

Q4

Year-end report

January - December 2022

Staying the course in challenging times

Fourth quarter summary

- Net sales increased 3.8% to SEK 24,261 million (23,380) and like for like, net sales increased 0.5%.
- Service revenues increased 3.9% to SEK 20,174 million (19,420) and like for like, service revenues increased 0.7%. For the Core Telco business service revenues increased 1.2% on a like for like basis.
- Adjusted EBITDA increased 1.2% to SEK 7,374 million (7,290) and like for like, adjusted EBITDA decreased 2.0%. For the Core Telco business, adjusted EBITDA decreased 0.6% on a like for like basis.
- Operating income decreased to SEK -17,874 million (1,772) impacted by non-cash impairments totaling SEK -19,838 million. See Note 13.
- Total net income amounted to SEK -18,818 million (1,185).
- Operational free cash flow decreased to SEK 381 million (1,371) and cash flow from operating activities decreased to SEK 6,307 million (7,137).
- The leverage ratio was 2.35x at the end of the quarter.
- Outlook 2023: Service revenues, like for like, are estimated to grow by low single digit, adjusted EBITDA, like for like, is estimated to be flat to grow by low single digit, CAPEX, excluding fees for licenses and spectrum and right of use assets, is estimated to be in the range of SEK 13.0-14.0 billion and the structural part of Operational free cash flow is estimated to be in the range of SEK 7.0-9.0 billion. See page 5.
- For 2022, the Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 2.00 per share (2.05). See page 5.

**Service
revenues**
20,174

+0.7%, like for like
(SEK million)

**Adjusted
EBITDA**
7,374

-2.0% like for like
(SEK million)

**Operational
free cash
flow**
381

(SEK million)

Full year summary

- Net sales increased 2.8% to SEK 90,827 million (88,343) and like for like, net sales increased 1.8%.
- Service revenues increased 2.6% to SEK 77,126 million (75,180) and like for like, service revenues increased 2.1%. For the Core Telco business service revenues increased 2.3% on a like for like basis.
- Adjusted EBITDA increased 1.6% to SEK 30,328 million (29,861) and like for like, adjusted EBITDA remained unchanged. For the Core Telco business adjusted EBITDA increased 2.1% on a like for like basis.
- Operating income decreased to SEK -9,417 million (15,232) impacted by non-cash impairments. See Note 13.

Highlights

SEK in millions, except key ratios, per share data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	24,261	23,380	3.8	90,827	88,343	2.8
Change (%) like for like ^{1,3}	0.5			1.8		
of which service revenues (external) ¹	20,174	19,420	3.9	77,126	75,180	2.6
change (%) like for like ^{1,3}	0.7			2.1		
Adjusted ² EBITDA ¹	7,374	7,290	1.2	30,328	29,861	1.6
change (%) like for like ^{1,3}	-2.0			0.0		
Margin (%)	30.4	31.2		33.4	33.8	
Adjusted ² operating income ¹	2,322	2,246	3.4	11,332	10,033	12.9
Operating income	-17,874	1,772		-9,417	15,232	
Income after financial items	-18,715	1,181		-12,783	12,598	
Total net income	-18,818	1,185		-14,165	11,836	
EPS total (SEK)	-4.78	0.27		-3.63	2.86	
Operational free cash flow ¹	381	1,371		5,723	10,401	-45.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	5,022	5,944	-15.5	15,959	15,885	0.5

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...

"In 2022, service revenues increased by 2.1% driven by positive development across all units and we continue to see solid momentum in our transformation. At the same time, it has been a challenging year with significant macro headwinds. While we have taken steps to strengthen our strategy to mitigate the headwinds, we are not yet able to offset them fully. As we move into 2023, we are stepping up the pace of execution in our transformation agenda.

In the quarter, we saw continued growth in service revenues and continued cost improvements, although at more modest rates compared with previous quarters. EBITDA declined by 2%, with increased energy costs impacting by SEK 280 million.

With supply-chain constraints easing we accelerated our transformation and network build-out, and our full-year operational free cash flow of SEK 5.7 billion included around SEK 1 billion of preponed CAPEX and elevated inventory in Q4, which is expected to reverse in 2023. In addition, a SEK 19.8 billion non-cash impairment has been recorded, mainly because of higher market interest rates.

We continue to execute on the strategic roadmap we launched two years ago, and here are some of the highlights across our four priority areas:

Within **"Inspiring our customers"**, we continue to launch converged propositions that encourage loyalty and drive customer lifetime value. In Sweden, we launched a new Premium Unlimited mobile service that aggregates C More, HBO, Netflix, Telia Cloud and 5G+. By **"Connecting everyone"** to the most trusted, modern networks, we have not only improved connectivity but also added layers of robust security when and where society needs it the most. In the fourth quarter, network modernization accelerated, with Telia 5G now available to more than 70% of the Nordic/Baltic population. In Sweden we launched a new portfolio of mission-critical services that are vital for societies in times of distress and crisis. By **"Transforming to digital"** we are progressively becoming simpler, faster and more data-driven while reducing our structural cost base. Since embarking on our transformation, we have reduced the number of legacy products by more than 40%, decommissioned nearly half of our legacy IT platforms, and reduced our operational expenses by 5%, keeping us on track for the SEK 2 billion cost takeout ambition by the end of 2023.

Finally, within **"Delivering sustainably"** our resilience is being put to the test by rising interest rates, rising energy costs and general inflation. Despite this, we returned to growth in all business units this past year. Adjusted for energy cost increases, our full-year EBITDA would have grown 2.6%, in line with our mid-term guidance. To mitigate heightened energy costs we are accelerating the implementation of new, energy-saving technologies, the dismantling of legacy networks and moving towards new battery technologies. In 2022 we also reached several sustainability milestones in our prioritized areas of Climate, Digital inclusion and Privacy and Security.



Looking into our markets, **Sweden** marked a sixth year of success in umlaut's nationwide mobile network assessment and continued to grow in all of the main segments – mobile, broadband and TV. However, the temporary loss of Viaplay, before the new distribution agreement was struck in early December, impacted revenue in the quarter and slowed our ability to adjust prices. This and some phasing of business solutions resulted in a 1% service revenue decline this quarter. Despite this dip in the fourth quarter, our range of critical services that support a more secure, digital society returned our Swedish Enterprise business to growth this year, for the first time in almost two decades. Looking at EBITDA, the softer revenue combined with higher energy costs and a lower pension refund resulted in a 3.4% decline in this quarter.

Finland continued its turnaround plan. Mobile service revenue growth improved again, for the seventh consecutive quarter, to 3.8%, underpinned by improved mobile brand consideration. The fixed-line business remains challenging, but overall Finland reverted to service revenue growth of 2.2%. EBITDA declined by 5.5% but was broadly flat excluding the increased energy costs.

Norway continued to grow in both mobile and fixed services, albeit at a slower rate due to Q4 being a less roaming-intensive quarter. We continue to be a leader in 5G, with population coverage increasing further to 84%. EBITDA grew by 2.5% despite higher energy costs. In December, Telia was chosen by Fjordkraft, Norway's largest independent mobile service provider without its own network, to host their 143,000 mobile customers under a five-year wholesale agreement. Customers will move to Telia's network in the second quarter and Telia will also buy a minority stake in Fjordkraft Mobile.

Lithuania, Estonia and Denmark all demonstrated strong growth momentum, with EBITDA growing faster than service

revenue this quarter, despite the heightened inflationary pressure.

In Lithuania, 5G continued to develop positively following its nation-wide launch in the previous quarter and carries a clear price premium versus 4G. In Estonia, our leading market position was verified in a customer survey of brand reputation, in which Telia shared the no. 1 spot nationwide. Telia Denmark came out in a top position in umlaut's audit report on network quality in Denmark's 4 largest cities, a very tangible result of our ongoing network renewal and transformation.

TV and Media advertising revenue flattened out, as expected, given the softening macroeconomic environment. However, in Sweden, centered around TV4 Play, we continued to take digital advertising market share from the main competing global platforms and digital ad revenue grew by 17% allowing TV4 to record its most profitable year ever. However, lower Pay TV revenue and slightly higher content costs resulted in a decline in EBITDA for TV and Media as a whole. The Pay TV environment remains challenging and, hence, our new organizational setup, which builds on our strength in linear and digital advertising and aiming to fully merge C More into TV4 by the end of 2023 is a key priority. The new leadership team for TV & Media was set up in the quarter and consolidation is proceeding at full speed.

Looking into our outlook for 2023, we aim to grow service revenue by low single digits, and EBITDA to be in the flat to low single digit range, reflecting the macro-economic uncertainty. Energy market rates for 2023 have subsided somewhat and we now expect energy costs to increase by around SEK 300 million, down from SEK 600 million estimated three months ago. The structural part of operational free cash flow is estimated to be in the range of SEK 7-9 billion, with improvements expected to come from already initiated pricing initiatives, continued benefits from transformation as well as lower investment levels, as we have now passed the peak of our network modernization. In addition, there is potential to reduce our currently elevated inventory levels.

With the structural part of Operational free cash flow expected to grow in 2023 and the impact from macro headwinds expected to be increasingly mitigated, our financial framework remains. The leverage target range of 2.0-2.5x is unchanged and remains the key priority, and since macro headwinds have had a negative impact also on our leverage during 2022, by around +0.2x, deleveraging will be a natural priority going forward. Our dividend policy is also unchanged, and the Board of Directors proposes a SEK 2.00 dividend per share for 2022.

We are transforming a large, complex business in a challenging market and there are no shortcuts to success. We have known from the start that achieving our ambitious goals demands focus, discipline and perseverance and today is a reminder of that. However, having returned the company to growth, expanded our 5G networks, passed our investment peak, and built the foundations for better operational momentum and cash conversion going forward, I remain confident we are on the right track. The fundamentals of our strategy and our transformation are right and so we must not waver from the course we have set in this current turbulent macro environment. We are building a more agile and resilient business that will further reinforce our position as the most trusted and secure digital infrastructure and service provider in the region. I therefore want to thank every Telia colleague and partner for their continued hard work and commitment as we together build a Better Telia."

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 2023

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

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

CAPEX, excluding fees for licenses and spectrum and right of use assets, is estimated to be in the range of SEK 13.0-14.0 billion.

The structural part of Operational free cash flow¹ is estimated to be in the range of SEK 7.0-9.0 billion.

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.

Ordinary dividend to shareholders

For 2022, the Board of Directors proposes to the Annual General Meeting (AGM) an ordinary dividend of SEK 2.00 per share (2.05), totaling SEK 7.9 billion (8.3). The dividend should be split and distributed in four tranches of SEK 0.50 per share.

First distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for April 5, 2023, and that the first day of trading in shares excluding rights to dividend be set for April 6, 2023. The recommended record date at Euroclear Sweden for the right to receive dividend will be April 11, 2023. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on April 14, 2023.

Second distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for July 27, 2023, and that the first day of trading in shares excluding rights to dividend be set for July 28, 2023. The recommended record date at Euroclear Sweden for the right to receive dividend will be July 31, 2023. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on August 3, 2023.

Third distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for October 24, 2023, and that the first day of trading in shares excluding rights to dividend be set for October 25, 2023. The recommended record date at Euroclear Sweden for the right to receive dividend will be October 26, 2023. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on October 31, 2023.

Fourth distribution

The Board of Directors proposes that the final day for trading in shares entitling shareholders to dividend be set for February 1, 2024, and that the first day of trading in shares excluding rights to dividend be set for February 2, 2024. The recommended record date at Euroclear Sweden for the right to receive dividend will be February 5, 2024. If the AGM votes to approve the Board's proposals, the dividend is expected to be distributed by Euroclear Sweden on February 8, 2024.

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 was completed on November 15, 2022.

The buy-back program was 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 was managed by Goldman Sachs Bank Europe SE that made its trading decisions regarding the timing of the buy-backs of Telia Company's shares independently of Telia Company. See Note 6.

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

Review of the group, fourth quarter 2022

Sales and earnings

Net sales increased 3.8% to SEK 24,261 million (23,380) and like for like, net sales increased by 0.5%.

Service revenues increased 3.9% to SEK 20,174 million (19,420). Like for like, service revenues increased 0.7% driven by a positive development for most units.

Adjusted EBITDA increased 1.2% to SEK 7,374 million (7,290) and the adjusted EBITDA margin decreased to 30.4% (31.2). Like for like, adjusted EBITDA decreased 2.0% driven primarily by a negative development in Sweden as well as for the TV and Media unit.

Adjustment items affecting operating income amounted to SEK -20,196 million (-475) as the fourth quarter of 2022 was mainly impacted by impairments related to goodwill in Finland, Norway, Denmark, and Latvia as well as impairments of the C More brand in TV and Media and copper network assets in Sweden. See Note 13.

Adjusted operating income decreased to SEK 2,322 million (2,246).

Financial items totaled SEK -841 million (-590) of which SEK -875 million (-600) related to net interest expenses. The fourth quarter of 2022 was impacted by higher costs mainly related to higher interest rates.

Income taxes amounted to SEK -102 million (4). The effective tax rate was -0.5% (-0.3). The effective tax rate was mainly impacted by impairments, see Note 13. The effective tax rate in the fourth quarter of 2021 was mainly impacted by change in deferred taxes related to temporary legislation regarding tax reduction for certain investments within property, plant and equipment.

Total net income decreased to SEK -18,818 million (1,185) mainly related to impairments, see Note 13.

Other comprehensive income decreased to SEK -1,423 million (2,904) mainly related to remeasurements of defined benefit pension obligations where the major part related to pension indexation in Sweden as well as increased assumption for inflation.

Cash flow

Cash flow from operating activities decreased to SEK 6,307 million (7,137) mainly due to lower contribution from working capital.

Free cash flow decreased to 956 million (1,655) mainly due to lower contribution from working capital.

Operational free cash flow, from continuing operations, decreased to SEK 381 million (1,371) mainly due to lower contribution from working capital.

Cash flow from investing activities amounted to SEK -3,115 million (-4,730). 2022 was mainly impacted by higher net inflow from short term investments compared to the corresponding quarter last year.

Cash flow from financing activities amounted to SEK -6,094 million (-2,026). The fourth quarter of 2022 was impacted by repurchased treasury shares whilst the corresponding quarter last year was mainly impacted by the partial disposal of the tower businesses in Finland and Norway offset by higher net repayments of long-term borrowings.

Financial position

CAPEX excluding right-of-use assets, decreased to SEK 5,049 million (5,935). CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased to SEK 5,022 million (5,944). Cash CAPEX decreased to SEK 5,351 million (5,481).

Net debt was SEK 71,397 million at the end of the fourth quarter (62,507 at the end of the third quarter of 2022). The net debt/adjusted EBITDA ratio was 2.35x.

Impact from the war in Ukraine

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

Review of the group, full year 2022

Sales and earnings

Net sales increased 2.8% to SEK 90,827 million (88,343) and like for like, net sales increased by 1.8%.

Service revenues increased 2.6% to SEK 77,126 million (75,180). Like for like, service revenues increased 2.1% driven by positive development across all units.

Adjusted EBITDA increased 1.6% to SEK 30,328 million (29,861) and the adjusted EBITDA margin decreased to 33.4% (33.8). Like for like, adjusted EBITDA remained unchanged as positive development seen in most markets was offset mainly by lower adjusted EBITDA for the TV and Media unit. The unchanged development included SEK 0.8 billion increased energy costs.

Adjustment items affecting operating income amounted to SEK -20,749 million (5,198). 2022 was mainly impacted by impairments related to goodwill in Finland, Norway, Denmark, and Latvia as well as impairments of the C More brand in TV and Media and copper network assets in Sweden. See Note 13. 2021 was mainly impacted by a capital gain from the disposal of Telia Carrier.

Adjusted operating income increased to SEK 11,332 million (10,033).

Financial items totaled SEK -3,366 million (-2,634) of which SEK -3,002 million (-2,625) related to net interest expenses. 2022 was impacted by higher costs mainly related to higher interest rates and market value changes.

Income taxes amounted to SEK -1,381 million (-937). The effective tax rate was -10.8% (7.4). The effective tax rate was mainly impacted by impairments, see Note 13. The effective tax rate 2021 was mainly impacted by a tax-exempt capital gain from the disposal of Telia Carrier. Adjusted for these effects the effective tax rate would have been 21.7% (15.2).

Total net income decreased to SEK -14,165 million (11,836) mainly related to impairments, see Note 13.

Other comprehensive income decreased to SEK 7,022 million (8,666) mainly related to remeasurements of defined benefit pension obligations.

Cash flow

Cash flow from operating activities decreased to SEK 24,001 million (27,376) mainly due to negative working capital development.

Free cash flow decreased to 8,094 million (11,729) mainly due to negative working capital development.

Operational free cash flow, from continuing operations, decreased to SEK 5,723 million (10,401) mainly due to negative working capital development and increased cash CAPEX.

Cash flow from investing activities amounted to SEK -9,936 million (-10,908). 2022 was mainly impacted by net inflow from short term investments while 2021 was mainly impacted by net outflow from short term investments, partly offset by the disposal of Telia Carrier.

Cash flow from financing activities decreased to SEK -21,779 million (-10,600). 2022 was impacted by the partial disposal of the tower business in Sweden which was more than offset by settlement of derivatives and repurchased treasury shares. 2021 was mainly impacted by the partial disposal of the tower businesses in Finland and Norway.

Financial position

CAPEX excluding right-of-use assets, decreased to SEK 16,529 million (18,001). CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 15,959 million (15,885). Cash CAPEX increased to SEK 15,908 million (15,647).

Goodwill and other intangible assets decreased to SEK 74,547 million (89,943) mainly due to impairments, see Note 13, partly offset by foreign exchange rate effects.

Investments in associated companies and joint ventures, pension obligation assets and other non-current assets increased to SEK 8,171 million (4,749) mainly due to positive remeasurements of defined benefit pension plans.

Long-term interest-bearing receivables decreased to SEK 7,629 million (9,244), mainly due to reclassification to Short-term interest-bearing receivables partly offset by market value changes in derivatives and net investments in investment bonds.

Short-term interest-bearing receivables increased to SEK 9,676 million (8,841), driven by collaterals for derivatives due to market value changes and reclassification from Long-term interest-bearing receivables partly offset by net divestments of investment bonds.

Long-term borrowings increased to SEK 94,555 million (91,637) impacted by an increase in derivatives partly offset by a decrease in bonds, including reclassification to Short-term borrowings.

Provisions for pensions and other long-term provisions decreased to SEK 5,022 million (7,001) mainly due to remeasurements of defined benefit pension plans.

Short-term borrowings decreased to SEK 7,007 million (10,017) mainly due to matured bonds partly offset by reclassification from Long-term borrowings.

Trade payables and other current liabilities, current tax payables and short-term provisions increased to SEK 35,734 million (32,729) mainly due to increase in accounts payables.

Impact from the war in Ukraine

On February 24, 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 and an overall deteriorated macro-economic environment, which is likely to continue, and the energy prices are expected to remain at a high level. The group's energy costs are almost SEK 0.8 billion higher 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 is limited. 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 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 Alecia. 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 Alecia. 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 in the third quarter

- On July 15, 2022, Telia Estonia secured in an auction 130 MHz of spectrum in the 3.6 GHz band.
- On August 4, 2022, Telia Lithuania secured a 100 MHz frequency block in the 3.6 GHz auction.
- On August 26, 2022, Telia Lithuania secured a 2x10 MHz frequency block in the 700 MHz auction.
- On September 9, 2022, Telia Company announced that a new dual tranche EUR 1,200 million Revolving Credit Facility with a group of twelve relationship banks had been signed. See Note 8.
- On September 12, 2022, Telia Company issued a hybrid bond of EUR 600 million as part of Telia Company's refinancing of the upcoming call dates for the outstanding hybrid bond in April 2023. See Note 8.
- On September 21, 2022, it was announced that the Nomination Committee of Telia Company AB for the Annual General Meeting 2023 has been appointed based on the ownership structure as of July 31, 2022.
- On September 30, 2022, Telia Company announced that EcoVadis has awarded Telia Company with the Platinum EcoVadis medal. This recognition places Telia among the top 1% of the 75,000 companies assessed by EcoVadis worldwide.

Significant events in the fourth quarter

- On October 13, 2022, Telia Company announced that Mathias Berg, currently VP, Head of Advertising Nordic and Deputy CEO TV4 Media, will join Telia Company's Group Executive Management team as SVP, Head of TV and Media, succeeding Casten Almqvist, who will leave Telia Company on December 1, 2022. In connection to this, plans to simplify the TV and Media organization and a consolidation of linear and streaming content under TV4 and MTV, were also communicated.
- On November 22, 2022, Telia Company announced the completion of the share buy-back program.
- In December 2022 Telia Norway and Fjordkraft entered into a long-term agreement under which Fjordkraft's mobile customers will be transferred to Telia's mobile network and that a new company will be established in which Fjordkraft will own 61% and Telia 39%.

Significant events after the end of the fourth quarter

- On January 16, 2023, Telia Company announced changes to its Group Executive Management team through the merger of the Communications, Brand and Sustainability functions, appointing Ola Rembe as Senior Vice President, Head of Communications, Brand and Sustainability.
- On January 20, 2023, Telia Company announced that the fourth quarter and full year 2022 financial results will be impacted by non-cash impairments of in total SEK 19.8 billion, mainly related to goodwill in Finland and Norway. See Note 13.

Sweden

- Telia was again awarded for having the best and most reliable mobile network in Sweden according to the independent benchmarking company umlaut's yearly network test.
- Telia and Viaplay agreed on a multiyear collaborative agreement under which Telia's customers again will have access to Viaplay's content. Furthermore, the agreement deepens collaboration around sports content and over time also facilitates for more flexible packaging of content for Telia's customers.
- As part of Telia's smart building proposition, a new digital solution with the aim of reducing energy consumption was launched. The service uses wireless sensors to measure temperature and humidity, data which is then used to adjust the indoor climate. From this energy consumption can be reduced by as much as 10%.
- Telia and its subsidiary Telia Cygate signed an agreement with NCC to deliver a fully covering solution for important parts of NCC's digital infrastructure in the Nordics, including communication services and data networks.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	9,225	9,133	1.0	35,112	34,451	1.9
Change (%) like for like	1.0			1.9		
of which service revenues (external)	7,597	7,677	-1.0	29,852	29,582	0.9
change (%) like for like	-1.0			0.8		
Adjusted EBITDA	3,419	3,541	-3.4	13,508	13,359	1.1
Margin (%)	37.1	38.8		38.5	38.8	
change (%) like for like	-3.4			1.1		
Adjusted operating income	1,438	1,672	-14.0	6,422	5,833	10.1
Operating income	1,005	1,637	-38.6	5,891	5,588	5.4
CAPEX excluding fees for licenses, spectrum and right-of-use assets	901	1,716	-47.5	3,312	3,685	-10.1
Subscriptions, (thousands)						
Mobile	8,136	6,914	17.7	8,136	6,914	17.7
of which machine-to-machine (postpaid)	3,395	2,120	60.2	3,395	2,120	60.2
Fixed telephony	398	509	-21.8	398	509	-21.8
Broadband	1,252	1,248	0.3	1,252	1,248	0.3
TV	1,052	997	5.5	1,052	997	5.5
Employees	4,168	4,403	-5.3	4,168	4,403	-5.3

Net sales increased 1.0% to SEK 9,225 million (9,133) and like for like, net sales increased 1.0% as increased sales of equipment more than compensated for decreased service revenues.

Service revenues, like for like, decreased 1.0% as mobile service revenue growth of 1.1% was more than offset by fixed service revenues declining 2.3%. The latter driven by a decline for business solution revenues as well as a continued decline in revenues from fixed telephony.

Adjusted EBITDA decreased 3.4% to SEK 3,419 million (3,541) and adjusted EBITDA margin decreased to 37.1% (38.8). Adjusted EBITDA like for like decreased 3.4% due to the service revenue decline as well as from increased operational expenses following mainly increased energy costs as well as a lower pension refund contribution compared to the corresponding quarter last year.

Operating income decreased to SEK 1,005 million (1,637) impacted by an impairment of SEK -422 million related to copper network assets, see Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 47.5% to SEK 901 million (1,716) driven primarily by lower network related investments.

Mobile subscriptions grew by 181,000 in the quarter driven by an addition of 229,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased by 8,000 and fixed broadband subscriptions increased by 14,000 in the quarter.

Finland

- The European Health and Digital Executive Agency granted funding for the development of a 5G Northern European Transport Corridor. Telia's project in Finland, which is carried out together with Telia Sweden, will invest in high-speed 5G connections and mobile services on motorway and ferry connections with the aim of improving the seamless continuity of online services, for example when a vehicle crosses a border.
- As the first operator in Finland, Telia launched SIM cards made of recycled plastic. The Eco-SIM cards is expected to reduce the material consumption of card manufacturing by around 50% and by that estimated to reduce plastic consumption in SIM cards by about 2,300 kilograms annually.
- Telia was in a public procurement process selected as Identity Management (IDM) service provider to Valtori, the Finnish government's ICT Centre. With this new contract Valtori's aim is to replace and consolidate its current IDM services with the support from Telia's solutions.
- Telia was chosen to deliver the multichannel cloud-based contact management solution ACE to the City of Helsinki's Service Centre which comprises 40 customer service units and around 2,400 users.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	4,182	3,801	10.0	15,190	14,504	4.7
Change (%) like for like	2.4			0.1		
of which service revenues (external)	3,418	3,110	9.9	12,782	12,125	5.4
change (%) like for like	2.2			0.6		
Adjusted EBITDA	1,063	1,042	2.0	4,443	4,322	2.8
Margin (%)	25.4	27.4		29.3	29.8	
change (%) like for like	-5.5			-1.6		
Adjusted operating income	161	232	-30.7	915	1,069	-14.4
Operating income	-9,385	233		-8,716	1,354	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	444	622	-28.6	1,566	1,833	-14.6
Subscriptions, (thousands)						
Mobile	3,280	3,234	1.4	3,280	3,234	1.4
of which machine-to-machine (postpaid)	381	309	23.2	381	309	23.2
Fixed telephony	14	17	-17.6	14	17	-17.6
Broadband	467	474	-1.5	467	474	-1.5
TV	678	646	4.9	678	646	4.9
Employees	2,726	2,848	-4.3	2,726	2,848	-4.3

Net sales increased 10.0% to SEK 4,182 million (3,801) and like for like, net sales increased 2.4% driven mainly by increased service revenues. The effect of exchange rate fluctuations was positive by 7.9%.

Service revenues, like for like, increased 2.2% from mobile service revenue growth of 3.8% and a stable development for fixed service revenues. For mobile service revenues the growth was mainly attributable to an increased ARPU, whereas fixed service revenues remained rather unchanged as declining fixed broadband revenues was offset by increased revenues for Other fixed services.

Adjusted EBITDA increased 2.0% to SEK 1,063 million (1,042) and adjusted EBITDA margin decreased to 25.4% (27.4). Adjusted EBITDA like for like decreased 5.5% as operational expenses increased driven by higher energy costs.

Operating income decreased to SEK -9,385 million (233) impacted by an impairment of SEK -9,500 million related to goodwill, see Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 28.6% to SEK 444 million (622) driven primarily by lower network related investments.

Mobile subscriptions increased in the quarter by 4,000 driven by an addition of 27,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions increased 6,000 and fixed broadband subscriptions increased 8,000 in the quarter.

Norway

- Network modernization and 5G roll-out continued at a high pace, resulting in a 5G population coverage that reached 84% as well as a greatly improved 4G network.
- Telia and Fjordkraft entered into a long-term agreement under which Fjordkraft's mobile customers will be transferred to Telia's award winning mobile network and at the same time, a new company will be established in which Fjordkraft will own 61% and Telia 39%.
- Telia launched the security service Telia Safe which provides mobile customers with comprehensive protection against e-commerce fraud and ID theft via an ID monitoring and password vault application.
- Telia Enterprise launched a new messaging service based on Google's solution RBM (RCS Business Messaging). The new service enables companies to tailor messages to their customers, with great flexibility in terms of visual design and content.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	3,851	3,658	5.3	15,022	13,788	8.9
Change (%) like for like	1.6			3.5		
of which service revenues (external)	3,223	3,014	6.9	12,803	11,510	11.2
change (%) like for like	3.2			5.6		
Adjusted EBITDA	1,647	1,556	5.8	6,750	6,240	8.2
Margin (%)	42.8	42.5		44.9	45.3	
change (%) like for like	2.5			2.8		
Adjusted operating income	621	606	2.5	2,727	2,351	16.0
Operating income	-7,888	537		-5,851	2,192	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,111	1,043	6.5	2,932	3,043	-3.6
Subscriptions, (thousands)						
Mobile	2,379	2,289	3.9	2,379	2,289	3.9
of which machine-to-machine (postpaid)	196	125	56.7	196	125	56.7
Fixed telephony	23	32	-28.1	23	32	-28.1
Broadband	503	492	2.2	503	492	2.2
TV	475	477	-0.4	475	477	-0.4
Employees	1,334	1,385	-3.7	1,334	1,385	-3.7

Net sales increased 5.3% to SEK 3,851 million (3,658) and like for like, net sales increased 1.6% as increased service revenues more than compensated for lower sale of equipment. The effect of exchange rate fluctuations was positive by 3.7%.

Service revenues, like for like, increased 3.2% due to growth for both mobile and fixed service revenues. Mobile service revenues increased 3.5% attributable to mainly an expanding customer base and a positive development for wholesale revenues, whereas fixed service revenues increased 3.3% mainly due to increased revenues from fixed broadband and TV.

Adjusted EBITDA increased 5.8% to SEK 1,647 million (1,556) and adjusted EBITDA margin increased slightly to 42.8% (42.5). Adjusted EBITDA like for like increased 2.5% driven by the growth in service revenues.

Operating income decreased to SEK -7,888 million (537) impacted by an impairment of SEK -8,500 million related to goodwill, see Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 6.5% to SEK 1,111 million (1,043).

Mobile subscriptions increased by 1,000 in the quarter. TV subscriptions remained unchanged and fixed broadband subscriptions increased by 5,000 in the quarter.

Denmark

- Telia came out in a top position in umlaut's audit report on network quality in Denmark's four largest cities (Copenhagen, Aalborg, Aarhus and Odense).
- Telia launched a home broadband service based on 5G technology to cover the family's internet, streaming and gaming needs. The service that is based on a cable free mobile 5G router is fully mobile and can be used across the entire country.
- As part of the ambition to provide the best possible experience from connectivity and streaming, Telia Denmark included full access to C More as part of its mobile subscriptions.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	1,383	1,403	-1.5	5,298	5,214	1.6
Change (%) like for like	-8.7			-2.9		
of which service revenues (external)	1,051	968	8.6	4,079	3,807	7.1
change (%) like for like	0.5			2.0		
Adjusted EBITDA	321	242	33.0	1,072	906	18.3
Margin (%)	23.2	17.2		20.2	17.4	
change (%) like for like	21.4			11.3		
Adjusted operating income	68	6		78	-67	
Operating income	-597	-193		-594	-299	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	194	200	-2.9	538	462	16.4
Subscriptions, (thousands)						
Mobile	1,712	1,620	5.7	1,712	1,620	5.7
of which machine-to-machine (postpaid)	362	254	42.9	362	254	42.9
Fixed telephony	49	62	-21.0	49	62	-21.0
Broadband	64	66	-3.0	64	66	-3.0
TV	17	24	-29.2	17	24	-29.2
Employees	641	674	-4.9	641	674	-4.9

Net sales decreased 1.5% to SEK 1,383 million (1,403) and like for like, net sales decreased 8.7% due to lower equipment sales. The effect of exchange rate fluctuations was positive by 7.2%.

Service revenues, like for like, increased 0.5% driven by mobile service revenue growth of 3.1% which more than compensated for a 9.2% decline for fixed service revenues driven mainly by declining revenues from fixed telephony and business solutions.

Adjusted EBITDA increased 33.0% to SEK 321 million (242) and adjusted EBITDA margin increased to 23.2% (17.2). Adjusted EBITDA like for like increased 21.4% mainly due to a lower cost level.

Operating income decreased to SEK -597 million (-193) impacted by an impairment of SEK -600 million related to goodwill, see Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 2.9% to SEK 194 million (200).

Mobile subscriptions increased by 40,000 in the quarter driven by the addition of 42,000 postpaid subscriptions used for machine-to-machine related services. TV subscriptions declined by 1,000 and fixed broadband subscriptions increased by 1,000 in the quarter.

Lithuania

- After launching 5G in the previous quarter and immediately reaching 80% population coverage, the roll-out continued in the quarter, resulting in a population coverage of 86% by year end.
- In the quarter the 3G sunset was finalized and the 900 MHz and 2100 MHz frequency bands previously used for 3G will instead be used for 4G and 5G communication as well as Internet of Things (IoT) technology.
- Telia invested in 115 electric cars to be used by its engineers in the field when maintaining the widest telecommunications infrastructure in the country. The cars will replace around one third of Telia's current engineering car fleet.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	1,297	1,169	11.0	4,784	4,320	10.7
Change (%) like for like	3.0			5.7		
of which service revenues (external)	972	841	15.6	3,663	3,272	11.9
change (%) like for like	7.1			6.5		
Adjusted EBITDA	453	370	22.2	1,688	1,511	11.7
Margin (%)	34.9	31.7		35.3	35.0	
change (%) like for like	13.3			6.7		
Adjusted operating income	240	180	33.1	856	756	13.2
Operating income	237	171	38.7	850	752	13.1
CAPEX excluding fees for licenses, spectrum and right-of-use assets	188	334	-43.8	597	669	-10.9
Subscriptions, (thousands)						
Mobile	1,604	1,518	5.7	1,604	1,518	5.7
of which machine-to-machine (postpaid)	322	309	4.2	322	309	4.2
Fixed telephony	175	201	-12.9	175	201	-12.9
Broadband	427	421	1.4	427	421	1.4
TV	257	255	0.8	257	255	0.8
Employees	1,555	1,599	-2.8	1,555	1,599	-2.8

Net sales increased 11.0% to SEK 1,297 million (1,169) and like for like, net sales increased 3.0% as increased service revenues more than compensated for lower sales of equipment. The effect of exchange rate fluctuations was positive by 8.0%.

Service revenues, like for like, increased 7.1% due to a positive development for both mobile and fixed service revenues. For mobile service revenues which increased 10.2%, growth was the result of an increased number of subscriptions as well as a higher ARPU. For fixed service revenues which increased 4.7%, growth was driven by a positive development for fixed broadband and business solutions revenues.

Adjusted EBITDA increased 22.2% to SEK 453 million (370) and adjusted EBITDA margin increased to 34.9% (31.7). Adjusted EBITDA like for like increased 13.3% driven by the growth in service revenues.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 43.8% to SEK 188 million (334).

Mobile subscriptions increased by 2,000 in the quarter. TV subscriptions increased by 2,000 and fixed broadband subscriptions increased by 1,000 in the quarter.

Estonia

- After earlier in the year having secured 700 MHz spectrum, 5G roll-out pace accelerated and by the end of the year reached a population coverage of 43%.
- Telia Estonia shared the first place in a Kantar Emor survey on the reputation of large companies in Estonia. Proving Telia's strong image and reputation in the Estonian market.
- Telia and car sharing company Elmo introduced remote controlled passenger cars and thanks to Telia's 5G connectivity and Elmo's remote-control technology, cars can be remotely delivered to Elmo's customers. After usage the remote operator then takes control of the car and delivers it to the next customer or to a charging station.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	980	891	10.0	3,637	3,331	9.2
Change (%) like for like	2.0			4.2		
of which service revenues (external)	791	698	13.4	2,994	2,689	11.3
change (%) like for like	5.1			5.7		
Adjusted EBITDA	341	292	16.8	1,330	1,196	11.2
Margin (%)	34.8	32.8		36.6	35.9	
change (%) like for like	8.1			6.2		
Adjusted operating income	155	120	28.7	669	542	23.4
Operating income	154	120	28.8	734	536	37.0
CAPEX excluding fees for licenses, spectrum and right-of-use assets	133	197	-32.6	374	417	-10.3
Subscriptions, (thousands)						
Mobile	1,266	1,186	6.8	1,266	1,186	6.8
of which machine-to-machine (postpaid)	448	396	13.2	448	396	13.2
Fixed telephony	192	209	-8.1	192	209	-8.1
Broadband	242	243	-0.4	242	243	-0.4
TV	200	207	-3.4	200	207	-3.4
Employees	1,269	1,306	-2.8	1,269	1,306	-2.8

Net sales increased 10.0% to SEK 980 million (891) and like for like, net sales increased 2.0% driven by increased service revenues which more than compensated for lower sale of equipment. The effect of exchange rate fluctuations was positive by 8.0%.

Service revenues, like for like, increased 5.1% from mobile service revenues increasing 7.9% driven by subscription base expansion as well as ARPU growth, and fixed service revenues growing by 3.9% from a positive development for all services except for fixed telephony.

Adjusted EBITDA increased 16.8% to SEK 341 million (292) and adjusted EBITDA margin increased to 34.8% (32.8). Adjusted EBITDA like for like increased 8.1% driven by the service revenue growth.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, decreased 32.6% to SEK 133 million (197).

Mobile subscriptions increased by 11,000 in the quarter. TV subscriptions decreased by 1,000 and fixed broadband subscriptions increased by 1,000 in the quarter.

TV and Media

- In the quarter a new management team under the leadership of Mathias Berg, the new CEO, was announced, which immediately started work to execute on the simplification of the organization as well as the consolidation of all linear and streaming content under TV4 and MTV.
- Digital advertising revenues in Sweden increased by 17% and the linear portfolio of TV4 increased its share of viewing amongst the ages 15-64 to 37% compared to 36% in the corresponding quarter of last year.
- The World Cup final in football set a new streaming record for C More and on linear TV an average of 1.9 million people viewed the game via TV4. And during the conclusive round of penalty kicks the number of viewers increased further and reached 2.4 million.
- On the back of a new multiyear collaborative agreement between Telia, C More and Viaplay, all games with the Swedish men's national football team in the UEFA Nations League as well as FIFA and UEFA qualifying matches and friendlies will be available for C More sports customers. In addition, C More sports customers will also have access to selected games from the UEFA Europa League and the UEFA Conference League.

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	2,567	2,594	-1.1	8,829	8,648	2.1
Change (%) like for like	-2.6			1.1		
of which service revenues (external)	2,564	2,594	-1.2	8,826	8,647	2.1
change (%) like for like	-2.7			1.0		
Adjusted EBITDA	-112	-7		277	878	-68.5
Margin (%)	-4.3	-0.3		3.1	10.2	
change (%) like for like				-68.4		
Adjusted operating income	-299	-174		-507	99	
Operating income	-633	-183		-847	13	
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	68	47	46.2	182	121	50.5
Subscriptions, (thousands)						
TV (SVOD)	785	771	1.9	785	771	1.9
Employees ¹	1,264	1,251	1.0	1,264	1,251	1.0

1) Restated, see Note 1.

Net sales decreased 1.1% to SEK 2,567 million (2,594) and like for like, net sales decreased 2.6% driven by decreased service revenues. The effect of exchange rate fluctuations was positive by 1.5%.

Service revenues, like for like, decreased 2.7% as mainly lower TV revenues and to some extent also lower advertising revenues more than offset an increase in Other service revenues.

Adjusted EBITDA decreased to SEK -112 million (-7) and adjusted EBITDA margin declined to -4.3% (-0.3). Adjusted EBITDA like for like decreased to SEK -110 million (-7) as a result from lower service revenues and an increased cost base.

Operating income decreased to SEK -633 million (-183) impacted by an impairment of SEK -316 million related to the C More brand, see Note 13.

CAPEX excluding fees for licenses, spectrum and right-of-use assets, increased 46.2% to SEK 68 million (47).

Direct subscriptions video-on-demand (SVOD) increased by 57,000 in the quarter.

Other operations

Highlights

SEK in millions, except margins, operational data and changes	Oct-Dec 2022	Oct-Dec 2021	Chg %	Jan-Dec 2022	Jan-Dec 2021	Chg %
Net sales	1,153	1,046	10.2	4,204	5,723	-26.5
of which Telia Carrier	-	-		-	1,944	-100.0
of which Latvia	871	719	21.1	3,065	2,562	19.6
Change (%) like for like	5.2			2.3		
Adjusted EBITDA	242	254	-4.7	1,260	1,449	-13.1
of which Telia Carrier	-	-		-	371	-100.0
of which Latvia	264	241	9.6	890	840	5.9
Margin (%)	21.0	24.3		30.0	25.3	
Income from associated companies	47	23	101.9	96	97	-0.8
of which Latvia	30	28	8.0	117	112	4.7
Adjusted operating income	-60	-397		171	-551	
Operating income	-767	-549		-884	5,096	
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	1,983	1,787	11.0	6,458	5,655	14.2
Subscriptions, (thousands)						
Mobile Latvia	1,399	1,347	3.9	1,399	1,347	3.9
of which machine-to-machine (postpaid)	401	380	5.4	401	380	5.4
Employees ¹	6,280	6,100	3.0	6,280	6,100	3.0

1) Restated, see Note 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 increased 10.2% to SEK 1,153 million (1,046) and like for like, net sales increased 5.2%. The effect of exchange rate fluctuations was positive by 6.8%.

Adjusted EBITDA decreased 4.7% to SEK 242 million (254) and adjusted EBITDA margin decreased to 21.0% (24.3). Adjusted EBITDA like for like decreased 11.1% due to lower EBITDA in the central unit Common Products and Services.

Operating income decreased to SEK -767 million (-549) impacted by an impairment of SEK -500 million related to goodwill in Latvia, see Note 13.

In Latvia, net sales increased 21.1% to SEK 871 million (719) and like for like, net sales increased 12.6% partly driven by increased equipment sales, although mainly due to increased service revenues. The effect of exchange rate fluctuations was positive by 8.5%. Adjusted EBITDA increased 9.6% to SEK 264 million (241) and the adjusted EBITDA margin decreased to 30.3% (33.5). Adjusted EBITDA like for like increased 2.0% as an increase of 7.9% for service revenues to a large extent was offset by higher operational expenses. The number of mobile subscriptions decreased by 4,000 in the quarter.

Condensed consolidated statements of comprehensive income

SEK in millions, except per share data and number of shares	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Continuing operations					
Net sales	3, 4	24,261	23,380	90,827	88,343
Cost of sales	13	-17,404	-15,989	-59,944	-58,311
Gross profit		6,857	7,391	30,883	30,031
Selling, administration and R&D expenses	13	-5,741	-5,475	-21,115	-20,844
Other operating income and expenses, net	13	-19,036	-173	-19,287	5,940
Income from associated companies and joint ventures		47	28	102	104
Operating income	3	-17,874	1,772	-9,417	15,232
Financial items, net		-841	-590	-3,366	-2,634
Income after financial items	3	-18,715	1,181	-12,783	12,598
Income taxes		-102	4	-1,381	-937
Net income from continuing operations		-18,818	1,185	-14,165	11,661
Discontinued operations					
Net income from discontinued operations	12	-	-	-	176
Total net income		-18,818	1,185	-14,165	11,836
Items that may be reclassified to net income:					
Foreign currency translation differences		1,005	1,024	2,548	3,030
Cash flow hedges		120	108	267	61
Cost of hedging		-31	-9	155	143
Debt instruments at fair value through OCI		3	-2	-7	-40
Income taxes relating to items that may be reclassified		74	1	317	52
Items that will not be reclassified to net income:					
Equity instruments at fair value through OCI		-20	-	-52	126
Remeasurements of defined benefit pension plans		-3,246	2,243	4,759	6,654
Income taxes relating to items that will not be reclassified		671	-462	-964	-1,360
Other comprehensive income		-1,423	2,904	7,022	8,666
Total comprehensive income		-20,241	4,089	-7,142	20,502
Total net income attributable to:					
Owners of the parent		-18,801	1,122	-14,638	11,680
Non-controlling interests		-17	63	474	156
Total comprehensive income attributable to:					
Owners of the parent		-20,321	4,018	-8,007	20,321
Non-controlling interests		80	71	865	181
Earnings per share (SEK), basic and diluted					
of which continuing operations		-4.78	0.27	-3.63	2.86
		-4.78	0.27	-3.63	2.81
Number of shares (thousands)					
Outstanding at period-end	6	3,932,109	4,089,632	3,932,109	4,089,632
Weighted average, basic and diluted		3,937,141	4,089,632	4,035,313	4,089,632
EBITDA from continuing operations					
	15	7,016	6,890	29,417	35,151
Adjusted EBITDA from continuing operations	2, 15	7,374	7,290	30,328	29,861
Depreciation, amortization and impairment losses from continuing operations	13	-24,937	-5,146	-38,936	-20,023
Adjusted operating income from continuing operations	2, 15	2,322	2,246	11,332	10,033

Condensed consolidated statements of financial position

SEK in millions	Note	Dec 31, 2022	Dec 31, 2021
Assets			
Goodwill and other intangible assets	5, 13	74,547	89,943
Property, plant and equipment	5, 13	74,824	72,741
Film and program rights, non-current		2,299	1,416
Right-of-use assets	5	16,549	15,485
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	9	8,171	4,749
Deferred tax assets		1,071	1,302
Long-term interest-bearing receivables	7, 9	7,629	9,244
Total non-current assets		185,090	194,879
Film and program rights, current		3,022	3,005
Inventories		2,918	2,040
Trade and other receivables and current tax receivables	9	15,216	13,902
Short-term interest-bearing receivables	7, 9	9,676	8,841
Cash and cash equivalents	7	6,871	14,358
Total current assets		37,703	42,146
Total assets		222,793	237,025
Equity and liabilities			
Equity attributable to owners of the parent		64,239	80,731
Equity attributable to non-controlling interests		3,434	2,812
Total equity		67,673	83,544
Long-term borrowings	7, 9	94,555	91,637
Deferred tax liabilities		10,514	10,185
Provisions for pensions and other long-term provisions		5,022	7,001
Other long-term liabilities		2,289	1,914
Total non-current liabilities		112,379	110,736
Short-term borrowings	7, 9	7,007	10,017
Trade payables and other current liabilities, current tax payables and short-term provisions		35,734	32,729
Total current liabilities		42,741	42,746
Total equity and liabilities		222,793	237,025

Condensed consolidated statements of cash flows

SEK in millions	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow before change in working capital		8,072	8,073	30,294	29,333
Increase/decrease Film and program right assets and liabilities ¹		462	512	-530	310
Increase/decrease other operating receivables, liabilities, and inventory		-352	459	-205	2,710
Change in working capital		110	972	-735	3,020
Amortization and impairment of Film and program rights ¹		-1,875	-1,908	-5,557	-4,977
Cash flow from operating activities		6,307	7,137	24,001	27,376
<i>of which from discontinued operations</i>		-	-	-	-131
Cash CAPEX	15	-5,351	-5,481	-15,908	-15,647
Free cash flow	15	956	1,655	8,094	11,729
<i>of which from discontinued operations</i>		-	-	-	-131
Cash flow from other investing activities		2,236	751	5,971	4,739
Total cash flow from investing activities		-3,115	-4,730	-9,936	-10,908
<i>of which from discontinued operations</i>		-	-	-	-
Cash flow before financing activities		3,192	2,406	14,065	16,468
Cash flow from financing activities		-6,094	-2,026	-21,779	-10,600
<i>of which from discontinued operations</i>		-	-	-	-
Cash flow for the period		-2,902	380	-7,714	5,868
<i>of which from discontinued operations</i>		-	-	-	-131
Cash and cash equivalents, opening balance		9,721	14,047	14,358	8,332
Cash flow for the period		-2,902	380	-7,714	5,868
Exchange rate differences in cash and cash equivalents		52	-70	227	157
Cash and cash equivalents, closing balance		6,871	14,358	6,871	14,358

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

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

Condensed consolidated statements of changes in equity

SEK in millions	Owners of the parent	Non-controlling interests	Total equity
Opening balance, January 1, 2021	62,378	1,118	63,496
Dividends	-8,179	-178	-8,357
Share-based payments	13	-	13
Repurchased treasury shares	-21	-	-21
Change in non-controlling interests	6,219	1,691	7,910
<i>Total transactions with owners</i>	<i>-1,968</i>	<i>1,513</i>	<i>-455</i>
Total comprehensive income	20,321	181	20,502
Closing balance, December 31, 2021	80,731	2,812	83,544
Dividends	-8,252	-433	-8,685
Share-based payments	20	-	20
Acquisition of treasury shares	-5,499	-	-5,499
Change in non-controlling interests	5,255	190	5,445
<i>Total transactions with owners</i>	<i>-8,476</i>	<i>-243</i>	<i>-8,718</i>
Total comprehensive income	-8,007	865	-7,142
Cash flow hedge transferred to assets	-10	-	-10
Closing balance, December 31, 2022	64,239	3,434	67,673

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 following comparative information has been restated: As a result of a reorganization as of December 2022, Capex excluding licenses, spectrum and right-of-use assets, segment assets well as

number of employees for 2021 have been restated for comparability between segment TV and Media and Other operations. The effect of the restatement is SEK -142 million for Capex excluding licenses, spectrum and right-of-use assets in TV and Media and SEK +142 million in Other operations. Corresponding number for the fourth quarter 2021 is SEK -17 million and SEK +17 million respectively. The effect of the restatement for 2021 for segment assets is SEK -376 million for TV and Media and SEK +376 million for Other operations. For number of employees the effect of the restatement is -126 for TV and Media for the fourth quarter and full year 2021 and the corresponding number for Other operations is +126.

For more information regarding:

- Review of the group, see pages 6-7.
- Significant events, see page 8.
- Risks and uncertainties, see page 38.

Note 2.

Adjustment items

Adjustment items within operating income, continuing operations

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Total within EBITDA	-358	-399	-911	5,290
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:				
Sweden	-11	-18	-109	-227
Finland	-46	-23	-131	-48
Norway	-9	-22	-78	-112
Denmark	-65	-130	-82	-163
Lithuania	-8	-9	-15	-18
Estonia	-2	-1	-9	-6
TV and Media	-17	-9	-30	-86
Other operations	-206	-109	-640	-722
Sub total	-364	-321	-1,094	-1,383
whereof personnel redundancy restructuring costs	-14	-59	-226	-561
whereof transformation and integration consultant costs	-139	-75	-421	-376
whereof other	-211	-187	-448	-446
Capital gains/losses ¹	6	-79	183	6,673
Within Depreciation, amortization and impairment losses²	-19,838	-75	-19,838	-91
Within Income from associated companies and joint ventures	-	-	-	-
Total adjustment items within operating income, continuing operations	-20,196	-475	-20,749	5,198

1) Full year 2021 includes a capital gain from the disposal of Telia Carrier and a capital gain from the disposal of the Alerta business. 2) Fourth quarter and full year 2022 include impairments related to goodwill in Finland, Norway, Denmark, and Latvia as well as impairments of the C More brand in TV and Media and copper network assets in Sweden, see Note 13.

Note 3.

Segment information

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales				
Sweden	9,225	9,133	35,112	34,451
<i>of which external</i>	9,201	9,111	35,034	34,316
Finland	4,182	3,801	15,190	14,504
<i>of which external</i>	4,124	3,758	14,998	14,316
Norway	3,851	3,658	15,022	13,788
<i>of which external</i>	3,830	3,654	14,967	13,771
Denmark	1,383	1,403	5,298	5,214
<i>of which external</i>	1,367	1,386	5,247	5,150
Lithuania	1,297	1,169	4,784	4,320
<i>of which external</i>	1,292	1,164	4,763	4,286
Estonia	980	891	3,637	3,331
<i>of which external</i>	976	888	3,625	3,299
TV and Media	2,567	2,594	8,829	8,648
<i>of which external</i>	2,564	2,594	8,826	8,647
Other operations	1,153	1,046	4,204	5,723
Total segments	24,637	23,696	92,076	89,977
Eliminations	-376	-316	-1,248	-1,635
Group	24,261	23,380	90,827	88,343
Adjusted EBITDA				
Sweden	3,419	3,541	13,508	13,359
Finland	1,063	1,042	4,443	4,322
Norway	1,647	1,556	6,750	6,240
Denmark	321	242	1,072	906
Lithuania	453	370	1,688	1,511
Estonia	341	292	1,330	1,196
TV and Media	-112	-7	277	878
Other operations	242	254	1,260	1,449
Total segments	7,375	7,290	30,328	29,861
Eliminations	-	-	-	-
Group	7,374	7,290	30,328	29,861
Operating income				
Sweden	1,005	1,637	5,891	5,588
Finland	-9,385	233	-8,716	1,354
Norway	-7,888	537	-5,851	2,192
Denmark	-597	-193	-594	-299
Lithuania	237	171	850	752
Estonia	154	120	734	536
TV and Media	-633	-183	-847	13
Other operations	-767	-549	-884	5,096
Total segments	-17,874	1,772	-9,417	15,232
Eliminations	-	-	-	-
Group	-17,874	1,772	-9,417	15,232
Financial items, net	-841	-590	-3,366	-2,634
Income after financial items	-18,715	1,181	-12,783	12,598

SEK in millions	Dec 31, 2022	Dec 31, 2022	Dec 31, 2021	Dec 31, 2021
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Sweden	46,760	13,351	46,398	12,486
Finland	38,303	5,224	44,796	5,494
Norway	49,722	7,327	56,779	7,400
Denmark	7,772	2,815	7,470	2,474
Lithuania	7,498	1,975	6,674	2,072
Estonia	6,310	1,382	5,682	1,303
TV and Media	13,348	3,381	12,656	2,638
Other operations	26,570	8,072	24,988	6,706
Total segments	196,283	43,527	205,444	40,573
Unallocated	26,510	111,593	31,581	112,910
Total assets/liabilities, group	222,793	155,120	237,025	153,482

Note 4.

Net sales

SEK in millions	Oct-Dec 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	3,242	1,710	1,866	681	400	290	-	407	-	8,597
Interconnect	125	85	111	64	27	17	-	8	-	437
Other mobile service revenues	138	214	222	123	7	4	-	4	-	713
Total mobile service revenues	3,505	2,009	2,199	868	433	311	-	420	-	9,746
Telephony	303	16	21	28	41	22	-	-	-	430
Broadband	1,224	148	392	75	192	169	0	1	-	2,201
TV	556	148	429	20	101	82	721	-	-	2,058
Business solutions	674	634	118	13	95	87	-	0	-	1,620
Other fixed service revenues	1,074	405	29	25	107	119	-	15	-	1,774
Total fixed service revenues	3,831	1,351	988	162	536	479	721	16	-	8,083
Advertising revenues	-	-	-	-	-	-	1,786	-	-	1,786
Other service revenues	261	58	36	21	4	1	58	121	-	559
Total service revenues¹	7,597	3,418	3,223	1,051	972	791	2,564	557	-	20,174
Total equipment revenues¹	1,604	707	607	316	320	186	-	348	-	4,087
Total external net sales	9,201	4,124	3,830	1,367	1,292	976	2,564	905	-	24,261
Internal net sales	24	58	21	16	5	3	2	247	-376	0
Total net sales	9,225	4,182	3,851	1,383	1,297	980	2,567	1,153	-376	24,261

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

SEK in millions	Oct-Dec 2021							TV and Media	Other operations	Eliminations	Total
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia					
Mobile subscription revenues	3,187	1,539	1,771	610	322	244	-	344	-	8,018	
Interconnect	126	93	112	80	34	19	-	18	-	481	
Other mobile service revenues	154	163	167	91	9	4	-	4	-	591	
Total mobile service revenues	3,467	1,795	2,050	780	364	267	-	367	-	9,091	
Telephony	370	16	25	46	44	25	-	0	-	527	
Broadband	1,211	162	365	53	160	149	3	1	-	2,105	
TV	549	142	402	18	100	73	780	-	-	2,063	
Business solutions	727	585	108	31	73	75	-	1	-	1,600	
Other fixed service revenues	1,063	354	22	16	97	107	0	14	-	1,674	
Total fixed service revenues	3,921	1,259	922	165	474	427	783	16	-	7,967	
Advertising revenues	-	-	-	-	-	-	1,773	-	-	1,773	
Other service revenues	289	56	42	23	3	3	38	135	-	589	
Total service revenues¹	7,677	3,110	3,014	968	841	698	2,594	517	-	19,420	
Total equipment revenues¹	1,434	647	640	418	323	191	-	308	-	3,960	
Total external net sales	9,111	3,758	3,654	1,386	1,164	888	2,594	825	-	23,380	
Internal net sales	23	44	4	18	5	3	0	221	-316	0	
Total net sales	9,133	3,801	3,658	1,403	1,169	891	2,594	1,046	-316	23,380	

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

SEK in millions	Jan-Dec 2022									
	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Total
Mobile subscription revenues	12,852	6,530	7,460	2,653	1,481	1,080	-	1,505	-	33,561
Interconnect	479	331	438	260	111	65	-	83	-	1,767
Other mobile service revenues	564	743	807	441	35	17	-	38	-	2,646
Total mobile service revenues	13,896	7,605	8,705	3,354	1,627	1,162	-	1,626	-	37,975
Telephony	1,297	59	97	119	167	92	-	1	-	1,832
Broadband	4,876	611	1,578	244	714	639	1	9	-	8,671
TV	2,265	550	1,701	78	399	312	2,831	-	-	8,138
Business solutions	2,651	2,394	449	99	324	321	-	1	-	6,238
Other fixed service revenues	3,873	1,332	111	90	419	459	0	47	-	6,331
Total fixed service revenues	14,963	4,946	3,936	631	2,023	1,823	2,832	57	-	31,209
Advertising revenues	-	-	-	-	-	-	5,820	-	-	5,820
Other service revenues	994	231	161	94	13	8	175	445	-	2,122
Total service revenues¹	29,852	12,782	12,803	4,079	3,663	2,994	8,826	2,127	-	77,126
Total equipment revenues¹	5,182	2,216	2,164	1,168	1,099	631	-	1,241	-	13,701
Total external net sales	35,034	14,998	14,967	5,247	4,763	3,625	8,826	3,368	-	90,827
Internal net sales	78	192	55	51	21	12	3	835	-1,248	0
Total net sales	35,112	15,190	15,022	5,298	4,784	3,637	8,829	4,204	-1,248	90,827

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

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

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

Note 5.

Investments

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
CAPEX	7,105	7,647	21,108	22,441
Intangible assets	1,087	855	4,095	5,008
Property, plant and equipment	3,962	5,079	12,434	12,993
Right-of-use assets	2,056	1,713	4,579	4,440
Acquisitions and other investments	157	497	303	639
Asset retirement obligations	157	81	225	162
Goodwill, intangible and tangible non-current assets acquired in business combinations	0	416	0	416
Equity instruments	0	-	77	61
Total investments	7,262	8,144	21,411	23,080

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 fourth quarter and the twelve-months period 2022 was SEK 1,730 million and SEK 5,400 million respectively. Transaction costs, net of tax, in the fourth quarter and twelve-months period were SEK 86 million. The buy-back program was completed on November 15, 2022.

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". No purchases were

made in the fourth quarter and the total price for the repurchased shares during the full year 2022 was SEK 14 million and transaction costs, net of tax, amounted to SEK 0 million. During the fourth quarter and the twelve-months period 2022, Telia Company transferred 1,145 and 332,875 shares respectively to the incentive program participants. Remaining 7,037 shares were sold through the stock exchange for 0.2 MSEK.

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 5,499 million during the twelve-months period ended December 31, 2022.

As of December 31, 2022, Telia Company held 157,522,416 treasury shares (0) and the total number of issued and outstanding shares was 4,089,631,702 and 3,932,109,286 respectively.

Note 7.

Net debt

SEK in millions	Dec 31, 2022	Dec 31, 2021
Long-term borrowings	94,555	91,634
<i>of which lease liabilities, non-current</i>	13,971	12,859
Less 50% of hybrid capital ¹	-9,962	-10,428
Short-term borrowings	7,007	10,017
<i>of which lease liabilities, current</i>	3,261	2,872
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-7,373	-1,705
Less long-term bonds and interest rates derivatives at fair value through income statement and OCI	-3,698	-5,931
Less short-term investments	-2,261	-6,097
Less cash and cash equivalents	-6,871	-14,358
Net debt	71,397	63,133

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

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

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

Note 8.

Loan financing and credit rating

During the fourth quarter of 2022, Telia Company issued a green hybrid bond of EUR 100 million (SEK 1.1 billion) to a coupon of 2.75 percent and a yield of 5.63 percent with the first reset date after 5.75 years. The issue was made under Telia's Green Bond Framework and was an increase of the green hybrid bond issued in the first quarter of 2022 of EUR 500 million (SEK 5.4 billion) to a coupon of 2.75 percent and a yield of 2.88 percent with the first reset date after 6.25 years. The proceeds will primarily finance more energy efficient networks. Further, in the third quarter of 2022, Telia Company issued a hybrid bond of EUR 600 million (SEK 6.5 billion) to a coupon of 4.62 percent and a yield of 4.88 percent with the first reset date after 5.25 years and in the fourth quarter a 2-year senior bond of SEK 600 million to a coupon of 3.99 percent and a yield of 3.99 percent and another 2-year senior bond of SEK 2,400 million to a floating interest rate.

Outstanding bonds with a nominal amount corresponding to SEK 21.3 billion, of which hybrid bonds with a nominal amount corresponding to SEK 15.2 billion with call dates in October 2022 and April 2023, were repaid during 2022. The nominal value of Telia Company's hybrid notes has been reduced by SEK 2.3 billion during 2022.

A new sustainability linked Revolving Credit Facility of EUR 1,200 million (SEK 13.0 billion) was signed in the third quarter of 2022 with a group of twelve relationship banks. The Facility has an initial tenor of 5 years and includes two extension options of one year each, subject to approval of the lenders, thereby ensuring full eligibility under the rating agencies' liquidity models. The new loan facility has a clear connection to Telia's sustainability strategy, as the loan margin is linked to Telia's sustainability performance within climate, diversity and digital skills.

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

Note 9.

Financial instruments – fair values

Long-term and short-term borrowings ¹ SEK in millions	Dec 31, 2022		Dec 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Long-term borrowings				
Interest rate derivatives at fair value	7,078	7,078	771	771
Cross-currency interest rate derivatives at fair value	170	170	800	800
Subtotal	7,247	7,247	1,570	1,570
Open-market financing borrowings in fair value hedge relationships	38,915	43,439	53,451	59,477
Open-market financing borrowings at amortized cost	33,698	34,335	23,215	28,084
Other borrowings at amortized cost	723	723	541	541
Lease liabilities at amortized cost	13,971		12,859	
Total long-term borrowings	94,555		91,637	
Short-term borrowings				
Interest rate derivatives at fair value	50	50	92	92
Cross-currency interest rate derivatives at fair value	179	179	223	223
Subtotal	229	229	315	315
Utilized bank overdraft and short-term credit facilities at amortized cost	-	-	6	6
Open-market financing borrowings in fair value hedge relationships	1,709	1,726	6,001	6,037
Open-market financing borrowings at amortized cost	949	957	-	-
Other borrowings at amortized cost	858	858	823	823
Lease liabilities at amortized cost	3,261		2,872	
Total short-term borrowings	7,007		10,017	

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

Financial assets and liabilities by fair value hierarchy level ¹ SEK in millions	Dec 31, 2022				Dec 31, 2021			
	Carrying value	of which			Carrying value	of which		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets at fair value								
Equity instruments at fair value through OCI	601	4	-	596	576	-	-	576
Equity instruments at fair value through income statement	18	-	-	18	18	-	-	18
Long- and short-term bonds at fair value through OCI	836	836	-	-	830	830	-	-
Long- and short-term bonds at fair value through income statement	5,174	5,174	-	-	11,578	9,883	1,695	-
Derivatives designated as hedging instruments	2,205	-	2,205	-	1,034	-	1,034	-
Derivatives at fair value through income statement	137	-	137	-	462	-	462	-
Total financial assets at fair value by level	8,971	6,015	2,342	614	14,497	10,713	3,191	594
Financial liabilities at fair value								
Derivatives designated as hedging instruments	7,388	-	7,388	-	1,734	-	1,734	-
Derivatives at fair value through income statement	162	-	162	-	166	-	166	-
Total financial liabilities at fair value by level	7,550	-	7,550	-	1,900	-	1,900	-

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

Fair value measurement of Level 3 financial instruments

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

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

Movements within Level 3, fair value hierarchy, SEK in millions	Assets, Jan-Dec 2022		Total
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	
Level 3, opening balance	576	18	594
Changes in fair value	-46	-	-46
<i>of which recognized in other comprehensive income</i>	-46	-	-46
Purchases/Equity conversions	77	-	77
Reclassifications	-10	-	-10
Settlements	-3	-	-3
Exchange rate differences	3	-	3
Level 3, closing balance	596	18	614

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

Note 10.

Contingent liabilities, collateral pledged and litigations

SEK in millions	Dec 31, 2022	Dec 31, 2021
Issued financial guarantees	322	288
<i>of which referred to guarantees for pension obligations</i>	321	287
Collateral pledged	40	38
Total contingent liabilities and collateral pledged	363	326

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. Telia has won an appeal of the advance ruling in Helsinki administrative court confirming Telia Towers Finland Oy is not to be classified as a Real estate company, however, the court ruling has been appealed by FTA. The FTA has during the fourth quarter of 2022 issued a decision requesting Telia Company to pay the Real Estate Transfer Tax related to Telia Towers Finland Oy of approximately SEK 0.2 billion. Telia Company has appealed the decision and also requested and received respite with the payment until final decision is reached in court. 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. For other ongoing legal proceedings, see Note C30 in the Annual and Sustainability Report 2021.

Note 11.

Contractual obligations and commitments

SEK in millions	Dec 31, 2022	Dec 31, 2021
Contractual obligations and commitments	18,479	20,399
<i>of which film and program rights</i>	<i>13,516</i>	<i>14,556</i>
Total contractual obligations and commitments	18,479	20,399

Note 12.

Assets held for sale, discontinued operations and disposals

Net income from discontinued operations (region Eurasia)

There was no net income from discontinued operations in 2022. 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 Alecia 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 5,255 million (net including transaction costs of SEK 29 million) and an increase of equity attributable to non-controlling interests of SEK 190 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 and impairment tests

Business combinations

On October 8, 2021, SIA Latvijas Mobilais Telefons (LMT) in Latvia acquired 100% of the Baltic data transmission network and IT security solutions enterprise group, Santa Monica Networks from Livonia Partners. The preliminary purchase price allocation disclosed in the Annual and Sustainability report 2021 has been adjusted during the first quarter 2022 based on the finalized valuation of identified intangible assets and related deferred tax. The carrying value of intangible assets has been increased by SEK 131 million (whereof customer relationships

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

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

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

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

Impairment tests

Goodwill

Based on the impairment tests performed in the fourth quarter 2022 a total goodwill impairment of SEK 19,100 million has been recognized within Other operating expenses. The goodwill impairment and the carrying value of goodwill were distributed by reportable segments and cash generating units as follows:

Goodwill SEK in millions	Impairment 2022	Carrying value Dec 31, 2022	Carrying value Dec 31, 2021
Sweden	-	2,047	2,047
Finland	9,500	19,027	26,407
Norway	8,500	19,069	26,851
Denmark	600	1,857	2,274
Lithuania	-	3,121	2,890
Estonia	-	2,837	2,627
TV and Media	-	1,456	1,492
Other operations	500	1,168	1,715
of which Latvia	500	943	1,492
of which Other	-	225	224
Total	19,100	50,583	66,302

The impairment tests reflect the changed macro-economic landscape and higher Weighted Average Cost of Capital (WACC) for the group, due to increased market interest rates in 2022, which have resulted in the need for impairment of goodwill relating to Finland, Norway, Denmark and Latvia. The recoverable amounts for these cash generating units as of December 31, 2022, amounted to SEK 35,553 million for Finland, SEK 44,631 million for Norway, SEK 5,783 million for Denmark and SEK 4,369 million for Latvia. The impairment test for the cash generating unit TV and Media has not identified any impairment need as of December 31, 2022, however the estimated recoverable amount was in the proximity of the carrying value as of December 31,

2022, and the CGU is sensitive to changes in WACC or the assumptions in the long-term plan.

The recoverable amounts for Finland, Norway, Denmark, Latvia and TV and Media have been determined based on value in use, applying discounted cash flow calculations. The value in use calculations were based on forecasts approved by management. The key assumptions used in the value in use calculations are presented in the tables below. Management believes the terminal growth rates do not exceed the average growth rates for markets in which Telia Company operates.

Years/Percent	Finland	Norway	Denmark	Latvia	TV and Media
Forecast period (years)	5	5	5	5	5
Post-tax WACC rate (%)	6.0	6.2	5.9	7.4	7.7
Pre-tax WACC rate (%)	7.5	8.0	8.2	10.5	9.4
Terminal growth rate of free cash flow (%)	1.8	2.0	2.0	2.5	2.0

5-year period/Percent	Finland	Norway	Denmark	Latvia	TV and Media
Sales growth, lowest in period (%)	0.6	0.2	-0.2	2.3	0.5
Sales growth, highest in period (%)	3.0	1.6	3.1	4.7	5.3
Adjusted EBITDA margin, lowest in period (%)	30.1	44.2	21.0	27.9	5.4
Adjusted EBITDA margin, highest in period (%)	33.2	45.4	26.6	28.7	19.2
CAPEX ¹ -to-sales, lowest in period (%)	12.4	18.0	9.3	14.5	1.6
CAPEX ¹ -to-sales, highest in period (%)	16.2	23.2	14.5	21.3	2.5

1) CAPEX excluding right of use assets.

Sensitivity analysis

The upper part of the following table sets out how many percentage points each key assumption approximately must change, all else being equal, in order for the recoverable value to equal carrying value. The lower part of the table first shows the SEK billion effect on the

recoverable value of the cash generating unit, should there be a one percentage point upward shift in WACC. Finally, it sets out the absolute SEK billion change of the recoverable value that would equal carrying value.

5-year period/Percent	Finland	Norway	Denmark	Latvia	TV and Media
Sales growth each year in the 5-year period (%)	0.0	0.0	0.0	0.0	-1.9
Adjusted EBITDA margin each year in the 5-year period and beyond (%)	0.0	0.0	0.0	0.0	-0.9
CAPEX ¹ -to-sales ratio each year in the 5-year period and beyond (%)	0.0	0.0	0.0	0.0	2.4
Terminal growth rate (%)	0.0	0.0	0.0	0.0	3.2
Post-tax WACC rate (%)	0.0	0.0	0.0	0.0	0.8
Effect of a one percentage-point upward shift in WACC (SEK in billions)	-4.5	-5.6	-0.6	-0.5	-1.2
Change in the recoverable value to equal the carrying value (SEK in billions)	0.0	0.0	0.0	0.0	-1.0

1) CAPEX excluding right of use assets.

C More brand

Following the decision to consolidate the C More business under TV4 in Sweden and MTV in Finland, the impairment test of the C More brand resulted in an impairment of the total carrying value of SEK 316 million (December 31, 2021: SEK 316 million) in the fourth quarter 2022. The impairment is recognized within Selling, administration and R&D

expenses and refers to segment TV and Media. After the impairment the total carrying value of trademarks for the group amounts to SEK 1,931 million (2,244). The trademarks are part of intangible assets in the statement of financial position.

Copper Network assets

The copper network in segment Sweden is expected to be dismantled by the end of 2026. An impairment test has been performed based on the latest copper network dismantling plan, which resulted in an impairment of SEK 422 million of the Swedish copper network assets in the fourth quarter 2022. The impairment is recognized within Cost of

sales and refers to segment Sweden. After the impairment the carrying value of the Swedish copper network assets amounts to SEK 1,247 million. The copper network assets are classified as Plant and machinery within Property, plant and equipment in the statement of financial position.

For more information on impairment tests, see 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.

	Dec 31, 2022	Dec 31, 2021
Return on equity (%; rolling 12 months) ¹	neg.	18.5
Return on capital employed (%; rolling 12 months) ¹	neg.	9.1
Equity/assets ratio (%) ¹	26.8	31.7
Net debt/adjusted EBITDA ratio (multiple; rolling 12 months)	2.35	2.14
Parent owners' equity per share (SEK) ¹	16.34	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	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	24,261	23,380	90,827	88,343
Excluded: Equipment revenues	-4,087	-3,960	-13,701	-13,162
Service revenues (external)	20,174	19,421	77,126	75,180
Excluded: Effects from changes in foreign exchange rates ¹	-681	-36	-1,888	0
Excluded: Effects from acquired and disposed operations	-6	-34	-71	-1,575
Service revenues on a like-for-like basis²	19,487	19,350	75,167	73,605
<i>of which Core Telco business</i>	<i>16,960</i>	<i>16,755</i>	<i>66,430</i>	<i>64,958</i>
<i>of which Tv and Media</i>	<i>2,526</i>	<i>2,595</i>	<i>8,738</i>	<i>8,647</i>

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

EBITDA and adjusted EBITDA

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating income	-17,874	1,772	-9,417	15,232
Excluded: Income from associated companies and joint ventures	-47	-28	-102	-104
Excluded: Total depreciation/amortization/write-down	24,937	5,146	38,936	20,023
EBITDA	7,016	6,890	29,417	35,151
Adjustment items within EBITDA (Note 2)	358	399	911	-5,290
Adjusted EBITDA	7,374	7,290	30,328	29,861
Excluded: Effects from changes in foreign exchange rates ¹	-277	-23	-816	0
Excluded: Effects from acquired and disposed operations	1	-21	-19	-372
Adjusted EBITDA on a like-for-like basis²	7,099	7,246	29,492	29,489
<i>of which Core Telco business</i>	<i>7,209</i>	<i>7,253</i>	<i>29,214</i>	<i>28,611</i>
<i>of which Tv and Media</i>	<i>-110</i>	<i>-7</i>	<i>278</i>	<i>878</i>
Excluded: Impact from increased energy costs ³	281		760	
Adjusted EBITDA on a like-for-like basis² excluding impact from increased energy costs³	7,381	7,246	30,253	29,489

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. 3) Increased energy costs in 2022 compared to 2021.

Adjusted operating income

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating income	-17,874	1,772	-9,417	15,232
Adjustment items within Operating income (Note 2)	20,196	475	20,749	-5,198
Adjusted operating income	2,322	2,246	11,332	10,033

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

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Investments in intangible assets	1,087	855	4,095	5,008
Investments in property, plant and equipment	3,962	5,079	12,434	12,993
CAPEX excluding right of use assets	5,049	5,935	16,529	18,001
Investments in right-of-use assets	2,056	1,713	4,579	4,440
CAPEX	7,105	7,647	21,108	22,441
Excluded: investments in license and spectrum fees and right-of-use assets	-2,083	-1,704	-5,149	-6,556
CAPEX excluding fees for licenses and spectrum and right of use assets	5,022	5,944	15,959	15,885

SEK in millions, except ratio	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
CAPEX	7,105	7,647	21,108	22,441
Excluded: investments in right-of-use assets	-2,056	-1,713	-4,579	-4,440
Net of not paid investments and additional payments from previous periods	302	-453	-621	-2,354
Cash CAPEX	5,351	5,481	15,908	15,647
Excluded: Cash CAPEX for licenses and spectrum fees	-57	-331	-513	-1,266
Cash CAPEX, excluding fees for licenses and spectrum	5,293	5,150	15,395	14,381
Net sales	24,261	23,380	90,827	88,343
Cash CAPEX, excluding fees for licenses and spectrum in relation to net sales (%)	21.8	22.0	16.9	16.3

Free cash flow (continuing and discontinued operations)

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operating activities	6,307	7,137	24,001	27,376
Cash CAPEX (paid intangible and tangible assets)	-5,351	-5,481	-15,908	-15,647
Free cash flow	956	1,655	8,094	11,729

Operational free cash flow

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operating activities from continuing operations	6,307	7,137	24,001	27,507
Cash CAPEX from continuing operations	-5,351	-5,481	-15,908	-15,647
Free cash flow, continuing operations	956	1,655	8,094	11,861
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	57	331	513	1,266
Excluded: Dividends from associates from continuing operations	-	-	-136	-152
Excluded: Taxes paid on dividends from associates from continuing operations	-	-	-	-
Repayments of lease liabilities	-632	-616	-2,748	-2,574
Operational free cash flow	381	1,371	5,723	10,401
Excluded: Changes in working capital	-110	-972	735	-3,020
Structural part of Operational free cash flow	271	399	6,458	7,381

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

SEK in millions, except for multiple	Dec 31, 2022	Dec 31, 2021
Net debt	71,397	63,133
Adjusted EBITDA continuing operations accumulated current year	30,328	29,861
Excluding: Disposed operations	-	-371
Adjusted EBITDA rolling 12 months excluding disposed operations	30,328	29,491
Net debt/adjusted EBITDA ratio (multiple)	2.35x	2.14x

Adjusted EBITDA margin

SEK in millions, except ratio	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	24,261	23,380	90,827	88,343
Adjusted EBITDA	7,374	7,290	30,328	29,861
Adjusted EBITDA margin (%)	30.4	31.2	33.4	33.8

Parent company

Condensed income statements

SEK in millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	592	472	1,713	982
Cost of sales	-383	-365	-1,103	-487
Gross income	209	107	609	495
Operating expenses and other operating income, net	-591	-38	-1,402	-1,063
Operating income	-383	69	-793	-568
Financial items, net	-15,650	4,489	-5,572	13,708
Income after financial items	-16,032	4,558	-6,365	13,140
Appropriations	1,736	1,642	6,079	5,663
Income before taxes	-14,296	6,200	-286	18,804
Income taxes	-180	-313	-522	-926
Net income	-14,477	5,888	-808	17,877

Net sales and Cost of sales for the full year 2022 increased to SEK 1,713 million (982) and SEK -1,103 million (-487) respectively mainly due to increased Net sales and Cost of sales related to film and program rights.

Operating expenses and other operating income, net in the fourth quarter increased to SEK -591 million (-38) mainly due to last year included a received compensation from the pension fund.

Financial items, net in the fourth quarter 2022 decreased to SEK -15,650 million (4,489). 2022 was negatively impacted by impairments related to the subsidiaries Telia Norge AS of SEK 8,600 million and Telia Finland Oyj of SEK 6,350 million. Furthermore, fourth quarter 2022 was negatively impacted by foreign exchange losses and increased interest expenses. Fourth quarter 2021 was positively impacted by a capital gain from the disposal of 49% of Telia Towers AB amounting to SEK 4,610 million.

Operating expenses and other operating income, net for the full year 2022 increased to SEK -1,402 million (-1,063) mainly due to last year included a received compensation from the pension fund.

Financial items, net for the full year 2022 decreased to SEK -5,572 million (13,708). 2022 was negatively impacted by impairments related to the subsidiaries Telia Norge AS of SEK 8,600 million (-) and Telia Finland Oyj of SEK 6,350 million (4,500) offset by a capital gain of SEK 11,055 million from the disposal of Telia Towers Sweden AB. 2021 was positively impacted by capital gains of SEK 6,258 million from the disposal of the Telia Carrier subsidiaries and of SEK 4,610 million from the 49% disposal of Telia Towers AB. In addition, dividends from subsidiaries decreased to SEK 1,807 million (8,084) and the Financial items, net was negatively impacted by foreign exchange losses and increased interest expenses.

Condensed balance sheets

SEK in millions	Dec 31, 2022	Dec 31, 2021
Assets		
Non-current assets	153,316	163,412
Current assets	36,833	43,865
Total assets	190,149	207,277
Equity and liabilities		
Restricted shareholders' equity	15,712	15,712
Non-restricted shareholders' equity	55,441	69,722
Total shareholders' equity	71,153	85,434
Untaxed reserves	5,862	6,707
Provisions	432	441
Long-term liabilities	79,871	78,240
Short-term liabilities and short-term provisions	32,831	36,455
Total equity and liabilities	190,149	207,277

Non-current assets decreased to SEK 153,316 million (163,412) mainly due to impairments of the subsidiaries Telia Norge AS and Telia Finland Oyj partly offset by shareholder contributions made to other subsidiaries.

Current assets decreased to SEK 36,833 million (43,865) due to decreased cash and bank and short-term investments partly offset by increased other current interest-bearing receivables.

Equity decreased to SEK 71,153 million (85,434) impacted by negative Net income, dividends distributed and acquired Treasury shares.

Long-term liabilities increased to SEK 79,871 million (78,240) impacted by an increase in derivatives partly offset by a decrease in bonds, including reclassification to short-term liabilities.

Short-term liabilities and short-term provisions decreased to SEK 32,831 million (36,455) mainly due to matured bonds offset by a reclassification from long-term bonds.

Risks and uncertainties

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

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 are highly unpredictable, this conflict and related imposed sanctions could lead to market disruptions. These disruptions, of which some have already materialized, may include significant volatility in commodity- and

energy prices, international credit and capital markets, and asset prices, as well as supply chain interruptions, deteriorating financing conditions and increased risks for cyber-attacks. In addition, a deterioration of the overall macro-economic environment will have an adverse impact. For Telia Company, a deterioration of the overall macro-economic environment together with aforementioned market disruptions, could lead to a further increase in energy costs, 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

Stockholm, January 26, 2023

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 revenues: 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

Annual and Sustainability report 2022

March 13, 2023

Annual general meeting

April 5, 2023

Interim report January-March 2023

April 26, 2023

Interim report January-June 2023

July 20, 2023

Interim report January-September 2023

October 19, 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 January 26, 2023.

