,801	-10,428
Short-term borrowings	6,309	10,017
<i>of which lease liabilities, current</i>	3,143	2,872
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-5,893	-1,705
Less long-term bonds and interest rates derivatives at fair value through income statement and OCI	-5,191	-5,931
Less short-term investments	-6,419	-6,097
Less cash and cash equivalents	-11,197	-14,358
<b>Net debt</b>	<b>60,165</b>	<b>63,133</b>

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

No major funding transaction was made during the second quarter 2022. During the first quarter of 2022, Telia Company issued a green hybrid bond of EUR 500 million (SEK 5.2 billion) to a yield of 2.88 percent with the first reset date after 6.25 years. The bond was, as last time, issued under Telia's Green Bond Framework, which outlines how the proceeds can be used and how impacts will be reported.

Outstanding bonds with a nominal amount corresponding to SEK 9.2 billion (SEK 7.2 billion and EUR 200 million, respectively), of which 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, were repaid during the first quarter of 2022. The nominal value of the company's hybrid notes remains unchanged.

The credit rating of Telia Company remained unchanged during the first half year 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 <sup>1</sup> SEK in millions	Jun 30, 2022		Dec 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Long-term borrowings</b>				
Interest rate derivatives at fair value	5,072	5,072	771	771
Cross-currency interest rate derivatives at fair value	137	137	800	800
<b>Subtotal</b>	<b>5,207</b>	<b>5,207</b>	<b>1,570</b>	<b>1,570</b>
Open-market financing borrowings in fair value hedge relationships	49,418	54,631	53,451	59,477
Open-market financing borrowings at amortized cost	25,112	26,655	23,215	28,084
Other borrowings at amortized cost	656	656	541	541
Lease liabilities at amortized cost	12,960		12,859	
<b>Total long-term borrowings</b>	<b>93,355</b>		<b>91,637</b>	
<b>Short-term borrowings</b>				
Interest rate derivatives at fair value	2	2	92	92
Cross-currency interest rate derivatives at fair value	298	298	223	223
<b>Subtotal</b>	<b>300</b>	<b>300</b>	<b>315</b>	<b>315</b>
Utilized bank overdraft and short-term credit facilities at amortized cost	-	-	6	6
Open-market financing borrowings in fair value hedge relationships	1,899	1,901	6,001	6,037
Other borrowings at amortized cost	968	968	823	823
Lease liabilities at amortized cost	3,143		2,872	
<b>Total short-term borrowings</b>	<b>6,309</b>		<b>10,017</b>	

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 <sup>1</sup> SEK in millions	Jun 30, 2022				Dec 31, 2021			
	Carrying value	of which			Carrying value	of which		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>								
Equity instruments at fair value through OCI	579	-	-	579	576	-	-	576
Equity instruments at fair value through income statement	18	-	-	18	18	-	-	18
Long- and short-term bonds at fair value through OCI	631	631	-	-	830	830	-	-
Long- and short-term bonds at fair value through income statement	10,845	9,327	1,518	-	11,578	9,883	1,695	-
Derivatives designated as hedging instruments	990	-	990	-	1,034	-	1,034	-
Derivatives at fair value through income statement	774	-	774	-	462	-	462	-
<b>Total financial assets at fair value by level</b>	<b>13,837</b>	<b>9,958</b>	<b>3,282</b>	<b>597</b>	<b>14,497</b>	<b>10,713</b>	<b>3,191</b>	<b>594</b>
<b>Financial liabilities at fair value</b>								
Derivatives designated as hedging instruments	5,274	-	5,274	-	1,734	-	1,734	-
Derivatives at fair value through income statement	355	-	355	-	166	-	166	-
<b>Total financial liabilities at fair value by level</b>	<b>5,630</b>	<b>-</b>	<b>5,630</b>	<b>-</b>	<b>1,900</b>	<b>-</b>	<b>1,900</b>	<b>-</b>

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-Jun 2022		Total
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	
<b>Level 3, opening balance</b>	<b>576</b>	<b>18</b>	<b>594</b>
Changes in fair value	-75	-	-75
<i>of which recognized in other comprehensive income</i>	-75	-	-75
Purchases/Equity conversions	77	-	77
Exchange rate differences	2	-	2
<b>Level 3, closing balance</b>	<b>579</b>	<b>18</b>	<b>597</b>

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	
<b>Level 3, opening balance</b>	<b>473</b>	<b>18</b>	<b>491</b>
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
<b>Level 3, closing balance</b>	<b>576</b>	<b>18</b>	<b>594</b>

## Note 10.

### Contingent liabilities, collateral pledged and litigations

SEK in millions	Jun 30, 2022	Dec 31, 2021
Issued financial guarantees	325	288
<i>of which referred to guarantees for pension obligations</i>	324	287
Collateral pledged	42	38
<b>Total contingent liabilities and collateral pledged</b>	<b>367</b>	<b>326</b>

As disclosed in the Annual and Sustainability Report 2021, the Norwegian Tax Administration (NTA) is performing a VAT audit investigating the treatment of the supply of electronic News services during the years 2016-2018 in GET AS, which was acquired by Telia Company in 2018. Based on the latest communication with the NTA, it is deemed likely that Telia Company will be required to pay an amount of approximately SEK 0.3 billion in the first quarter 2023. However, no material provision has been recognized since it is deemed probable that the amount will be repaid.

The Finnish Tax Agency (FTA) has in an advance ruling concluded that Telia Towers Finland Oy is to be classified as a "Real estate company" and the FTA has requested Telia Company to file a Real Estate Transfer Tax return. The FTA has estimated the real estate transfer tax related to Telia Towers Finland Oy to approximately SEK 0.3 billion. Telia Company has appealed the ruling. Management's assessment is that it is probable that Telia Company will win the final appeal in court and no provision has therefore been recognized in the second quarter 2022. For other ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2021.

## Note 11.

### Contractual obligations and commitments

SEK in millions	Jun 30, 2022	Dec 31, 2021
Contractual obligations and commitments	22,771	20,399
<i>of which film and program rights</i>	14,678	14,556
<b>Total contractual obligations and commitments</b>	<b>22,771</b>	<b>20,399</b>

## 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 2022. Second quarter and first half of 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

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 was subject to customary regulatory approvals and was closed on May 31, 2022. The disposal resulted in a capital loss of SEK 5 million and a positive cash flow effect of SEK 108 million classified as investing activities.

### 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 at a price corresponding to an enterprise value for 100% of SEK 11,224 million on a cash and debt free basis. The transaction was subject to customary regulatory approvals and was closed on June 1, 2022. The transaction resulted in an increase of equity attributable to owners of the parent of SEK 5,265 million (net including transaction costs of SEK 24 million) and an increase of equity attributable to non-controlling interests of SEK 186 million. The disposal had a positive cash flow effect for the group in the second quarter 2022 of SEK 5,475 million which was recognized within financing activities.

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

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.

	Jun 30, 2022	Dec 31, 2021
Return on equity (% , rolling 12 months) <sup>1</sup>	6.9	18.5
Return on capital employed (% , rolling 12 months) <sup>1</sup>	5.7	9.1
Equity/assets ratio (%) <sup>1</sup>	35.4	31.7
Net debt/adjusted EBITDA ratio (multiple, rolling 12 months)	2.01	2.14
Parent owners' equity per share (SEK) <sup>1</sup>	21.64	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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Net sales</b>	<b>22,293</b>	<b>21,877</b>	<b>44,110</b>	<b>43,691</b>
Excluded: Equipment revenues	-3,125	-2,994	-6,185	-6,062
<b>Service revenues (external)</b>	<b>19,167</b>	<b>18,883</b>	<b>37,925</b>	<b>37,629</b>
Excluded: Effects from changes in foreign exchange rates <sup>1</sup>	-347	-15	-726	47
Excluded: Effects from acquired and disposed operations	-20	-507	-53	-1,537
<b>Service revenues on a like-for-like basis<sup>2</sup></b>	<b>18,801</b>	<b>18,361</b>	<b>37,145</b>	<b>36,139</b>
<i>of which Core Telco business</i>	<i>16,485</i>	<i>16,090</i>	<i>32,813</i>	<i>31,963</i>
<i>of which TV and Media</i>	<i>2,316</i>	<i>2,271</i>	<i>4,333</i>	<i>4,176</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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Operating income</b>	<b>2,831</b>	<b>9,031</b>	<b>5,268</b>	<b>10,826</b>
Excluded: Income from associated companies and joint ventures	-18	-23	-32	-47
Excluded: Total depreciation/amortization/write-down	4,686	4,999	9,293	10,006
<b>EBITDA</b>	<b>7,499</b>	<b>14,006</b>	<b>14,529</b>	<b>20,784</b>
Adjustment items within EBITDA (Note 2)	183	-6,352	354	-5,951
<b>Adjusted EBITDA</b>	<b>7,681</b>	<b>7,655</b>	<b>14,883</b>	<b>14,833</b>
Excluded: Effects from changes in foreign exchange rates <sup>1</sup>	-151	-8	-322	20
Excluded: Effects from acquired and disposed operations	-4	-182	-14	-375
<b>Adjusted EBITDA on a like-for-like basis<sup>2</sup></b>	<b>7,527</b>	<b>7,464</b>	<b>14,547</b>	<b>14,478</b>
<i>of which Core Telco business</i>	<i>7,183</i>	<i>6,889</i>	<i>14,394</i>	<i>13,783</i>
<i>of which TV and Media</i>	<i>344</i>	<i>575</i>	<i>153</i>	<i>695</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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Operating income</b>	<b>2,831</b>	<b>9,031</b>	<b>5,268</b>	<b>10,826</b>
Adjustment items within Operating income (Note 2)	183	-6,335	354	-5,935
<b>Adjusted operating income</b>	<b>3,014</b>	<b>2,696</b>	<b>5,623</b>	<b>4,891</b>

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

SEK in millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Investments in intangible assets	927	1,098	1,859	2,450
Investments in property, plant and equipment	3,055	2,890	5,579	5,225
<b>CAPEX excluding right of use assets</b>	<b>3,982</b>	<b>3,988</b>	<b>7,438</b>	<b>7,675</b>
Investments in right-of-use assets	551	1,127	1,814	2,183
<b>CAPEX</b>	<b>4,533</b>	<b>5,115</b>	<b>9,252</b>	<b>9,858</b>
Excluded: investments in license and spectrum fees and right-of-use assets	-551	-1,487	-1,985	-3,305
<b>CAPEX excluding fees for licenses and spectrum and right of use assets</b>	<b>3,982</b>	<b>3,628</b>	<b>7,266</b>	<b>6,553</b>

SEK in millions, except ratio	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>CAPEX</b>	<b>4,533</b>	<b>5,115</b>	<b>9,252</b>	<b>9,858</b>
Excluded: investments in right-of-use assets	-551	-1,127	-1,814	-2,183
Net of not paid investments and additional payments from previous periods	-304	-589	-554	-651
<b>Cash CAPEX</b>	<b>3,678</b>	<b>3,400</b>	<b>6,884</b>	<b>7,024</b>
Excluded: Cash CAPEX for licenses and spectrum fees	-9	-52	-194	-920
<b>Cash CAPEX, excluding fees for licenses and spectrum</b>	<b>3,670</b>	<b>3,347</b>	<b>6,690</b>	<b>6,104</b>
<b>Net sales</b>	<b>22,293</b>	<b>21,877</b>	<b>44,110</b>	<b>43,691</b>
<b>Cash CAPEX, excluding fees for licenses and spectrum in relation to net sales (%)</b>	<b>16.5</b>	<b>15.3</b>	<b>15.2</b>	<b>14.0</b>

## Free cash flow (continuing and discontinued operations)

SEK in millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Cash flow from operating activities	5,571	6,168	11,543	13,642
Cash CAPEX (paid intangible and tangible assets)	-3,678	-3,400	-6,884	-7,024
<b>Free cash flow</b>	<b>1,893</b>	<b>2,769</b>	<b>4,659</b>	<b>6,618</b>

## Operational free cash flow

SEK in millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Cash flow from operating activities from continuing operations	5,571	6,299	11,543	13,773
Cash CAPEX from continuing operations	-3,678	-3,400	-6,884	-7,024
<b>Free cash flow, continuing operations</b>	<b>1,893</b>	<b>2,900</b>	<b>4,659</b>	<b>6,749</b>
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	9	52	194	920
Excluded: Dividends from associates from continuing operations	-135	-151	-136	-152
Excluded: Taxes paid on dividends from associates from continuing operations	-	-	-	-
Repayments of lease liabilities	-639	-743	-1,427	-1,424
<b>Operational free cash flow</b>	<b>1,127</b>	<b>2,057</b>	<b>3,290</b>	<b>6,094</b>
Excluded: Changes in working capital	416	-387	194	-2,123
<b>Structural part of Operational free cash flow</b>	<b>1,543</b>	<b>1,670</b>	<b>3,485</b>	<b>3,971</b>

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

SEK in millions, except for multiple	Jun 30, 2022	Dec 31, 2021
<b>Net debt</b>	<b>60,165</b>	<b>63,133</b>
Adjusted EBITDA continuing operations accumulated current year	14,883	29,861
Adjusted EBITDA continuing operations previous year	15,028	-
Excluding: Disposed operations	-	-371
<b>Adjusted EBITDA rolling 12 months excluding disposed operations</b>	<b>29,911</b>	<b>29,491</b>
<b>Net debt/adjusted EBITDA ratio (multiple)</b>	<b>2.01x</b>	<b>2.14x</b>

## Adjusted EBITDA margin

SEK in millions, except ratio	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Net sales	22,293	21,877	44,110	43,691
Adjusted EBITDA	7,681	7,655	14,883	14,833
<b>Adjusted EBITDA margin (%)</b>	<b>34.5</b>	<b>35.0</b>	<b>33.7</b>	<b>34.0</b>

## Parent company

### Condensed income statements

SEK in millions	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Net sales	374	127	885	244
Cost of sales	-244	-	-609	-
<b>Gross income</b>	<b>131</b>	<b>127</b>	<b>277</b>	<b>244</b>
Operating expenses and other operating income, net	-256	-320	-541	-681
<b>Operating income</b>	<b>-125</b>	<b>-193</b>	<b>-264</b>	<b>-437</b>
Financial items, net	11,304	10,219	10,737	9,491
<b>Income after financial items</b>	<b>11,179</b>	<b>10,026</b>	<b>10,473</b>	<b>9,054</b>
Appropriations	1,244	1,535	2,255	2,609
<b>Income before taxes</b>	<b>12,423</b>	<b>11,562</b>	<b>12,729</b>	<b>11,663</b>
Income taxes	-32	-289	-97	-418
<b>Net income</b>	<b>12,391</b>	<b>11,273</b>	<b>12,631</b>	<b>11,246</b>

Net sales and Cost of sales in the second quarter 2022 increased to SEK 374 million (127) and SEK -244 million (-) respectively mainly due to increased Net sales and Cost of sales related to film and program rights. The increase in Net sales and Cost of sales first half of 2022 was also mainly related to film and program rights.

Financial items net in the second quarter 2022 increased to SEK 11,304 million (10,219). 2022 was mainly impacted by a capital gain of SEK 11,063 million from the disposal of Telia Towers Sweden AB and 2021 was mainly impacted by a capital gain of SEK 6,279 million from the disposals of the Telia Carrier subsidiaries. The second quarter 2022 was in addition impacted by dividends from subsidiaries of SEK 1,610 million (3,927) and negative impacted by foreign exchange losses.

Financial items net in the first half of 2022 increased to SEK 10,737 million (9,491). 2022 was mainly impacted by the capital gain of SEK 11,063 million from the disposal of Telia Towers Sweden AB and 2021 was mainly impacted by the capital gain of SEK 6,279 million from the disposal of the Telia Carrier subsidiaries. The first half of 2022 was impacted by dividends from subsidiaries of SEK 1,673 million (7,999). 2021 was also impacted by an impairment of the subsidiary Telia Finland Oyj of SEK 4,500 million. In addition, first half of 2022 was negatively impacted by foreign exchange losses.

## Condensed balance sheets

SEK in millions	Jun 30, 2022	Dec 31, 2021
<b>Assets</b>		
Non-current assets	166,831	163,412
Current assets	41,140	43,865
<b>Total assets</b>	<b>207,971</b>	<b>207,277</b>
<b>Equity and liabilities</b>		
Restricted shareholders' equity	15,712	15,712
Non-restricted shareholders' equity	73,867	69,722
<b>Total shareholders' equity</b>	<b>89,580</b>	<b>85,434</b>
Untaxed reserves	6,125	6,707
Provisions	431	441
Long-term liabilities	79,755	78,240
Short-term liabilities and short-term provisions	32,081	36,455
<b>Total equity and liabilities</b>	<b>207,971</b>	<b>207,277</b>

Non-current assets increased to SEK 166,831 million (163,412) mainly due to shareholder contributions made to subsidiaries.

Current assets decreased to SEK 41,140 million (43,865) due to reduced cash and group contribution receivables offset by increased other current interest-bearing receivables.

Equity increased to SEK 89,580 million (85,434) impacted by a positive Net income partly offset by approved dividend.

Long-term liabilities increased to SEK 79,755 million (78,240) impacted by net effects from changes in interest and foreign exchange effects related to bonds and derivatives.

Short-term liabilities and short-term provisions decreased to SEK 32,081 million (36,455) mainly due to reduced short-term borrowings related to matured bonds and decreased intragroup current interest-bearing liabilities offset by a dividend liability.



## 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.

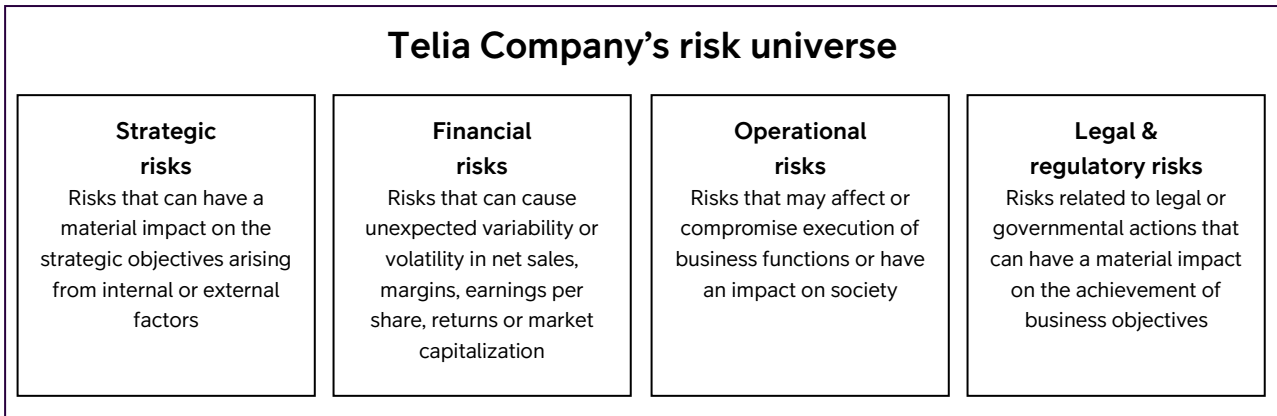
For further information regarding details on risk exposure and risk management, see the Annual and Sustainability Report 2021, Directors Report, section Risk and uncertainties.

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, volatility in market values and interest rates, 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



## Board of directors' and president's certification

The Board of Directors and the President and CEO certify that the Interim Report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 20, 2022

Lars-Johan Jarnheimer  
Chair of the Board

Ingrid Bonde  
Vice-Chair of the Board

Hannes Ametsreiter  
Board member

Stefan Carlsson  
Board member,  
employee representative

Luisa Delgado  
Board member

Tomas Eliasson  
Board member

Rickard Gustafson  
Board member

Jeanette Jäger  
Board member

Nina Linander  
Board member

Jimmy Maymann  
Board member

Martin Sääf  
Board member,  
employee representative

Rickard Wäst  
Board member,  
employee representative

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-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 and Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.00 CET on July 20, 2022.

