Q2 Interim report
January – June 2022
Group highlights

- Growth momentum continued
- Solid service revenue growth, with mobile up 4.4%
- OPEX declined 1.6% despite higher energy costs
- EBITDA growth with Core Telco up 4.3%
- Op FCF impacted by working capital
- Leverage at 2.01x
- Swedish tower transaction closed
- Share buy-back program initiated

<table>
<thead>
<tr>
<th></th>
<th>SEK billion</th>
<th>Q2 2022</th>
<th>Change LFL vs. Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenues</td>
<td>19.2</td>
<td>+2.4%</td>
<td></td>
</tr>
<tr>
<td>OPEX change</td>
<td>-0.1</td>
<td>-1.6%</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>7.7 (7.3)</td>
<td>+0.8% (+4.3%)</td>
<td></td>
</tr>
<tr>
<td>(… of which Core Telco)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash CAPEX excl licenses &amp; spectrum*</td>
<td>3.7</td>
<td>+9.6%</td>
<td></td>
</tr>
<tr>
<td>Op FCF*</td>
<td>1.1</td>
<td>-45.2%</td>
<td></td>
</tr>
<tr>
<td>Leverage ratio</td>
<td>2.01x</td>
<td>-0.33x</td>
<td></td>
</tr>
</tbody>
</table>

* Change in reported SEK
Strategy highlights

– **Mobile growth** in all markets, almost all ARPU driven
– **Enterprise growth** supported by our unique strategic position
– **All time high** Advertising revenues in TV4
– **Network modernization on track**
  – 5G coverage reached 49% of Nordic/Baltic population
  – Sweden doubled its 5G coverage in the quarter
  – EMN leadership confirmed by new customer wins
– **Digital transformation on track**
  – Improving customer experience
  – Reduced call volumes and improved channel mix
  – Continued legacy take-out
– Further progress towards SEK 2bn in **OPEX reductions by 2023**
– Solid progress on **our sustainability agenda**
  – **Wind/solar energy** agreements in Denmark and Estonia
  – Consumer security service launched in Sweden
Service revenues
Reported currency, in SEK millions, like for like growth

- Service revenue increased 1.2% (SEK 89m) with growth in both mobile and fixed
- Mobile increased 2.7%, broadband 4.1% and TV 16.0%

Service revenues split
Reported currency, in SEK millions, like for like growth

- Underlying service revenue growth, excl. copper and roaming recovery of 3.3%
- Copper headwind remained largely unchanged at c. SEK 170m

Adj EBITDA
Reported currency, in SEK millions, like for like growth

- EBITDA increased 2.8% as service revenue growth and OPEX efficiencies more than offset loss of high margin legacy revenues

* Copper legacy = fixed telephony and xDSL
Sweden KPIs

Mobile postpaid subs and ARPU
Subscriptions ’000, ARPU in SEK

- Subscription base growth due to both Consumer and Enterprise
- ARPU continued to grow (+2.0%)

<table>
<thead>
<tr>
<th></th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid ex M2M</td>
<td>4,103</td>
<td>4,112</td>
<td>4,071</td>
<td>4,070</td>
<td>4,102</td>
</tr>
<tr>
<td>ARPU</td>
<td>244</td>
<td>244</td>
<td>248</td>
<td>248</td>
<td>249</td>
</tr>
</tbody>
</table>

Broadband subs and ARPU
Subscriptions ’000, ARPU in SEK

- Flat subscriber base growth as fiber and FWA compensated for copper decline
- ARPU continued to grow (+2.8%) supported by pricing

<table>
<thead>
<tr>
<th></th>
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<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber and FWA</td>
<td>232</td>
<td>209</td>
<td>182</td>
<td>162</td>
<td>137</td>
</tr>
<tr>
<td>Copper</td>
<td>994</td>
<td>1,035</td>
<td>1,066</td>
<td>1,087</td>
<td>1,109</td>
</tr>
<tr>
<td>ARPU</td>
<td>314</td>
<td>320</td>
<td>324</td>
<td>323</td>
<td>323</td>
</tr>
</tbody>
</table>

TV subs and ARPU
Subscriptions ’000, ARPU in SEK

- Continued solid development in IPTV subs
- ARPU growth of +6.7% supported by sports subscriber growth and pricing

<table>
<thead>
<tr>
<th></th>
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<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>949</td>
<td>975</td>
<td>997</td>
<td>1,015</td>
<td>1,028</td>
</tr>
<tr>
<td>ARPU</td>
<td>174</td>
<td>176</td>
<td>185</td>
<td>186</td>
<td>186</td>
</tr>
</tbody>
</table>
Service revenues
Reported currency, in SEK millions, like for like growth

- Service revenues again stable
- Mobile revenue improved further (+2.1%) despite interconnect headwinds
- Continued pressure on fixed revenues

Adj EBITDA
Reported currency, in SEK millions, like for like growth

- EBITDA growth from lower OPEX
- Reduced resource costs (partly due to industrial action) more than compensated for higher energy costs

Mobile postpaid subs and ARPU
Subscriptions '000, ARPU in EUR

- Subscriber base stabilized
- ARPU stabilized supported by 5G migrations and pricing initiatives
-- Service revenue increased +6.8% (SEK 190m) driven by mobile (+8.9%) and broadband (+8.1%)
-- Strong development in both Consumer (+4.6%) and Enterprise (+10.8%)

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### Service revenues
Reported currency, in SEK millions, like for like growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Consumer</th>
<th>Enterprise</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 21</td>
<td>2,827</td>
<td>2,913</td>
<td>3,137</td>
</tr>
<tr>
<td>Q3 21</td>
<td>2,913</td>
<td>3,014</td>
<td></td>
</tr>
<tr>
<td>Q4 21</td>
<td>3,014</td>
<td>3,146</td>
<td></td>
</tr>
<tr>
<td>Q1 22</td>
<td>3,146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 22</td>
<td>3,137</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### Adj EBITDA
Reported currency, in SEK millions, like for like growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adj EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 21</td>
<td>1,507</td>
</tr>
<tr>
<td>Q3 21</td>
<td>1,652</td>
</tr>
<tr>
<td>Q4 21</td>
<td>1,556</td>
</tr>
<tr>
<td>Q1 22</td>
<td>1,666</td>
</tr>
<tr>
<td>Q2 22</td>
<td>1,591</td>
</tr>
</tbody>
</table>

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### Mobile postpaid subs and ARPU
Subscriptions '000, ARPU in NOK

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Postpaid ex M2M</th>
<th>ARPU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 21</td>
<td>1,879</td>
<td>269</td>
</tr>
<tr>
<td>Q3 21</td>
<td>1,886</td>
<td>285</td>
</tr>
<tr>
<td>Q4 21</td>
<td>1,893</td>
<td>283</td>
</tr>
<tr>
<td>Q1 22</td>
<td>1,899</td>
<td>285</td>
</tr>
<tr>
<td>Q2 22</td>
<td>1,910</td>
<td>283</td>
</tr>
</tbody>
</table>
LED markets

**Lithuania**
Reported currency, in SEK millions, like for like growth

- Broad based growth in mobile +11.2% and fixed +5.1%
- Strong EBITDA development despite energy costs increase

<table>
<thead>
<tr>
<th></th>
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<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenues</td>
<td>811</td>
<td>840</td>
<td>841</td>
<td>862</td>
<td>905</td>
</tr>
<tr>
<td>EBITDA</td>
<td>368</td>
<td>404</td>
<td>370</td>
<td>401</td>
<td>414</td>
</tr>
</tbody>
</table>

**Estonia**
Reported currency, in SEK millions, like for like growth

- Strong service revenue development from mobile +5.9% and fixed +4.3%
- EBITDA growth of +4.6% from service revenue flow through

<table>
<thead>
<tr>
<th></th>
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<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenues</td>
<td>665</td>
<td>684</td>
<td>698</td>
<td>729</td>
<td>725</td>
</tr>
<tr>
<td>EBITDA</td>
<td>299</td>
<td>313</td>
<td>292</td>
<td>326</td>
<td>323</td>
</tr>
</tbody>
</table>

**Denmark**
Reported currency, in SEK millions, like for like growth

- Service revenue growth driven by mobile turnaround (+3.0%)
- Strong EBITDA development despite energy costs increase

<table>
<thead>
<tr>
<th></th>
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<th>Q3 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
<th>Q2 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenues</td>
<td>937</td>
<td>981</td>
<td>968</td>
<td>990</td>
<td>994</td>
</tr>
<tr>
<td>EBITDA</td>
<td>217</td>
<td>235</td>
<td>242</td>
<td>235</td>
<td>248</td>
</tr>
</tbody>
</table>
TV and Media

**Service revenues**
Reported currency, in SEK millions, like for like growth

- Service revenues increased +2.0% driven by advertising +4.2% (SEK 64m)
- Digital advertising revenue increased +21%
- Lower Pay TV revenues as growth in Sweden offset by Denmark and Finland

**Adj EBITDA**
Reported currency, in SEK millions, like for like growth

- EBITDA impacted by increased content investments
- As of next quarter UCL is annualized

**C More direct OTT subs and ARPU**
Subscriptions '000, ARPU in SEK

- Subscription base declined due to sports seasonality
Service revenues

Service revenue bridge
Like for like growth

- Growth in Sweden driven by mobile, broadband and TV
- Finland flat as mobile compensated for lower fixed revenues
- Norway and LED again strong

Service revenue development
Like for like growth

- Core Telco Consumer +2.7%
- Core Telco Enterprise +2.1%
- TV and Media +2.0%

OUTLOOK
2022: Service revenues, like for like, to grow by low single digit
2021-2023: Service revenues, like for like, to grow by low single digit
OPEX

OPEX bridge
Like for like growth

- Resource cost reduced by SEK 173m
- Marketing remained stable due to efficiency initiatives
- IT reduction offset by SEK 100m higher energy costs

OPEX development
In SEK billion, 2020 average FX rates, excl Telia Carrier, R12

- OPEX reduction to date of SEK 0.6bn driven by lower resource and IT costs partly offset by higher energy expenses
- Excluding energy OPEX declined SEK 0.9bn to date

AMBITION
OPEX 2021-2025: OPEX excluding energy to decline by at least SEK 2bn until 2023 and by SEK 4bn until 2025 (updated)
EBITDA

Adj EBITDA bridge
Like for like growth

+0.8%

Q2 21 SWE FIN NOR DEN LIT EST TVM Other Q2 22

- Another solid quarter in Sweden and LED
- Finland continued to improve
- Lower TV and Media EBITDA due to higher content costs

Adj EBITDA development
Like for like growth

1.3% 0.0% 0.1% 0.8%

Q2 21 Q3 21 Q4 21 Q1 22 Q2 22

- Core Telco grew EBITDA 4.3%
- Content cost in TV and Media impacts flow through to Group EBITDA

OUTLOOK

EBITDA: 2022: Adjusted EBITDA, like for like, to grow by low single digit
EBITDA: 2021-2023: Adjusted EBITDA, like for like, to grow by low to mid-single digit
Cash CAPEX

Cash CAPEX by type
Reported currency, in SEK billions, excl. licenses and spectrum fees

- Mobile and fixed network investments fairly unchanged vs. LY
- Product development/IT increased driven by transformation

Cash CAPEX development
Reported currency, in SEK billions, excl. licenses and spectrum fees, R12

- Cash CAPEX R12 of SEK 15.0bn or 16.9% of net sales
- Cash CAPEX R12 to decline in H2

OUTLOOK
2022: Cash CAPEX, excluding fees for licenses and spectrum, to be in the range of SEK 14.0-15.0 billion.
2023: Cash CAPEX, excluding fees for licenses and spectrum, to return to around 15% of net sales
Operational free cash flow

Operational free cash flow bridge
Reported currency, in SEK billions

- Lower cash flow due to mainly working capital
- Cash CAPEX slightly higher due to transformation

Operational free cash flow development
Reported currency, in SEK billions, R12

- Cash flow declined from lower NWC contribution combined with increased cash CAPEX
- Structural cash flow to improve in H2 supported by EBITDA growth and lower cash CAPEX

AMBITION

2021-2023: The operational free cash flow is expected to cover the minimum dividend commitment throughout the period.
From 2022: Operational free cash flow excl change in NWC is expected to cover the minimum dividend commitment.
Net debt and leverage

Net debt and leverage development
Reported currency, in SEK billions and leverage ratio

- Balance sheet remained strong with leverage at 2.01x
- First dividend tranche of SEK 4.1bn paid
- Swedish Tower proceeds of SEK 5.4bn received
- Share buy-backs during Q2 amounted to SEK 0.4bn

TARGET
Net debt/ adjusted EBITDA in the range of 2.0-2.5x
**Outlook**

<table>
<thead>
<tr>
<th>2021-2023 (unchanged)</th>
<th>2022 (unchanged)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service revenues</strong></td>
<td><strong>Service revenues</strong></td>
</tr>
<tr>
<td>Low single digit growth*</td>
<td>Low single digit growth*</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>Adjusted EBITDA</strong></td>
</tr>
<tr>
<td>Low to mid single digit growth*</td>
<td>Low single digit growth*</td>
</tr>
<tr>
<td><strong>Cash CAPEX excl. licenses and spectrum</strong></td>
<td><strong>Cash CAPEX excl. licenses and spectrum</strong></td>
</tr>
<tr>
<td>Return to around 15% of net sales by 2023</td>
<td>Around SEK 14.0-15.0bn</td>
</tr>
</tbody>
</table>

* Like for like

Core Telco business expected to grow adjusted EBITDA at low to mid-single digits in 2022
TV & Media adjusted EBITDA contribution expected to decline in 2022
To conclude...
Q2 2022 in summary

- **Growth momentum** continued
- **Solid Core Telco** and **Advertising** development
- **Sweden sustained growth** in both Consumer and Enterprise
- **Finland** continues to improve, **on track for H2 turnaround**
- **Digitalisation** of Advertising **on track**
- **Well positioned** to meet challenges in SVOD
- Transformation enables **OPEX decline**, despite headwinds
- **Infrastructure asset value crystallisation** on track
- **Balance sheet** remains strong
- **Share buy-backs** initiated
- 2022 and mid-term **outlook confirmed**
# Sustainability fully integrated into our strategy

**Three impact areas in focus**

<table>
<thead>
<tr>
<th>Climate and circularity</th>
<th>Digital inclusion</th>
<th>Privacy and security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leading the way through a bold environmental agenda</strong></td>
<td><strong>Driving digital inclusion through reliable access and the right skills</strong></td>
<td><strong>Earning trust through strong privacy protection measures and secure networks</strong></td>
</tr>
<tr>
<td>Zero CO2 and Zero Waste by 2030</td>
<td>1 million individuals reached through digital inclusion initiatives by 2025</td>
<td>Top tier positions/preferred supplier in all markets</td>
</tr>
</tbody>
</table>

## Our ambitions

<table>
<thead>
<tr>
<th>2021 selected highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate neutral in own operations</td>
</tr>
<tr>
<td>27% of supply chain emissions covered by science-based targets</td>
</tr>
<tr>
<td>Significant investments in the network of the future</td>
</tr>
<tr>
<td>~600,000 individuals reached during the year to build digital skills</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2022 YTD Q2 selected highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Purchase Agreements in Denmark (solar) and Estonia (wind) to cover a substantial share of their total renewable electricity needs</td>
</tr>
<tr>
<td>826,000 individuals reached through digital inclusion initiatives</td>
</tr>
<tr>
<td>Safety Package for families launched in Sweden to counter effects of online threats - the most extensive protection solution in the market</td>
</tr>
</tbody>
</table>

- Ranked No 1 or 2 on privacy in 5 out of 6 markets (some shared positions)
- Several contract-wins with elevated security requirements