



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	981 929 055
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TELIA NORGE AS
Forretningsadresse:	Lørenfare 1A 0585 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Hanne Eline Fagereng
Dato for fastsettelse av årsregnskapet:	30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 06.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5, 23, 24	13 874 000 000	14 115 000 000
Annen driftsinntekt	5	147 000 000	31 000 000
Sum inntekter		14 021 000 000	14 145 000 000
Kostnader			
Nettverks- og produktkostnader	6, 23	4 602 000 000	4 503 000 000
Lønnskostnad	8, 18, 23	1 472 000 000	1 523 000 000
Avskrivning av driftsmidler og immaterielle eiendeler	12, 13, 24	2 785 000 000	2 845 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	12, 13, 24	29 000 000	247 000 000
Salgs-, distribusjons- og andre driftskostnader	7, 8, 23	2 455 000 000	2 471 000 000
Sum kostnader		11 343 000 000	11 590 000 000
Driftsresultat		2 678 000 000	2 555 000 000
Finansinntekter og finanskostnader			
Inntekt på investering i tilknyttet selskap	23		3 000 000
Annen renteinntekt		8 000 000	5 000 000
Annen finansinntekt	23	77 000 000	89 000 000
Sum finansinntekter		85 000 000	97 000 000
Rentekostnad til foretak i samme konsern	23	578 000 000	577 000 000
Annen rentekostnad	24	80 000 000	74 000 000
Annen finanskostnad	23, 24	61 000 000	65 000 000
Sum finanskostnader		719 000 000	717 000 000
Netto finans		-634 000 000	-620 000 000
Ordinært resultat før skattekostnad		2 044 000 000	1 936 000 000
Skattekostnad på ordinært resultat	11	449 000 000	421 000 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Ordinært resultat etter skattekostnad		1 595 000 000	1 515 000 000
Estimatavvik pensjoner	14, 18	27 000 000	10 000 000
Skattekostnad på ekstraordinært resultat		6 000 000	2 000 000
Årsresultat	14	1 616 000 000	1 523 000 000
Årsresultat etter minoritetsinteresser		1 616 000 000	1 523 000 000
Totalresultat		1 616 000 000	1 523 000 000
Overføringer og disponeringer			
Ordinært utbytte			1 583 000 000
Konsernbidrag			332 000 000
Avsatt til annen egenkapital		1 616 000 000	-392 000 000
Sum overføringer og disponeringer		1 616 000 000	1 523 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	12		
Konsesjoner, patenter o.l.	12	3 272 000 000	2 299 000 000
Utsatt skattefordel	11	310 000 000	176 000 000
Goodwill	12	19 008 000 000	19 008 000 000
Sum immaterielle eiendeler		22 590 000 000	21 483 000 000
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	13	495 000 000	452 000 000
Maskiner og anlegg	13	8 472 000 000	7 772 000 000
Bruksrett leiekontrakter	24	2 746 000 000	2 329 000 000
Skip og flytende installasjoner	13		
Driftsløsøre, inventar o.a. utstyr	13	365 000 000	282 000 000
Sum varige driftsmidler	13, 20	12 078 000 000	10 835 000 000
Finansielle anleggsmidler			
Investering i datterselskap	16		96 000 000
Investering i annet foretak i samme konsern	16		
Lån til foretak i samme konsern	22, 23		
Lån til tilknyttet selskap og felles kontrollert virksomhet	22		
Investeringer i aksjer og andeler	16, 17	10 000 000	11 000 000
Andre langsiktige fordringer	22	94 000 000	61 000 000
Sum finansielle anleggsmidler		104 000 000	167 000 000
Sum anleggsmidler		34 772 000 000	32 485 000 000
Omløpsmidler			
Varer			
Sum varer	9	161 000 000	166 000 000
Fordringer			
Kundefordringer	22, 23	1 588 000 000	1 927 000 000
Kontraktseiendeler	22	474 000 000	380 000 000
Andre kortsiktige fordringer	23	515 000 000	3 009 000 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum fordringer		2 577 000 000	5 316 000 000
Investeringer			
Aksjer og andeler i foretak i samme konsern	16		
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	10	25 000 000	30 000 000
Sum bankinnskudd, kontanter og lignende		25 000 000	30 000 000
Sum omløpsmidler		2 763 000 000	5 511 000 000
SUM EIENDELER		37 535 000 000	37 997 000 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital	14, 15	380 000 000	380 000 000
Beholdning av egne aksjer	15		
Overkurs	14	8 177 000 000	8 177 000 000
Annen innskutt egenkapital	14	332 000 000	332 000 000
Sum innskutt egenkapital		8 889 000 000	8 889 000 000

Opptjent egenkapital

Annen egenkapital	14	2 781 000 000	1 164 000 000
Sum opptjent egenkapital		2 781 000 000	1 164 000 000

Sum egenkapital		11 670 000 000	10 053 000 000

Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	18	51 000 000	96 000 000
Utsatt skatt	11		
Andre avsetninger for forpliktelser	19	1 073 000 000	338 000 000
Sum avsetninger for forpliktelser		1 125 000 000	434 000 000

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	23		



Balanse

Beløp i: NOK	Note	2021	2020
Langsiktig konserngjeld	23	13 551 000 000	16 051 000 000
Langsiktig leieforpliktelse	24	2 522 000 000	2 054 000 000
Øvrig langsiktig gjeld		74 000 000	3 000 000
Sum annen langsiktig gjeld		16 148 000 000	18 108 000 000
 Sum langsiktig gjeld		 17 272 000 000	 18 542 000 000
 Kortsiktig gjeld			
Leverandørgjeld	23	2 808 000 000	2 312 000 000
Betalbar skatt	11	606 000 000	551 000 000
Skyldig offentlige avgifter	10	399 000 000	465 000 000
Utbytte	23		1 583 000 000
Leieforpliktelser	24	349 000 000	308 000 000
Annen kortsiktig gjeld	23	4 431 000 000	4 183 000 000
Sum kortsiktig gjeld		8 593 000 000	9 402 000 000
 Sum gjeld		 25 865 000 000	 27 943 000 000
 SUM EGENKAPITAL OG GJELD		 37 535 000 000	 37 997 000 000
 POSTER UTENOM BALANSEN			
Garantistillelser	20		
Pantstillelser	20		



Årsrapport for 2021 Telia Norge AS

Årsrapport

Årsregnskap

-Oppstilling av totalresultatet

-Oppstilling av finansiell stilling

-Oppstilling av kontantstrømmer

-Noter

-Redegjørelsesrapport

Revisjonsberetning

Org.nr.: 981 929 055

Årsberetning 2021 for Telia Norge AS

Beløp vises i tusen kr

Selskapets virksomhet og lokalisering

Telia Norge AS har sin virksomhet innen mobil telekommunikasjon, bredbånd, TV og datakom, samt tjenester knyttet til dette. Selskapet er et heleid datterselskap av Telia Company AB, som er et ledende telekommunikasjonskonsern i Norden, Baltikum og Eurasia.

Telia Norge AS sine inntekter er generert innen det norske markedet, med unntak av internasjonale trafikkinntekter. Selskapet har sitt hovedkontor på Økern i Oslo. Selskapet har totalt 76 butikklokasjoner i Norge. I tillegg har selskapet kundesenterlokasjoner i Trondheim og Oslo.

Hovedtrekk

Telia leverte et meget godt år i 2021, med kundevekst og sterke økonomiske resultater. Regnskapsåret ble nok en gang preget av en uforutsigbar koronasituasjon, men som selskap har vi fortsatt å utfordre markedet i høyt tempo. Nye og viktige milepæler er blitt nådd, og vår robuste mobil- og fastnett har holdt samfunnshjulene i gang. Noen viktige høydepunkter i 2021 var vår offensive 5G-utbygging landet over, omfattende modernisering av fastnettet, mange nye og strategiske viktige avtaler i bedriftsmarkedet, blant annet med Posten Norge, og på TV-siden inngåelse av nye og langsiktige distribusjonsavtaler med NENT og TV 2.

Videre er Telias partnernettnettverk blitt historisk sterkt i 2021 som følge av mange nye partnere og en organisk vekst i eksisterende base. Vi har samtidig slukket 3G-nettet for å sikre enda bedre kundeopplevelser og lansert en rekke nye produkter og tjenester, som nye ubegrenset data-abonnement og private mobilnett for bedrifter, hvor vi var først i Norge. Ikke minst er det gledelig å se at salget av brukte mobiltelefoner fortsetter å vokse og utgjør nå om lag 16% av alle mobiltelefoner vi selger.

Telia har samtidig markert seg sterkt innen kundetilfredshet på mobilsiden, med OneCall som igjen er blitt kåret til å ha Norges mest fornøyde privatkunder, mens Phonero og Telia kapret de to øverste plassene i bedriftsmarkedet.

Omsetning i 2021 var på MNOK 13 874 (2020: MNOK 14 115). Driftsresultatet endte på MNOK 2 678 (2020: MNOK 2 555) med en margin på 19,1 % (2020: 18,1 %). Endring i resultat og margin skyldes i hovedsak reduserte avskrivninger og nedskrivninger knyttet til driftsmidler, samt reduserte driftskostnader.

Marked og produkter

Telia Norge AS bruker årlig store ressurser gjennom sine merkevarer Telia, OneCall, MyCall og Phonero på å utvikle og tilby nye innovative tjenester.

I tillegg til kontinuerlig utvikling av produkt- og tjenestetilbudet, er det til enhver tid et sterkt fokus på å bedre kundeopplevelsen. Viktige parametere her er kort svartid til kundene, høy kvalitet på service som ytes med samkjørt multikanalopplevelse både via tradisjonell kundesenterfunksjon, online tjenester, sosiale medier, samt fysisk kundeservice gjennom selskapets butikker. Å kunne tilby kundene interaktiv kundeservice er et viktig bidrag for å nå selskapets målsetninger knyttet til å yte god service.



Pris og konkurranse

Ved utgangen av 2021 ble det anslått at antall mobilabonnement i Norge var i underkant av 6 millioner. Konkurransen mellom tilbyderne i markedet er stor, og da spesielt på pris. Telia Norge AS lyktes i 2021 med en økning av kundebasen fra 2 147 990 per 01.01.2021 til 2 164 200 per 31.12.2021. Veksten er drevet av vellykket satsing i bedriftsmarkedet.

Telia Norge hadde ved utgangen av 2021 en bredbånd kundebase på ca 492 000 bredbåndskunder, en økning på ca 23 000 kunder fra utgangen av 2020. Antall TV kunder var ca 477 000, en økning på ca 8 000 fra utgangen av 2020.

Telia Norge har i løpet av 2021 kommet godt i gang med utbygning av 5G, og omtrent halvparten av Norges befolkning har i dag 5G dekning fra Telia. Med dette, samt modernisering av 4G nettverk og fastnett, i tillegg til sikring av viktige frekvenser, anser styret at selskapet står godt rustet for å møte konkurransen i markedet i tiden fremover.

Konkurransen i markedet medfører press på marginene i bransjen. Telia Norge AS vil til enhver tid bestrebe seg på å gi kundene kvalitetsprodukter og tjenester til konkurransedyktige priser samtidig som man opprettholder kostnadsfokus. Samtidig har selskapet kontinuerlig fokus på å tilpasse seg konkurranse fra nye typer konkurrenter.

Forskning og utvikling

Telia Norge sine tjenester bidrar til et mer åpent og digitalt inkluderende samfunn gjennom å gi muligheter for flere mennesker å kommunisere bedre og enklere. Selskapet er derfor opptatt av teknologi og en digital fremtid. I løpet av 2021 har Telia Norge AS jobbet med systemer for å innhente kundeinnsikt på en måte som ivaretar kundens anonymitet.

Selskapet ønsker å fremme innovasjon og tilegne seg nye prosesser, kunnskap og ferdigheter for å kunne utvikle nye eller forbedre produkter eller tjenester til sine kunder.

Finans

De økonomiske resultatene for 2021 viser at Telia vokser sammenlignet med 2020. Vi leverer et sterkt økonomisk resultat drevet av flere nye kunder på både privat og bedriftssiden, og et sterkt kostnadsfokus som bidrar til en fortsatt høy investering i nettverkskvalitet for kundene.

I 2021 hadde Telia Norge AS en omsetning på MNOK 13 874 (2020: MNOK 14 115).

Resultatet før skattekostnad var på MNOK 2 044 (2020: MNOK 1 936). Driftsresultatet var MNOK 2 678 (2020: MNOK 2 555). Avskrivninger og nedskrivninger utgjorde MNOK 2 814 (2020: MNOK 3 092). Ordinært resultat etter skatt ble i 2021 på MNOK 1 595 (2020: MNOK 1 515). Selskapet hadde i 2021 en skattekostnad på ordinært resultat på MNOK 449.

Selskapet hadde per 31.12.2021 en meget solid balanse og positiv kontantstrøm fra driften. Totalkapitalen var ved utgangen av året MNOK 37 535 (2020: 37 997). Tilsvarende var egenkapitalandelen pr 2021 31,1 % (2020: 26,5 %).

Netto kontantstrøm fra operasjonelle aktiviteter var i 2021 MNOK 7 275 (5 029 MNOK i 2020). Kontantstrøm fra finansiell aktivitet var på -4 031 MNOK (-2 614 MNOK i 2020), og på -3 248 MNOK fra investeringsaktivitet (-2 414 MNOK i 2020). Avviket mellom driftsresultat i 2021 (2 678 MNOK) og kontantstrøm fra operasjonell aktivitet (7 275 MNOK) skyldes primært årets av- og nedskrivninger.

Risikoforhold

Virksomheten til Telia Norge AS er gjenstand for en rekke risikoforhold, fremfor alt av regulatorisk, finansiell og juridisk art. Selskapet vil understreke at det normalt er betydelig usikkerhet knyttet til vurderinger av fremtidige forhold.

Valutarisiko: Selskapet har i liten grad transaksjoner i utenlandsk valuta. Transaksjonsvaluta i disse tilfeller er hovedsakelig SEK og EUR, og transaksjonene er da hovedsakelig mot andre selskaper i konsernet, samt mot enkelte større leverandører. Selskapet vurderer i enkelte tilfeller om terminkontrakter i EUR skal benyttes for å redusere selskapets valutarisiko.



Renterisiko: Selskapet er i liten grad eksponert for renterisiko overfor eksterne parter da det ikke foreligger noen løpende eksterne lån. Renterisikoen knytter seg i all hovedsak til konserninterne låneavtaler.

Kredittrisiko: Risikoen for tap på fordringer er vurdert som lav. Fordringsmassen til selskapet består i all hovedsak av mange små fordringer mot enkeltkunder, risikoen er dermed spredd. Faktisk konstaterte tap gjennom året utgjorde MNOK 68 (MNOK 110 i 2020).

Likviditetsrisiko: Ledelsen vurderer likviditeten i selskapet som tilfredsstillende. Det er ikke besluttet å innføre tiltak som endrer risikoen. Forfallstidspunkter for kundefordringer opprettholdes og andre langsiktige fordringer er ikke vurdert reforhandlet eller innløst. Selskapet har tilgang til likviditet gjennom Telia Company ABs konsernkontoordning.

Organisasjon, ansatte, likestilling, diskriminering og kultur

Telia Norge AS har en organisasjonsstruktur som er inndelt i følgende operasjonelle divisjoner: Consumer, Enterprise, Infrastruktur og Customer Service & Delivery. Hver av divisjonene ledes av en divisjonsdirektør. I tillegg har selskapet stabsfunksjoner som HR, Finans, Kommunikasjon og Juridisk.

Ved utgangen av 2021 hadde selskapet 1989 gjennomsnittlig antall årsverk.

Kvinneandelen var på 29%, og 26,2% kvinnelige ledere. I den øverste ledergruppen er kvinneandelen 25 %.

Utbetalt gjennomsnittskompensasjon til kvinner er 3,3% lavere enn gjennomsnittskompensasjonen for menn. Dette inkluderer avtalt lønn, uregelmessige tillegg, overtid, selskapsbonus, salgspolis, overtidsgodtgjørelse, bilgodtgjørelse og andre skattepliktige naturalteluser. Ser vi på avtalt lønn isolert sett, er den gjennomsnittlige lønnen 0,6% høyere for kvinner enn gjennomsnittet for menn. Det er ulike årsaker til dette bildet, blant annet at mye av provisjon og fast bilgodtgjørelse utbetales til salgsstillinger der kun 25% av salgsapparatet er kvinner. I gjennomsnitt jobber kvinner også færre timer definert som ubekvem arbeidstid, der det foreligger et kontant tillegg. Det er også høyere andel menn enn kvinner i lederstillinger. Telia Norge har satt i verk flere konkrete tiltak for å få kvinner inn i lederroller og de mannsdominerte stillingskategoriene.

Telia Norge AS har lik arbeidstidsordning for kvinner og menn, samt lik ordning for kvinner og menn når det gjelder lønn under foreldrepermisjon.

Telia Norge AS ønsker å stimulere til målrettet og resultatorientert innsats gjennom en bonusordning for alle ansatte. Bonus kommer i tillegg til grunnlønn. Denne er variabel og baserer seg på bedriftens og Telia-konsernets resultat, samt den enkelte ansattes egne prestasjoner. Telia Norge AS har et godt arbeidsmiljø, og selskapets årsrapporter fra bedriftshelsetjenesten bekrefter dette for alle selskapets kontorlokasjoner. Det avholdes jevnlig møter både med tillitsvalgte og selskapets arbeidsmiljøutvalg.

Telia Norge følger intensjonsavtalen av 1. januar 2019 om et mer inkluderende arbeidsliv. Vi som selskap har et fokus på et inkluderende, forebyggende og godt arbeidsmiljø, med systematiske tiltak for reduksjon i sykefraværet.

Det gjennomføres blant annet årlige helseprofilundersøkelser, hvor ansatte får tilbud om en helsekartlegging samt en rådgivende samtale med tanke på livsstil og helse sammen med representanter fra bedriftshelsetjenesten. Ansatte som ender i risikosone får tilbud om individuell oppfølging. Alle fast ansatte i Telia Norge er omfattet av selskapets helseforsikring og de ansatte har tilgang til fysioterapeut på arbeidsplassen som arrangerer ukentlige energipauser med fokus på forebygging av muskelskader. I tillegg arrangeres årlige helsefremmende tiltak for å fremme fysisk aktivitet og engasjement.

Vi har i hovedsak kontoransatte, i tillegg har vi serviceteknikere som jobber med feilretting av nettet vårt og hjemme hos våre kunder.

Våre serviceteknikere har til enhver tid nødvendig opplæring og sikkerhetsutstyr med seg. Via egen applikasjon på sin mobil utfører disse sikker jobb analyse (SJA), samt rapporterer inn avvik. Sykefraværet i Telia for 2021 var på 4,2 %.

Telia Norge har siden 2016 vært sertifisert av DNV innen ledelsessystemet og standarden OHSAS 18001. Per november 2019 ble Telia Norge AS sertifisert i ISO 45001 standarden, denne sertifiseringen har en varighet på 3 år, med årlige oppfølgingsrevisjoner. Telia ble i 2021 revidert av DNV og fikk høyeste score for HMS ledelsessystemet for Telia.

Det er utarbeidet en redegjørelsesrapport. Denne er lagt ved etter regnskapsnotene.

Ytre miljø

Utbyggingen av telenettet innebærer nødvendigvis visse inngrep i det ytre miljø. Telia Norge AS bestreber en minimering av skadevirkninger av utbyggingen, blant annet ved å samlokalisere vår utbygging med andre operatører. Telia Norge AS sitt utgangspunkt ved etablering av egne basestasjonsanlegg er at terrenget skal skånes mest mulig og at plasseringen er tilpasset omgivelsene. Telia Norge AS sitt arbeid for å minimere skadevirkningene er nedfelt i et eget dokument om miljøprofil for stasjonsutbyggingen.

Alle Telia Norge AS sine basestasjoner inneholder batterier. Når disse batteriene skiftes ut, har selskapet avtaler som sikrer at de håndteres på en forskriftsmessig måte og leveres inn ved returstasjoner for formålet.

Det foregår fremdeles en offentlig debatt omkring farene ved stråling fra basestasjoner og mobiltelefoner. Telia Norge AS anser at det er de nasjonale strålevern- og helsemyndigheter som innehar kunnskap og som er valgt til eksperter på dette området. Vi stoler på den informasjon, anbefalinger og råd som disse gir ut.

Telia Norge AS følger også de anbefalte grenseverdier som myndighetene har fastsatt til beskyttelse av befolkningens helse og sikkerhet.

Bærekraft

Telia Norge AS er underlagt policyer og retningslinjer om bærekraft og ansvarlig virksomhet fra morselskapet Telia Company AB. Selskapets arbeid med, og prestasjoner knyttet til, blant annet arbeidstakerrettigheter, menneskerettigheter, anti-korrupsjon og miljøansvar er rapportert som en del av Telia Companys års- og bærekraftsrapport. Denne er tilgjengelig på <http://annualreports.teliacompany.com>.

Selskapsstyring og ledelse

Telia Norge AS har fokus på internkontroll, operasjonelt og finansielt. Implementeringen, fokus og oppfølgingen rundt dette sikrer at selskapet er profesjonalisert i håndtering og kontroll av informasjon som påvirker selskapets kritiske styringsprosesser, samt god inntekts- og kostnadskontroll.

Som heleid datterselskap av Telia Company AB legger Telia Norge AS eierens regler, systemer og rutiner for god selskapsstyring til grunn for sin drift.

Styret består av Stein-Erik Vellan (styreleder), Carsten Dyrup Revsbech, Henrik Larsen, Hemdan Michael Bezabih, Lars Marcus Bergman og Benedicte Onsøien Dypvik. De tre sistnevnte er ansattrepresentanter.

Alle Telia-ansatte som sitter i styret for Telia Norge AS er dekket av styreforsikring.

Fremtiden

Økt prispress i markedet nødvendiggjør kontinuerlig utvikling av produkt- og tjenestetilbudet for å kunne opprettholde omsetningsvekst og tilstrekkelig lønnsomhet. I tillegg vil det fortsatt være viktig med god kostnadskontroll og selskapet vil til enhver tid ta initiativ til å søke å redusere kostnadene til driften av virksomheten.

Koronaviruset og Covid-19 har preget også 2021, men gitt dagens smittesituasjon og løft av restriksjoner er antagelsen at første halvdel av 2022 vil være et år som i mindre grad vil preges av pandemi.

**Fortsatt drift**

Etter styrets mening gir det fremlagte resultatregnskapet og balanse med tilhørende noter en rettvise oversikt over selskapets økonomiske utvikling og finansielle stilling.

Årsregnskapet for 2021 er satt opp under forutsetning av fortsatt drift. Styret bekrefter at denne forutsetningen er til stede i henhold til Regnskapsloven paragraf 3-3.

Disponeringer

Årsresultatet for Telia Norge AS var på 1 616 MNOK. Styret vil foreslå for generalforsamlingen følgende disponering av resultatet for 2021 (MNOK):

Disponering	Beløp
Avsatt til annen egenkapital	1 616

Oslo , 30.06.2022
Styret i Telia Norge AS

Stein-Erik Vellan
styreleder/daglig leder

Henrik Larsen
styremedlem

Hemdan Michael Bezabih
styremedlem

Lars Marcus Bergman
styremedlem

Benedicte Onsøien Dypvik
styremedlem

Carsten Dyrup Revsbech
styremedlem



Oppstilling av totalresultatet

Telia Norge AS

Beløp vises i millioner kr

Driftsinntekter og driftskostnader	Note	2021	2020*
Salgsinntekt	5, 23, 24	13 874	14 115
Annen driftsinntekt	5	147	31
Sum driftsinntekter		14 021	14 145
Nettverks- og produktkostnader	6, 23	4 602	4 503
Lønnskostnad	8, 18, 23	1 472	1 523
Avskrivning av driftsmidler og immaterielle eiendeler	12, 13, 24	2 785	2 845
Nedskrivning av driftsmidler og immaterielle eiendeler	12, 13, 24	29	247
Salgs-, distribusjons- og andre driftskostnader	7, 8, 23	2 455	2 471
Sum driftskostnader		11 343	11 590
Driftsresultat		2 678	2 555
Finansinntekter og finanskostnader			
Inntekt på investering i tilknyttet selskap	23	0	3
Annen renteinntekt		8	5
Annen finansinntekt	23	77	89
Rentekostnad til foretak i samme konsern	23	578	577
Annen rentekostnad	24	80	74
Annen finanskostnad	23, 24	61	65
Resultat av finansposter		-634	-620
Ordinært resultat før skattekostnad		2 044	1 936
Skattekostnad på ordinært resultat	11	449	421
Ordinært resultat		1 595	1 515
Ekstraordinære inntekter og kostnader			
Estimatavvik pensjoner	14, 18	27	10
Skattekostnad på ekstraordinært resultat		-6	-2
Resultat av ekstraordinære poster		21	8
Arsresultat	14	1 616	1 523
Totalresultat for perioden		1 616	1 523
Overføringer			
Avsatt til utbytte		0	1 583
Avsatt konsernbidrag		0	332
Avsatt til annen egenkapital		1 616	-392
Sum overføringer		1 616	1 523

*) Justert for sammenligningsformål, se note 2



Oppstilling av finansiell stilling

Telia Norge AS

Beløp vises i millioner kr

Eiendeler	Note	2021	2020*
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.	12	3 272	2 299
Utsatt skattefordel	11	310	176
Goodwill	12	19 008	19 008
Sum immaterielle eiendeler		22 590	21 483
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	13	495	452
Maskiner og anlegg	13	8 472	7 772
Driftsløsøre, inventar o.a. utstyr	13	365	282
Bruksrett leiekontrakter	24	2 746	2 329
Sum varige driftsmidler	13, 20	12 078	10 835
Finansielle anleggsmidler			
Investeringer i datterselskap	16	0	96
Investeringer i aksjer og andeler	16, 17	10	11
Andre langsiktige fordringer	22	94	61
Sum finansielle anleggsmidler		104	167
Sum anleggsmidler		34 772	32 485
Omløpsmidler			
Lager av varer og annen beholdning	9	161	166
Fordringer			
Kundefordringer	22, 23	1 588	1 927
Kontraktseiendeler	22	474	380
Andre kortsiktige fordringer	23	515	3 009
Sum fordringer		2 577	5 316
Bankinnskudd, kontanter o.l.	10	25	30
Sum omløpsmidler		2 763	5 511
Sum eiendeler		37 535	37 997

*) Justert for sammenligningsformål, se note 3



Oppstilling av finansiell stilling

Telia Norge AS

Beløp vises i millioner kr

Egenkapital og gjeld	Note	2021	2020*
Egenkapital			
Innskutt egenkapital			
Aksjekapital	14, 15	380	380
Overkurs	14	8 177	8 177
Annen innskutt egenkapital	14	332	332
Sum innskutt egenkapital		8 889	8 889
Opptjent egenkapital			
Annen egenkapital	14	2 781	1 164
Sum opptjent egenkapital		2 781	1 164
Sum egenkapital		11 670	10 053
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	18	51	96
Andre avsetninger for forpliktelser	19	1 073	338
Sum avsetning for forpliktelser		1 125	434
Annen langsiktig gjeld			
Langsiktig konserngjeld	23	13 551	16 051
Langsiktig leieforpliktelse	24	2 522	2 054
Øvrig langsiktig gjeld		74	3
Sum annen langsiktig gjeld		16 148	18 108
Kortsiktig gjeld			
Leverandørgjeld	23	2 808	2 312
Betalbar skatt	11	606	551
Skyldig offentlige avgifter	10	399	465
Utbytte	23	0	1 583
Leieforpliktelser	24	349	308
Annen kortsiktig gjeld	23	4 431	4 183
Sum kortsiktig gjeld		8 593	9 402
Sum gjeld		25 865	27 943
Sum egenkapital og gjeld		37 535	37 997

*) Justert for sammenligningsformål, se note 3

Oslo , 30.06.2022
Styret i Telia Norge AS

Stein-Erik Vellan
styreleder/daglig leder

Henrik Larsen
styremedlem

Hemdan Michael Bezabih
styremedlem

Lars Marcus Bergman
styremedlem

Benedicte Onsøien Dypvik
styremedlem

Carsten Dyrup Revsbech
styremedlem

Telia Norge AS

Side 9



Indirekte kontantstrøm

Telia Norge AS

Beløp vises i millioner kr

	Note	2021	2020*
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		2 044	1 936
Periodens betalte skatt		-551	-502
Ordinære avskrivninger		2 785	2 845
Nedskrivning anleggsmidler		29	247
Endring i varelager		5	-38
Endring i kundefordringer		339	-66
Endring i leverandørgjeld		496	779
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsord		-8	7
Endring i andre tidsavgrensningsposter		2 137	-179
Netto kontantstrøm fra operasjonelle aktiviteter		7 275	5 029
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		19	107
Utbetalinger ved kjøp av varige driftsmidler		-3 324	-2 521
Innbetalinger ved salg av aksjer og andeler i andre foret		57	0
Netto kontantstrøm fra investeringsaktiviteter		-3 248	-2 414
Kontantstrømmer fra finansieringsaktiviteter			
Utbetalinger ved nedbetaling av langsiktig gjeld		-2 007	-346
Utbetalinger ved nedbetaling av finansielle leiekontrakte		-442	-568
Utbetalinger av utbytte		-1 583	-1 700
Netto kontantstrøm fra finansieringsaktiviteter		-4 031	-2 614
Netto endring i kontanter og kontantekvivalenter		-4	1
Beh. av kont. og kontantekvivalenter ved per. begynnel		30	29
Beh. av kont. og kontantekvivalenter ved per. slutt		25	30

*) Justert for sammenligningsformål, se note 4



Regnskapsprinsipper

Årsregnskapet er avlagt i henhold til regnskapsloven § 3-9 og Forskrift om forenklet IFRS fastsatt av Finansdepartementet 3. nov 2014. Dette innebærer i hovedsak at innregning og måling følger internasjonale regnskapsstandarder (IFRS) og presentasjon og noteopplysninger er i henhold til norsk regnskapslov og god regnskapsskikk. Unntak fra måling og innregning etter full IFRS er forklart i note 1.

Årsregnskapet for regnskapsåret 2021 er vedtatt av selskapets styre den 30.06.2022.

Driftsinntekter fra kontrakter med kunder

Driftsinntekter fra kontrakter med kunder innregnes når kontrollen over en vare eller tjeneste overført til kunden og i henhold til det beløp som reflekterer hva selskapet forventer å motta for varen eller tjenesten. Selskapet har konkludert med at det er prinsipal i de vesentligste av dets inntektsstrømmer, fordi det kontrollerer varene og tjenestene før disse overføres til kunden.

Inntekter fra salg av varer og tjenester

Inntekter fra salg av varer innregnes på det tidspunkt der kontrollen over eiendelen overføres til kunden. Kontroll over en eiendel innebærer muligheten til å styre bruken av og få så godt som alle gjenværende fordeler ved eiendelen. Kontroll omfatter samtidig muligheten til å hindre andre fra å styre bruken av og få fordelene fra eiendelen. Inntekt innregnes vanligvis ved levering av varen.

Selskapet vurderer hvorvidt det er andre leveranser i kontrakten som anses som separate leveringsforpliktelser hvor deler av transaksjonsprisen bør fordeles.

Selskapet tilbyr tjenester som enten selges separat eller som en pakke sammen med salget av varer.

Selskapet innregner inntekter fra salg av tjenester over tid, da kunden samtidig mottar og forbruker fordeler etter hvert som selskapet tilbyr disse.

Kontrakter for salg av pakker med varer og tjenester som består av to leveringsforpliktelser, der hver av disse forpliktelsene består av enten salg av varer eller tjenester, regnskapsføres med hensyn til prinsippene nevnt over. Transaksjonsprisen fordeles på de to leveringsforpliktelsene basert på de relative frittstående salgsprisene for de underliggende varene og tjenestene.

Inntekter fra salg av varer innregnes vanligvis på tidspunktet for levering av varen, og tjenester innregnes over tid basert på fullføringsgrad.

Utgifter til kontraktsinngåelse

Konsernet har valgt å benytte seg av den praktiske løsningen for utgifter knyttet til oppnåelse av en kontrakt som tillater at konsernet løpende kostnadsfører slike utgifter, dersom tilhørende inntekt er forventet innregnet innen ett år. Når inntekten innregnes over flere perioder innregner konsernet de løpende marginale utgiftene knyttet til oppnåelse av en kontrakt som en eiendel, gitt at utgiftene er forventet å bli gjenfunnet i løpet av kontraktsperioden. Innregnede eiendeler amortiseres på en systematisk måte som samsvarer med overføringen av varen eller tjenesten til kunden, og revurderes på slutten av hver rapporteringsperiode.

Kostnader

Utgifter sammenstilles med og kostnadsføres samtidig med de inntekter utgiftene kan henføres til. Utgifter som ikke kan henføres direkte til inntekter, kostnadsføres når de påløper.

Salgs- og markedsføringskostnader

Salgs- og markedsføringskostnader i forbindelse med kundetilgang er kostnadsført. Salgs- og distribusjonskostnader inkluderer kostnader i forbindelse med opptak av nye kunder (bl.a. provisjoner), generelle markedsføringskostnader og kostnader i forbindelse med registrering av kundene.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.



Anleggsmidler vurderes til anskaffelseskost, fratrukket akkumulerte av- og nedskrivninger. Anleggsmidler nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Vesentlige driftsmidler som består av betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Når eiendeler selges eller utrangeres, blir balanseført verdi fraregnet og eventuelt tap eller gevinst resultatføres. Anskaffelseskost for varige driftsmidler er kjøpsprisen og kostnader direkte knyttet til å sette anleggsmiddelet i stand for bruk. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

Alle kostnader relatert til GSM-, LTE- og UMTS-nettene, inkludert teknisk utstyr, kommunikasjonsutstyr og tjenester direkte relatert til utbyggingsprosjektet, er aktivert. Utbyggingskostnader knyttet til egne ansatte aktiveres sammen med driftsmidlet. Rentekostnader i forbindelse med finansieringen av utbyggingen av nettverket aktiveres.

Estimert økonomisk levetid er som følger:

Nettverksinvesteringer 5 - 20 år

Mobil - lisenser over kommersiell nyttetid

IT-utstyr/software 3 - 5 år

Inventar 3 - 5 år

Påkostning leide lokaler over levetiden til leiekontrakten

Kjøretøy 5 år

Fjerningsforpliktelser

Nåverdi av fjerningsutgifter balanseføres som en del av anskaffelseskost av teknisk anlegg og avskrives sammen med dette. Avsetningen tilsvarer nåverdi av forpliktelsen i hele den økonomiske levetiden for driftsmiddelet.

Offentlige tilskudd

Offentlige tilskudd regnskapsføres når det foreligger rimelig sikkerhet for at selskapet vil oppfylle vilkårene knyttet til tilskuddene, og tilskuddene vil bli mottatt. Offentlige tilskudd nettoføres i regnskapet.

Immaterielle eiendeler

Immaterielle eiendeler ervervet separat eller ved egenutvikling balanseføres til kost. Kostnaden ved immaterielle eiendeler ervervet ved oppkjøp balanseføres til virkelig verdi i selskapet. Balanseførte immaterielle eiendeler regnskapsføres til kost redusert for eventuell av- og nedskrivning. Beløp betalt for patenter og lisenser er balanseført og avskrevet lineært over forventet brukstid. Goodwill avskrives ikke, men testes for nedskrivning dersom det er indikasjoner på verdifall, og minst hvert år.

Forskning og utvikling

Utgifter til forskning og utvikling kostnadsføres løpende gjennom året, med mindre intern utvikling tilfredsstiller kriteriene for innregning som eiendel. Dette gjelder eksempelvis intern softwareutvikling som blant annet er dokumentert vil kunne gi positiv kontantstrøm til selskapet i fremtiden. Utgifter som påløper i forprosjekt og forbundet med opplæring kostnadsføres direkte.

Balanseførte utviklingskostnader avskrives lineært over eiendelens estimerte brukstid.

Datterselskap/tilknyttet selskap

Datterselskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi ved objektive indikasjoner på verdifall. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringsverdi i balansen til morselskapet.



Andre aksjer vurderes etter kostmetoden. Investeringen er vurdert til aksjenes anskaffelseskost. Aksjene nedskrives ved objektive indikasjoner på verdifall. Nedskrivninger reverseres når grunnlaget for nedskrivning ikke lenger er tilstede.

I note 16 er det opplyst om andel egenkapital og resultat ifølge siste årsregnskap, i tråd med regnskapsloven § 7-15.

Aksjebasert avlønning

Virkelig verdi av aksjebasert avlønning blir bokført som en lønnskost, med tilsvarende økning i egenkapitalen. Totalbeløpet som skal kostnadsføres baseres på virkelig verdi av ytelsesaksjer tildelt.

Den totale kostnaden tas over innvinningsperioden, som vil si perioden alle spesifiserte innvinningsbetingelser kan oppfylles. Ved slutten av hver periode gjøres det en oppdatert vurdering av hvor mange ytelsesaksjer forventes opptjent basert på eventuelle ikke-markedsbaserte betingelser og tjenestekriterier. Eventuelle endringer i opprinnelige estimater føres over resultatet, med en tilsvarende føring over egenkapitalen.

Kontraktseiendeler

En kontraktseiendel defineres som retten til vederlag i bytte mot varer eller tjenester som selskapet har overført til en kunde. Hvis selskapet overfører varer eller tjenester til en kunde før kunden betaler vederlag eller før betalingsfristen forfaller, innregnes en kontraktseiendel for opptjent vederlag som er betinget.

Kontraktsforpliktelser

En kontraktsforpliktelse er en plikt til å overføre varer eller tjenester til en kunde som selskapet har mottatt vederlag fra (eller har rett til vederlag som er forfalt). Hvis en kunde betaler vederlag før selskapet overfører varer eller tjenester til kunden, vil en kontraktsforpliktelse innregnes på tidspunktet for betaling. Kontraktsforpliktelser innregnes som inntekt på det tidspunkt selskapet oppfyller leveringsforpliktelsen slik den er spesifisert i kontrakten.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap på krav.

Varebeholdninger

Lager av innkjøpte varer er verdsatt til laveste av anskaffelseskost og virkelig verdi. Anskaffelseskost for terminaler tilordnes hver enkelt enhet, mens tilleggsutstyr vurderes etter FIFO-metoden. Det foretas nedskrivning for påregnelig ukurans.

Valuta

Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Transaksjoner i utenlandsk valuta er bokført til valutakurs på transaksjonstidspunktet. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Urealisert valutagevinst og -tap ved regnskapsårets slutt er bokført i resultatregnskapet.

Beste estimat

Ved usikkerhet knyttet til egenskaper ved eiendeler og forpliktelser benyttes beste estimat. Endring av estimat i senere perioder resultatføres i den periode estimatet endres. Hvis endringene også gjelder fremtidige perioder fordeles effekten over inneværende og fremtidige perioder.

Avsetninger

En avsetning regnskapsføres når selskapet har en forpliktelse (rettslig eller selvpålagt) som en følge av en tidligere hendelse, det er sannsynlig (mer sannsynlig enn ikke) at det vil skje et økonomisk oppgjør som følge av denne forpliktelsen og beløpets størrelse kan måles pålitelig. Hvis effekten er betydelig, beregnes avsetningen ved å neddiskontere forventede fremtidige kontantstrømmer med en diskonteringsrente før skatt som reflekterer markedets prissetting av tidsverdien av penger og, hvis relevant, risikoer spesifikt knyttet til forpliktelsen.

Tapskontrakter: Dersom det foreligger tapskontrakter, innregnes den eksisterende plikten i henhold til kontrakten som en avsetning. Før en separat avsetning for en tapskontrakt fastsettes, innregner konsernet eventuelle tap knyttet til verdifall som har oppstått på eiendeler som omfattes av den konkrete kontrakten.



Leiekontrakter

Telia Norge AS som leietaker

Telia Norge AS innregner en bruksrett og leieforpliktelse i balansen når underliggende eiendel blir gjort tilgjengelig for Telia Norge AS, dvs. ved startdatoen til leieavtalen. Telia Norge AS benytter seg av unntaket ved å inkludere kortsiktige leieavtaler og leieavtaler med lav verdi som kostnad i resultatregnskapet. Telia Norge AS anvender ikke IFRS 16 for immaterielle eiendeler.

Leieforpliktelsen innregnes til nåverdi av leiebetalingene over den estimerte leieperioden. Leiebetalinger består av faste betalinger, variable leiebetalinger som er avhengig av en indeks eller en kurs, beløp som forventes å bli betalt under en garanti for restverdi og betalinger relatert til opsjoner Telia Norge AS er rimelig sikker på å utøve. Betalinger relatert til ikke-leiekomponenter skilles fra leiebetalingene og kostnadsføres etter hvert som de påløper.

Leieperiode

Estimert leieperiode kan bestå av leieperiode inkludert forlengelsesopsjoner dersom Telia Norge AS er rimelig sikker på å benytte seg av denne. Estimert leietid kan også være kortere enn kontraktsperioden dersom det finnes termineringsmuligheter som Telia Norge AS er rimelig sikre på å benytte seg av. Terskelen for rimelig sikkerhet er ansett som høyere enn "mer sannsynlig enn ikke", men lavere enn "så godt som sikkert" iht IAS 37 "Avsetninger, betingede forpliktelser og betingede eiendeler". Forlengelse- og termineringsopsjoner er inkludert i flere leiekontrakter i Telia Norge AS. Ved estimering av leieperiode vurderer Telia Norge alle fakta og omstendigheter som kan skape et økonomisk insentiv til å benytte seg av en forlengelsesopsjon, eller å ikke benytte seg av en termineringsopsjon. Eksempler på faktorer som tas med i vurderingen er: strategiske planer, vurdering av fremtidige teknologiske endringer, viktigheten av den underliggende eiendelen for Telia Norges drift, og/eller kostnader knyttet til å forlenge eller ikke terminere en leie. Leieforpliktelsen måles på nytt hvis det tilkommer modifikasjoner til leiekontrakten eller kontantstrømmen som følger av leiekontrakten.

Leiebetalingene er neddiskontert med renten implisert av leien, eller hvis denne ikke kan fastsettes, med Telia Companys inkrementelle lånerente. Den inkrementelle lånerenten er benyttet i majoriteten av leieforholdene da renten implisert av leien ofte ikke lar seg fastsette.

Enkelte leieavtaler, f.eks. leie av butikklokaler inneholder en variabel del som baserer seg på en prosentandel av salget generert i butikken. Dette innregnes som kostnad i resultatregnskapet i den perioden salget er generert.

Bruksretten er innregnet til kost, hvilket består av initieil leieforpliktelse pluss eventuelle leiebetalinger betalt før eller ved starten av leieforholdet. Kostnader forbundet med fjerningsforpliktelser er også innregnet i bruksretten. Den tilhørende forpliktelsen er innregnet separat fra leieforpliktelsen.

Bruksretten avskrives lineært fra startdato til det som kommer først av eiendelens anvendbare levetid eller estimert kontraktslutt.

Justeringer av leieforpliktelse som følge av ny måling vil i de fleste tilfeller føre til en tilsvarende justering av bruksrett. Hvis bokført beløp av bruksretten avskrives til null vil gjenværende justering føres i resultatregnskapet. Bruksretten vurderes for nedskrivning ved situasjoner eller endringer som indikerer at bokført verdi ikke er intakt.

Bruksrett presenteres som separate linje i oppstilling av finansiell stilling og leieforpliktelsen som kortsiktig og langsiktig lån i oppstillingen av finansiell stilling I resultatregnskapet presenteres avskrivning av bruksrett som avskrivninger og rentekostnad fra leieforpliktelsen som annen finanskostnad.

Tilbakebetaling av leieforpliktelse presenteres i kontantstrømmen som kontantstrøm fra finansielle aktiviteter. Rentekostnaden presenteres som kontantstrøm fra operasjonelle aktiviteter.

I leieforhold der Telia Norge AS er utleier, vurderes det ved leieavtalens start hvorvidt utleien er finansiell eller operasjonell. Vurderingene legger vekt på hvorvidt risiko og nytte fra eiendelen overføres til leier eller om den ligger igjen hos utleier. Eierskapet ved kontraktslutt og hvorvidt eiendelen fortsatt har økonomisk nytte ved utløpet av leietiden er også relevant. Hvis risiko og nytte i all hovedsak er overført til leier anses leien som finansiell. En avtale kan også inneholde elementer av begge typer leie vil Telia Norge AS allokere godtgjørelsen til hhv finansiell og operasjonell leie basert på separate markedspriser.



Finansiell utleie i Telia Norge AS

Telia Norge AS hadde ingen utleie i 2021 som kvalifiserer som finansiell utleie.

Operasjonell utleie i Telia Norge AS

Utleieinntekter fra operasjonelle leieavtaler innregnes lineært over kontraktens periode. Initiale direkte kostnader i leieforholdet innregnes som del av eiendelen til leieobjektet og innregnes slik som leieinntektene

Pensjoner

Selskapet har både ytelsesbaserte og innskuddsbaserte pensjonsordninger.

Selskapet fører pensjoner etter regnskapsstandarden IAS 19. I henhold til standarden er årets pensjonskostnad kostnadsført under lønn og sosiale kostnader i resultatregnskapet. Netto pensjonsforpliktelse er klassifisert som langsiktig gjeld.

Pensjonskostnader og pensjonsforpliktelser tilknyttet ytelsesbasert pensjon, beregnes etter lineær opptjening basert på forventet sluttlønn. Beregningen er basert på en rekke forutsetninger; herunder diskonteringsrente, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuariemessige forutsetninger om dødelighet og frivillig avgang. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen.

Ved regnskapsføring av ytelsesbasert pensjon er lineær opptjeningsprofil og forventet sluttlønn som opptjeningsgrunnlag lagt til grunn. Estimatavvik føres mot utvidet resultat. Selskapet har således ingen pensjonsforpliktelse som ikke er balanseført.

Rentekostnad på pensjonsforpliktelse og avkastning på pensjonsmidler føres som henholdsvis annen finanskostnad og annen finansinntekt.

Pensjonspremie til innskuddsbasert pensjonsordning kostnadsføres når den påløper. Innskuddene er gitt til pensjonsplanen for heltidsansatte.

Skatter

Skattekostnad består av betalbar skatt og endring i utsatt skatt. Utsatt skatt/skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld. Utsatt skattefordel er beregnet med 22,00 % (22,00 % i 2020) på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret.

Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at selskapet vil ha tilstrekkelige skattemessige overskudd i senere perioder til å nyttiggjøre skattefordelen.

Forpliktelser og eiendeler ved utsatt skatt er klassifisert som langsiktig forpliktelse (anleggsmiddel) i balansen.

Betingede forpliktelser

Betingede forpliktelser regnskapsføres i samsvar med regnskapsstandarden for betingede forpliktelser og -eiendeler. Betingede forpliktelser blir regnskapsført dersom det er sannsynlighetsovervekt for at de kommer til oppgjør. Beste estimat benyttes ved beregning av oppgjørsverdi.

Kontanter og kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Hendelser etter balansedagen

Ny informasjon etter balansedagen om selskapets finansielle stilling per 31.12.2021 er hensyntatt i årsregnskapet. Hendelser som ikke påvirker selskapets finansielle stilling på balansedagen, men som vil påvirke selskapets finansielle stilling i fremtiden, er opplyst om dersom dette er vesentlig.

Note 1 Endring regnskapsprinsipp, nye standarder og fravik fra IFRS

Beløp vises i millioner kr

Implementerte standarder:**Nye eller endrede standarder og tolkninger gjort gjeldende i 2021**

Det er ingen nye standarder som har trådt i kraft i 2021, men det er gjort enkelte endringer i gjeldende standarder.

Amendment to IFRS 16 - Covid-19-Related Rent Concessions

Endringene i standarden trådte i kraft i løpet av 2020, og er vedtatt utvidet periode. Endringen unntar leietaker fra å vurdere individuelle leiekontrakter for å avgjøre om avslag i leie som følge av covid-19 er en modifisering av leiekontrakt, og tillater leietaker å bokføre det som om det ikke utgjør en modifisering av leiekontrakten. Endringen har ingen vesentlig effekt for regnskapet ettersom Telia Norge ikke har mottatt noen betydelig leiereduksjoner som følge av Covid-19

IFRS 4 Forsikringskontrakter

Endringen utvider det midlertidige unntaket fra implementering av IFRS 9 til å gjelde frem til regnskapsår som starter 1.januar 2023 eller senere.

Nye eller endrede standarder og tolkninger som trer i kraft på eller etter 1.januar 2022

Telia Norge AS har ikke forhåndsimplementert noen av de nye eller reviderte standardene som trer i kraft på eller etter 1 januar 2022.

IFRS 17 Forsikringskontrakter inkludert forslag om endringer i IFRS 17

IFRS 17 erstatter IFRS 4. IFRS 17 har bestemmelser om hvordan forsikringskontrakter skal vurderes og presenteres, noe som tidligere har vært overlatt til nasjonalt regelverk. Telia Norge AS har ingen forsikringskontrakter og vil derfor ikke påvirkes av endret standard.

Andre endringer

Følgende kommende endringer vil være relevante for Telia Norge AS, men forventes å ha ingen eller liten påvirkning på regnskapet når de trer i kraft:

- IAS 1 "Klassifisering av forpliktelser som enten kort- eller langsiktig", effektiv for regnskapsår f.o.m tidligst 01.01.2024
- IFRS 3, effektiv f.o.m 01.01.2022
- IAS 16, effektiv f.o.m 01.01.2022
- IAS 37, effektiv f.o.m 01.01.2022
- IAS 1 og IFRS Practice Statement 2, effektiv f.o.m 01.01.2023
- IAS 8, effektiv f.o.m 01.01.2023

Andre endringer i regnskapsstandarder er vurdert som ikke relevante for Telia Norge AS.

Fravik fra IFRS:

IAS 10 nr. 12 og IFRIC 17 nr. 10 fravikes slik at utbytte og konsernbidrag regnskapsføres i samsvar med regnskapslovens bestemmelser.

Endring i anvendt regnskapsprinsipp:

I April 2021, publiserte International Financial Reporting Interpretations Committee en avgjørelse vedrørende regnskapsføring av skytjenestekostnader. De nye retningslinjene adresserer kostnader vedrørende konfigurering og tilpasninger på en leverandørs applikasjon i skybaserte tjenester. Retningslinjene skal implementeres retroaktivt, og avhengig av omstendigheter skal visse kostnader regnskapsføres som operasjonelle kostnader etterhvert som arbeidet utføres. Telia Norge AS har implementert de nye retningslinjene fra og med fjerde kvartal 2021, og har konkludert med at deler av beløp tidligere bokført som immaterielle eiendeler omarbeides i henhold til den nye avgjørelsen. Effektene for regnskapsåret avsluttet 31. desember 2020 er presentert i tabellene i note 2 og 3.



Note 2 Endring i fjorårets resultat

Beløp vises i millioner kr

	Rapportert 2020	Justering skvløsninget	Justert 2020
Driftsinntekter og driftskostnader			
Salgsinntekt	14 115		14 115
Annen driftsinntekt	31		31
Sum driftsinntekter	14 145		14 145
Nettverks- og produktkostnader	4 503		4 503
Lønnskostnad	1 523		1 523
Avskrivning av driftsmidler og immaterielle eiendeler	2 869	- 24	2 845
Nedskrivning av driftsmidler og immaterielle eiendeler	247		247
Salgs-, distribusjons- og andre driftskostnader	2 376	95	2 471
Sum driftskostnader	11 519	71	11 590
Driftsresultat	2 627	- 71	2 555
Finansinntekter og finanskostnader			
Inntekt på investering i tilknyttet selskap	3		3
Annen renteinntekt	5		5
Annen finansinntekt	89		89
Rentekostnad til foretak i samme konsern	577		577
Annen rentekostnad	74		74
Annen finanskostnad	65		65
Resultat av finansposter	- 620		- 620
Ordinært resultat før skattekostnad	2 007	- 71	1 936
Skattekostnad på ordinært resultat	437	- 16	421
Ordinært resultat	1 570	- 55	1 515
Ekstraordinære inntekter og kostnader			
Estimatavvik pensjoner	10		10
Skattekostnad på ekstraordinært resultat	- 2		- 2
Resultat av ekstraordinære poster	8		8
Arsresultat	1 578	- 55	1 523
Totalresultat for perioden	1 578	- 55	1 523



Note 3 Endring i fjorårets balanse

Beløp vises i millioner kr

	Rapportert 2020	Justering skyløsninger	Justert 2020
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.	2 458	- 159	2 299
Utsatt skattefordel	141	35	176
Goodwill	19 008		19 008
Sum immaterielle eiendeler	21 607	- 124	21 483
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	452		452
Maskiner og anlegg	7 772		7 772
Driftsløsøre, inventar o.a. utstyr	282		282
Bruksrett leiekontrakter	2 329		2 329
Sum varige driftsmidler	10 835		10 835
Finansielle anleggsmidler			
Investeringer i datterselskap	96		96
Investeringer i aksjer og andeler	11		11
Andre langsiktige fordringer	61		61
Sum finansielle anleggsmidler	167		167
Sum anleggsmidler	32 609	- 124	32 485
Omløpsmidler			
Lager av varer og annen beholdning	166		166
Fordringer			
Kundefordringer	1 927		1 927
Kontraktseiendeler	380		380
Andre kortsiktige fordringer	3 009		3 009
Sum fordringer	5 316		5 316
Bankinnskudd, kontanter o.l.	30		30
Sum omløpsmidler	5 511		5 511
Sum eiendeler	38 121	- 124	37 997



Egenkapital og gjeld

Egenkapital

Innskutt egenkapital

Aksjekapital	380		380
Overkurs	8 177		8 177
Annen innskutt egenkapital	332		332
Sum innskutt egenkapital	8 889		8 889

Opptjent egenkapital

Annen egenkapital	1 288	- 124	1 164
Sum opptjent egenkapital	1 288	- 124	1 164

Sum egenkapital	10 177	- 124	10 053

Gjeld

Avsetning for forpliktelser

Pensjonsforpliktelser	96		96
Andre avsetninger for forpliktelser	338		338
Sum avsetning for forpliktelser	434		434

Annen langsiktig gjeld

Langsiktig konserngjeld	16 054		16 054
Langsiktig leieforpliktelse	2 054		2 054
Sum annen langsiktig gjeld	18 108		18 108

Kortsiktig gjeld

Leverandørgjeld	2 312		2 312
Betalbar skatt	552		551
Skyldig offentlige avgifter	465		465
Utbytte	1 583		1 583
Leieforpliktelser	308		308
Annen kortsiktig gjeld	4 183		4 183
Sum kortsiktig gjeld	9 402		9 402

Sum gjeld	27 944		27 943

Sum egenkapital og gjeld	38 121	- 124	37 997



Note 4 Endring i fjorårets kontantstrøm

Beløp vises i millioner kr

	Rapportert 2020	Justering skyløsninger	Justert 2020
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad	2 007	- 71	1 936
Periodens betalte skatt	- 502		- 502
Ordinære avskrivninger	2 869	- 24	2 845
Nedskrivning anleggsmidler	247		247
Endring i varelager	- 38		- 38
Endring i kundefordringer	- 66		- 66
Endring i leverandørgjeld	779		779
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordning	7		7
Endring i andre tidsavgrensningposter	- 179		- 179
Netto kontantstrøm fra operasjonelle aktiviteter	5 124	- 95	5 029
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler	107		107
Utbetalinger ved kjøp av varige driftsmidler	- 2 616	95	- 2 521
Innbetalinger ved salg av aksjer og andeler i andre foretak	-		-
Netto kontantstrøm fra investeringsaktiviteter	- 2 509	95	- 2 414
Kontantstrømmer fra finansieringsaktiviteter			
Utbetalinger ved nedbetaling av langsiktig gjeld	- 346		- 346
Utbetalinger ved nedbetaling av finansielle leiekontrakter	- 568		- 568
Utbetalinger av utbytte	- 1 700		- 1 700
Netto kontantstrøm fra finansieringsaktiviteter	- 2 614		- 2 614
Netto endring i kontanter og kontantekvivalenter	1		1
Beh. av kont. og kontantekvivalenter ved per. begynnelse	29		29
Beh. av kont. og kontantekvivalenter ved per. Slutt	30		30



Note 5 Salgsinntekter

Beløp vises i millioner kr

	2021	2020
Pr. Virksomhetsområde		
Trafikkinntekter	8 276	8 591
TV og bredbåndsinntekter	3 126	3 040
Terminalinntekter	2 472	2 483
Annet	147	31
Sum	14 021	14 145

Alle inntektene i selskapet genereres i Norge

Note 6 Nettverks- og produktkostnader

Beløp vises i millioner kr

	2021	2020
Nettverkskostnader	293	340
Trafikkavgifter til andre operatører	1 829	1 859
Andre nettverks- og produktkostnader	409	387
Varekost terminaler	2 072	1 917
Sum	4 602	4 503

Note 7 Spesifikasjon av driftskostnader etter art

Beløp vises i millioner kr

	2021	2020*
Salgs- og distribusjonskostnader	830	866
Reparasjon- og vedlikeholds	31	46
Leiekostnader	14	7
Tap på fordringer	68	110
Andre driftskostnader	1 512	1 442
Sum driftskostnader	2 455	2 471

*) Justert for sammenligningsformål, se note 2

Note 8 Lønnskostnader og ytelser, godtgjørelser til daglig leder, styret og revisor

Beløp vises i millioner kr

Lønnskostnader	2021	2020
Lønninger	1 426	1 409
Arbeidsgiveravgift	239	221
Pensjonskostnader	127	122
Andre ytelser	5	24
Brutto lønnskostnad	1 797	1 776
Kapitaliserte lønnskostnader	-325	-252
Sum	1 472	1 523

Antall sysselsatte i selskapet per 31.12.2021 var 2 159

Gjennomsnittlig antall årsverk	1989	2048

Det er i 2021 ikke utbetalt styrehonorar.

**Ytelser til ledende personer** (tall fremkommer i TNOK)

	Daglig leder
Lønn	6 507
Pensjonskostnader	1 533
Annen godtgjørelse	191
Sum	8 230

Daglig leder har avtale om lønn i inntil 1 år etter fratreden fra sin stilling. Utvalgte ledende ansatte er deltakere i konsernets incentiv program. Programmet går ut på at dersom forhåndsdefinerte økonomiske måltørrelser blir oppfylt i programmets definerte resultatperiode, skal deltakerne i programmet motta en nærmere angitt andel aksjer i konsernet kostnadsfritt. Ordningen har i 2021 medført en kostnad for Telia Norge på MNOK 1,3.

Det er ikke stilt garantier for, eller utstedt lån til verken administrerende direktør eller styremedlemmer. Alle transaksjoner mellom selskapet og administrerende direktør eller styremedlemmer er foretatt på armlengdes avstand.

Pensjonsforpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov. Tilskuddet til innskuddspensjon utgjør fra 5,55% - 8% av lønn.

Revisor

Kostnadsført revisjonshonorar for 2021 utgjør MNOK 4.
I tillegg kommer honorar for andre tjenester med MNOK 1.

Note 9 Varer

Beløp vises i millioner kr

Selskapet innehar varelager av terminaler og tilleggsutstyr med MNOK 161

	2021	2020
Innkjøpte varer for videresalg	161	166

Note 10 Bankinnskudd

Beløp vises i millioner kr

Telia Norge AS disponerer en konsernintern kreditfasilitet som underkonto i Telias konsernkontosystem. Se note 23 for mer informasjon.

Selskapet har ingen bundne skattetrekksmidler. Selskapet har en skattetrekksgaranti på 119 MNOK som dekker forpliktelsen.



Note 11 Skatt

Beløp vises i millioner kr

Årets skattekostnad fordeler seg på:	2021	2020*
Betalbar skatt	598	531
Korreksjon betalbar skatt tidligere år	-9	-2
Endring i utsatt skatt/utsatt skattefordel	-134	-177
Korreksjon endring i utsatt skatt/utsatt skattefordel tidligere år	0	-6
Skatteeffekt av estimatavvik	-6	-2
Skatteeffekt av ytet konsernbidrag	0	94
Skatteeffekt av endring anvendt regnskapsprinsipp	0	-16
Sum skattekostnad	449	422
Beregning av årets skattegrunnlag:	2021	2020
Resultat før skattekostnad	2 044	1 936
Permanente forskjeller	38	12
Estimatavvik for IFRS foretak	27	8
Endring i midlertidige forskjeller	611	810
Ytet konsernbidrag med skatteeffekt	0	-426
Årets skattegrunnlag	2 720	2 342
Oversikt over midlertidige forskjeller:	2021	2020
Anleggsmidler	17 571	18 179
Fordringer	-33	-24
Varer	0	-1
Gevinst- og tapskonto	3	-3
Pensjoner	-51	-96
Andre avsetninger for forpliktelser	-375	-342
Operasjonell leieavtale skattemessig (Svitsj)	0	11
IFRS 15 effekt av utsatt inntekt eller kostnad	472	380
Bokførte leieavtaler i regnskapet	-126	-33
Sum	17 461	18 071
Goodwill oppstått i forbindelse ved fusjonene i 2015	-15 755	-15 755
Forskjeller som ikke inngår i beregningen av utsatt skatt / skattefordel	-3 114	-3 116
Sum grunnlag for beregning av utsatt skatt/skattefordel	-1 408	-800
Utsatt skatt/skattefordel	310	176
Forklaring til hvorfor årets skattekostnad ikke utgjør 22 % av resultatet før skatt:		
	2021	
Resultat før skatt	2 044	
22 % skatt av resultat før skatt	450	
Korreksjon betalbar skatt tidligere år	-9	
Permanente forskjeller	8	
Forskjeller som ikke inngår	0,45	
Beregnet skattekostnad	449	
Effektiv skattesats **)	22 %	
Skattesats betalbar skatt	22%	
Skattesats utsatt skatt 2021	22%	
Skattesats utsatt skatt 2020	22%	

*) Justert for sammenligningsformål, se note 2



Note 12 Immatrielle eiendeler

Beløp vises i millioner kr

	Goodwill	Patenter, lisenser	Under utførelse	Sum
Anskaffelseskost 01.01.2021*	19 980	4 466	361	24 807
Tilgang kjøpte immatrielle eiendeler	0	1 067	397	1 464
Utrangering	0	-40	0	-40
Aktivering og reklassifisering	0	215	-225	-9
Anskaffelseskost 31.12.2021	19 980	5 708	533	26 221
Akkumulerte avskrivninger 31.12.2021	921	2 852	0	3 774
Akkumulerte nedskrivninger 31.12.2021	51	116	0	168
Bokført verdi 31.12.2021	19 008	2 739	533	22 280
Årets avskrivninger	0	482	0	482
Årets nedskrivninger	0	0	0	0
Økonomisk levetid	Verditestes	3-20 år		
Avskrivningsplan		Lineær		

*) Justert for sammenligningsformål, se note 2

Selskapet benytter lineære avskrivninger for alle immaterielle eiendeler med unntak for goodwill. Den økonomiske levetiden for de immaterielle eiendelene er beregnet til:

Patenter	3-5 år
Lisenser	20 år

De største balanseførte frekvensene per 31.12.2021 målt i bokført verdi (MNOK), var følgende:

3,7 GHz-båndet	733
900 MHz-båndet	451
2,6 GHz-båndet	264
800 og 1800 MHz-båndet	229
700 MHz-båndet	195
1800 Hz-båndet	191
2,1 MHz-båndet	11
23 GHz-båndet	5
10 GHz-båndet	4
Sum	2 083

Selskapets goodwill utgjør primært konserngoodwill videreført gjennom konsernkontinuitet etter tidligere gjennomførte fusjon. Det blir foretatt nedskrivningstest for goodwill hvert år og det foretas nedskrivning ved verdifall. Gjenvinnbart beløp er fastsatt gjennom estimer på fremtidige kontantstrømmer fra den enkelte innfusjonerte virksomhet neddiskontert med en rimelig diskonteringsrente.



Note 13 Anleggsnote

Beløp vises i millioner kr

	Eiendom	Maskiner og anlegg mm	Under utførelse	Driftsløsøre, verkøy mm	Sum
Anskaffelseskost 01.01.2021	635	18 564	2 271	728	22 199
Tilgang kjøpte/leide driftsmidler	6	1 045	1 570	127	2 748
Salg og utrangering	0	-6	0	-13	-19
Aktivering	2	539	-542	11	9
Anskaffelseskost 31.12.2021	643	20 142	3 298	853	24 936
Akkumulerte avskrivninger 31.12.2021	320	13 749	0	601	14 670
Akkumulerte nedskrivninger 31.12.2021	60	840	0	34	934
Bokført verdi per 31.12.2021	262	5 553	3 298	219	9 332
Årets avskrivninger	48	1 740	0	60	1 848
Årets nedskrivninger	0	29	0	0	29
Økonomisk levetid	5-20 år		5-10 år		3-10 år
Avskrivningsplan	Lineær		Lineær		Lineær

Selskapet benytter lineære avskrivninger for alle varige driftsmidler. Tomter avskrives ikke. Årets nedskrivninger relaterer seg til maskiner og anlegg hvor det har vært endring i teknologiske rammebetingelser.

Reverseringer av nedskrivningene relaterer seg til driftsmidler fra tidligere Mobile Norway som nå er besluttet benyttet i virksomheten. Forutsetning lagt til grunn for reversering for eiendelene er regnskapsmessig verdi per nedskrivningstidspunkt justert for avskrivninger til beslutningstidspunkt for nyttiggjørelse.

Note 14 Egenkapital

Beløp vises i millioner kr

	Aksjekapital	Overkurs	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Pr. 31.12.2020	380	8 177	332	1 288	10 177
Endringer ført mot EK				-124	-124
Pr 01.01.2021	380	8 177	332	1 164	10 053
Årets resultat				1 595	1 595
Tilleggsutbytte				-0,4	0
PSP (share based payments)				1	1
Estimatavvik pensjon				21	21
Pr 31.12.2021	380	8 177	332	2 781	11 670



Note 15 Aksjonærer

Aksjekapitalen i Telia Norge AS pr. 31.12 består av:

	Antall	Pålydende	Bokført
Ordinære aksjer	30 000	12 652	380
Sum	30 000		380

Eierstruktur

De største aksjonærene i % pr. 31.12 var:

	Ordinære	Eierandel	Stemmeandel
TELIA COMPANY AB	30 000	100,0	100,0

Pålydende beløp på ordinære aksjer viser i NOK. Bokført verdi av aksjene vises i MNOK. Selskapet er heleid datter av Telia Company AB. Alle aksjer gir lik stemme. Telia Norge AS inngår i Telia Company AB konsernet. Konsernets hovedkontor ligger i Solna, Sverige. Konsernregnskapet kan lastes ned fra www.teliacompany.com

Note 16 Datterselskap, TS og FKV

	Kontor-kommune	Eierandel	Balanseført verdi	Andel egenkapital	Andel resultat
DS/FKV/TS					
Phonero Distribusjon AS	KRISTIANSAND	100,0%	0	1	
Strex AS	OSLO	49,0%	10	24	4
Strex Mobile Services AS	OSLO	49,0%	0		
Sum			10	25	4

Beløp vises i millioner kr.

Note 17 Aksjer og andeler i andre selskaper

Beløp vises i millioner kr

Telia Norge AS eier aksjer i selskapene Norsk Referansedatabase AS (14,3%) og Byneset Golfsenter AS (0,01%), til en verdi av 0,04 MNOK.



Note 18 Ytelsespensjon

Beløp vises i millioner kr

Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

Selskapet har i tillegg pensjonsordninger som omfatter i alt 157 personer. Ordningene gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. Forpliktelsene er dekket gjennom et forsikringsselskap.

	2021	2020
Nåverdi av årets pensjonsopptjening	14	15
Rentekostnad av pensjonsforpliktelsen	9	11
Avkastning på pensjonsmidler	-8	-8
Netto pensjonskostnad	16	18
Nåverdi av påløpte pensjonsforpliktelser	-312	-297
Verdi av pensjonsmidlene	261	201
Beregnete netto pensjonsforpliktelser pr. 31.12.	-51	-96
Økonomiske forutsetninger for beregning av pensjonskostnaden	2021	2020
Diskonteringsrente	2,15 %	1,80 %
Forventet lønnsvekst	2,50 %	2,00 %
Forventet G-regulering	2,25 %	1,75 %
Årlig regulering av pensjoner under utbetaling	0,56 %	0,25 %
Forventet årlig avgang	K2013	K2013

Estimatavvik i aktuarberegningen er ført mot utvidet resultat.

De aktuarmessige forutsetningene er basert på vanlige benyttede forutsetninger innen forsikring vedrørende demografiske faktorer.

Note 19 Avsetning for forpliktelser

Beløp vises i millioner kr

	2021	2020
Fjerningsforpliktelser lokaler, siter og basestasjoner	-315	-326
Restruktureringsforpliktelse	-27	-11
Forpliktelse frekvensavgift	-730	0
Sum	-1 073	-338

Fjerningsforpliktelse relaterer seg hovedsakelig til frekvenser, samt fjerning av utstyr, og sette området tilbake i opprinnelig stand ved fjerning av utplassert nettverksutstyr. Områdene vedrører hovedsakelig steder hvor Telia har bygget nettverksstasjoner. Beregningen baserer seg på estimert fremtidig fjerningstidspunkt, estimert fjerningskost og diskonteringsrente på 2,20 %.

Forklaring fjerningsforpliktelse

	2021	2020
Inngående balanse	-326	-285
Tilganger	7	-48
Påløpt fjerning/avgang ved salg	2	2
Renter	-2	-1
Reversal	4	6
Sum	-315	-326



Note 20 Pantstillelser og garantier

Beløp vises i millioner kr

Pr. 31.12.2021 hadde selskapet avgitt 63 forskjellige garantier på totalt MNOK 224 som hovedsakelig er relatert til selskapets nåværende kontor- og butikklokaler, samt skattetrekksgaranti til Oslo kommune pålydende MNOK 119.

Note 21 Offentlig tilskudd

Selskapet mottar offentlige tilskudd i forbindelse med utbygging av sites. Dette mottas etterskuddsvis når en site er ferdig utbygget og er operativ. Tilskuddene innregnes ved mottak og regnskapsføres som en reduksjon av balanseført eiendel i oppstillingen. På resultatsiden innregnes den som en reduksjon av avskrivningskosten for eiendelen. Tilskuddet har vært i størrelsesorden 14 MNOK i 2020 og 18 MNOK i 2021.

Selskapet har i 2021 jobbet med prosjekt Customer Identity Mapping og Engage All, hvor formålet er å forbedre kundeinnsikten. For dette prosjektet er det for inntektsåret 2021 søkt SkatteFunn på MNOK 4,75

Note 22 Fordringer

Beløp vises i millioner kr

Kundefordringer	2021	2020
Kundefordringer eksterne	1 288	1 504
Kundefordringer konsern	354	472
Avsetning for tap på kundefordringer	-54	-48
Netto kundefordringer	1 588	1 927
Kostnadsførte tap på fordringer i året	68	110
Langsiktige fordringer - forfaller senere enn ett år etter 31.12.2021	2021	2020
Terminalfinansiering	93	60
Øvrige langsiktige fordringer	1	1
Sum	94	61
Kontraktseiendeler	2021	2020
Åpningsbalanse	380	282
Tilgang	336	305
Nedskrivninger og avsetninger innregnet i perioden	-268	-208
Utkjøp binding	26	0
Sum	474	380

Kontraktseiendeler innregnes ved oppfyllelse av leveringsforpliktelser. Når vederlaget blir ubetinget vil kontraktseiendelene omklassifiseres



Note 23 Mellomværende med selskap i samme konsern

Beløp vises i millioner kr

Telia Norge AS kjøper tjenester knyttet til headoffice fra Telia Company AB. Dette vedrører administrasjonstjenester og datavaretenester som software o.l. Selskapet yter tilsvarende tjenester også til andre norske enheter i konsernet. Dette er klassifisert som andre driftskostnader.

All gjeld til konsernet per 31.12.2021 forfaller innen fem år.

Fordringer	2021	2020
Kundefordringer		
Telia Company AB	92	64
Telia Sverige AB	42	139
Telia Towers Norway AS	0	14
Telia Nättjänster Norden AB, DK	22	58
Telia Finland Oyj	24	39
Telia Eesti AS	8	10
AB Telia Lietuva	4	7
Latvijas Mobilais Telefons SIA	4	6
Telia Finance AB Norge	137	228
Telia Carrier AB	0	2
TV4 Media AB	13	0
Telia Försäkring AB	8	0
Øvrige	0	1
Sum	354	568
Andre kortsiktige fordringer		
Telia Company AB, internbank	1	2 678
Telia Finance AB Norge	6	5
Telia Sverige AB	8	3
Phonero Distribusjon AS	0	1
Telia Försäkring AB	2	2
TV4 Media AB	34	0
Sum	50	2 688
Gjeld	2021	2020
Leverandørgjeld		
Telia Sverige AB	164	176
Telia Nättjänster Norden AB, DK	9	16
Telia Company AB	176	106
Telia Towers Norway AS	39	38
Telia Carrier AB	0	9
AB Telia Lietuva	6	8
Telia Finland Oyj	2	3
Telia Finance AB Norge	15	3
Latvijas Mobilais Telefons SIA	1	0
Telia Company Danmark A/S	3	0
Cygate AB	1	0
TV4 Media AB	10	0
Øvrige	1	7
Sum	429	365



	2021	2020
Annen kortsiktig gjeld		
Telia Company AB, internbank	2 162	1 682
Telia Finance AB Norge	59	41
Telia Carrier AB	0	6
Springworks International AB	2	0
Øvrige	-1	-1
Sum	2 222	1 729

	2021	2020
Konsernbidrag og utbytte		
Telia Company AB	0	1 583
Telia Finance AB Norge	0	426
Sum	0	2 008

	2021	2020
Annen langsiktig gjeld		
Telia Company AB, internbank	13 551	16 051
Sum	13 551	16 051

Transaksjoner med nærstående	2021	2020
Transaksjoner med nærstående (kjøp)		
Telia Sverige AB	1 781	1 716
Telia Company AB	512	496
Telia Towers Norway AS	122	98
Telia Carrier AB	39	122
Phonero Distribusjon AS	72	61
Telia Finance AB Norge	124	107
Telia Nättjänster Norden AB, DK	9	16
Futurehome AS*	25	16
Telia Carrier Finland Oy	0	2
Telia Carrier Norway AS	7	7
Telia Finland Oyj	3	3
AB Telia Lietuva	6	8
Telia Försäkring AB	5	4
Cygate AB	1	0
Latvijas Mobilais Telefons SIA	1	2
Telia Global Serv Lithuania HO	1	0
Springworks International AB	1	0
Øvrige	2	1
Sum	2 712	2 658

Transaksjoner med nærstående (salg)	2021	2020
Telia Sverige AB	33	47
Telia Finance AB Norge	647	532
Telia Nättjänster Norden AB, DK	0	58
Telia Towers Norway AS	0	1
Telia Finland Oyj	27	39
Telia Carrier AB	3	9
Telia Eesti AS	8	10
AB Telia Lietuva	4	7
Telia Försäkring AB	31	0
Latvijas Mobilais Telefons SIA	4	6
Futurehome AS*	5	0
TV4 Media AB	3	0
Telia Nättjänster Norden AB, DK	22	0
Sum	787	711

* Futurehome AS inngår ikke i konsernet per 31.12



Note 24 Leiekontrakter

Beløp vises i millioner kr

Telia leier plass til teknisk utstyr, fiber, kontorer, butikklokaler og biler.

Leieperioden benyttet i verdsettelsen av leieforpliktelse følger kontraktslengder inkludert opsjoner som vil benyttes (med 80 % sikkerhet) for biler, kontorer og butikklokaler. For fiber og plass til teknisk utstyr varierer kontraktslengden mellom eiendelsklasser og er i intervallet 3-15 år ut ifra hva som anses som beste estimat for hvor lenge selskapet ønsker å være i leieforholdet.

Telias avtaler er gjenstand for årlig revurdering fra og med regnskapsåret 2020. Årets revurdering førte til at leieperioden benyttet i verdsettelsen økte med 1 år, og tilsvarer leieperioden som ble benyttet ved implementering av IFRS 16 i 2019. Denne revurderingen førte til en økning på MNOK 162 i bruksrett og langsiktig leieforpliktelse

Sensitivitet i estimat av leieperiode: En ett års økning/reduksjon i leieperioden tilsvarer ca MNOK 162 i økt/redusert leieforpliktelse og bruksrett.

	2021	2020
Bruksrett leiekontrakter		
Biler	2	4
Plassering teknisk utstyr	1 843	1 776
Eiendom	508	139
Fiber, kobber og føringsveier	393	411
Bokført verdi 31.12.2021	2 746	2 329

	2021	2020
Avskrivninger		
Biler	3	10
Plassering teknisk utstyr	254	244
Eiendom	123	120
Fiber, kobber og føringsveier	74	74
Bokført verdi 31.12.2021	454	448

Økonomisk levetid: 0-15 år

Resterende estimerte leiebetalinger for balanseførte leieavtaler	2021
Innen 1 år	382
1-5 år	1 114
Etter 5 år	921
Resterende estimerte innbetalinger (nominell)	2 416

	2021	2020
Balanseført leieforpliktelse	2 872	2 362
Hvorav:		
-kortsiktig gjeld	349	308
-langsiktig gjeld	2 522	2 054

	2021	2020
Rentekostnad leiekontrakter	79	74
Kostnad kortsiktige leiekontrakter	0	0
Kostnad leiekontrakter med lav verdi, ikke inkludert i oversikten over som kortsiktig gjeld.	3	3

Total kontantstrøm for leiekontrakter i 2021 var mnok 442



Telia Norge AS som utleier

Operasjonell utleie

Telia leier ut dekodere og routere samt telefoner til privatkunder og fremleier lokaler i Stålfjæra til bedrifter og andre operatører. Leiekontraktene er i stor grad kontraktene er i all hovedsak mellom 1-5 år for utstyr og 2-5 år for lokaler.

NOK i millioner kroner	2021	2020
Leieinntekt	429	908

Det var ingen variabel leieinntekt i 2021.

Analyse fremtidige leieinntekter	2021
Mindre enn 1 år	131
1-2 år	112
2-3 år	98
Totale nominelle forventede leieinntekter	341



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Til generalforsamlingen i Telia Norge AS

UAVHENGIG REVISORS BERETNING

Konklusjon

Vi har revidert Telia Norge AS' årsregnskap som består av balanse per 31. desember 2021, resultatregnskap for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med forenklet anvendelse av internasjonale regnskapsstandarter etter regnskapsloven § 3–9.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med forenklet anvendelse av internasjonale regnskapsstandarter etter regnskapsloven § 3–9. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et regnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

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side 2

Uavhengig revisors beretning -
Telia Norge AS

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av årsregnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Oslo, 30.juni 2022
Deloitte

Eivind Ungersness
statsautorisert revisor

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Årsrapport for 2021 Telia Norge AS

Årsrapport

Årsregnskap

-Oppstilling av totalresultatet
-Oppstilling av finansiell stilling
-Oppstilling av kontantstrømmer
-Noter

Revisjonsberetning

Org.nr.: 981 929 055





Arsberetning 2021 for Telia Norge AS

Beløp vises i tusen kr

Selskapets virksomhet og lokalisering

Telia Norge AS har sin virksomhet innen mobil telekommunikasjon, bredbånd, TV og datakom, samt tjenester knyttet til dette. Selskapet er et heleid datterselskap av Telia Company AB, som er et ledende telekommunikasjonskonsern i Norden, Baltikum og Eurasia.

Telia Norge AS sine inntekter er generert innen det norske markedet, med unntak av internasjonale trafikkinntekter. Selskapet har sitt hovedkontor på Økern i Oslo. Selskapet har totalt 76 butikkløkasjoner i Norge. I tillegg har selskapet kundesenterlokasjoner i Trondheim og Oslo.

Hovedtrekk

Telia leverte et meget godt år i 2021, med kundevekst og sterke økonomiske resultater. Regnskapsåret ble nok en gang preget av en uforutsigbar koronasituasjon, men som selskap har vi fortsatt å utfordre markedet i høyt tempo. Nye og viktige milepæler er blitt nådd, og vår robuste mobil- og fastnett har holdt samfunnshjulene i gang. Noen viktige høydepunkter i 2021 var vår offensive 5G-utbygging landet over, omfattende modernisering av fastnettet, mange nye og strategiske viktige avtaler i bedriftsmarkedet, blant annet med Posten Norge, og på TV-siden inngåelse av nye og langsiktige distribusjonsavtaler med NENT og TV 2.

Videre er Telias partnernettsverk blitt historisk sterkt i 2021 som følge av mange nye partnere og en organisk vekst i eksisterende base. Vi har samtidig slukket 3G-nettet for å sikre enda bedre kundeopplevelser og lansert en rekke nye produkter og tjenester, som nye ubegrenset data-abonnement og private mobilnett for bedrifter, hvor vi var først i Norge. Ikke minst er det gledelig å se at salget av brukte mobiltelefoner fortsetter å vokse og utgjør nå om lag 16% av alle mobiltelefoner vi selger.

Telia har samtidig markert seg sterkt innen kundetilfredshet på mobilsiden, med OneCall som igjen er blitt kåret til å ha Norges mest fornøyde privatkunder, mens Phonero og Telia kapret de to øverste plassene i bedriftsmarkedet.

Omsetning i 2021 var på MNOK 13 874 (2020: MNOK 14 115). Driftsresultatet endte på MNOK 2 678 (2020: MNOK 2 555) med en margin på 19,1 % (2020: 18,1 %). Endring i resultat og margin skyldes i hovedsak reduserte avskrivninger og nedskrivninger knyttet til driftsmidler, samt reduserte driftskostnader.

Marked og produkter

Telia Norge AS bruker årlig store ressurser gjennom sine merkevarer Telia, OneCall, MyCall og Phonero på å utvikle og tilby nye innovative tjenester.

I tillegg til kontinuerlig utvikling av produkt- og tjenestetilbudet, er det til enhver tid et sterkt fokus på å bedre kundeopplevelsen. Viktige parametere her er kort svartid til kundene, høy kvalitet på service som ytes med samkjørt multikanalopplevelse både via tradisjonell kundesenterfunksjon, online tjenester, sosiale medier, samt fysisk kundeservice gjennom selskapets butikker. Å kunne tilby kundene interaktiv kundeservice er et viktig bidrag for å nå selskapets målsetninger knyttet til å yte god service.



Pris og konkurranse

Ved utgangen av 2021 ble det anslått at antall mobilabonnement i Norge var i underkant av 6 millioner. Konkurransen mellom tilbyderne i markedet er stor, og da spesielt på pris. Telia Norge AS lyktes i 2021 med en økning av kundebasen fra 2 147 990 per 01.01.2021 til 2 164 200 per 31.12.2021. Veksten er drevet av vellykket satsing i bedriftsmarkedet.

Telia Norge hadde ved utgangen av 2021 en bredbånd kundebase på ca 492 000 bredbåndskunder, en økning på ca 23 000 kunder fra utgangen av 2020. Antall TV kunder var ca 477 000, en økning på ca 8 000 fra utgangen av 2020.

Telia Norge har i løpet av 2021 kommet godt i gang med utbygning av 5G, og omtrent halvparten av Norges befolkning har i dag 5G dekning fra Telia. Med dette, samt modernisering av 4G nettverk og fastnett, i tillegg til sikring av viktige frekvenser, anser styret at selskapet står godt rustet for å møte konkurransen i markedet i tiden fremover.

Konkurransen i markedet medfører press på marginene i bransjen. Telia Norge AS vil til enhver tid bestrebe seg på å gi kundene kvalitetsprodukter og tjenester til konkurransedyktige priser samtidig som man opprettholder kostnadsfokus. Samtidig har selskapet kontinuerlig fokus på å tilpasse seg konkurranse fra nye typer konkurrenter.

Forskning og utvikling

Telia Norge sine tjenester bidrar til et mer åpent og digitalt inkluderende samfunn gjennom å gi muligheter for flere mennesker å kommunisere bedre og enklere. Selskapet er derfor opptatt av teknologi og en digital fremtid. I løpet av 2021 har Telia Norge AS jobbet med systemer for å innhente kundeinnsikt på en måte som ivaretar kundens anonymitet.

Selskapet ønsker å fremme innovasjon og tilegne seg nye prosesser, kunnskap og ferdigheter for å kunne utvikle nye eller forbedre produkter eller tjenester til sine kunder.

Finans

De økonomiske resultatene for 2021 viser at Telia vokser sammenlignet med 2020. Vi leverer et sterkt økonomisk resultat drevet av flere nye kunder på både privat og bedriftssiden, og et sterkt kostnadsfokus som bidrar til en fortsatt høy investering i nettverkskvalitet for kundene.

I 2021 hadde Telia Norge AS en omsetning på MNOK 13 874 (2020: MNOK 14 115).

Resultatet før skattekostnad var på MNOK 2 044 (2020: MNOK 1 936). Driftsresultatet var MNOK 2 678 (2020: MNOK 2 555). Avskrivninger og nedskrivninger utgjorde MNOK 2 814 (2020: MNOK 3 092). Ordinært resultat etter skatt ble i 2021 på MNOK 1 595 (2020: MNOK 1 515). Selskapet hadde i 2021 en skattekostnad på ordinært resultat på MNOK 449.

Selskapet hadde per 31.12.2021 en meget solid balanse og positiv kontantstrøm fra driften. Totalkapitalen var ved utgangen av året MNOK 37 535 (2020: 37 997). Tilsvarende var egenkapitalandelen pr 2021 31,1 % (2020: 26,5 %).

Netto kontantstrøm fra operasjonelle aktiviteter var i 2021 MNOK 7 275 (5 029 MNOK i 2020). Kontantstrøm fra finansiell aktivitet var på -4 031 MNOK (-2 614 MNOK i 2020), og på -3 248 MNOK fra investeringsaktivitet (-2 414 MNOK i 2020). Avviket mellom driftsresultat i 2021 (2 678 MNOK) og kontantstrøm fra operasjonell aktivitet (7 275 MNOK) skyldes primært årets av- og nedskrivninger.

Risikoforhold

Virksomheten til Telia Norge AS er gjenstand for en rekke risikoforhold, fremfor alt av regulatorisk, finansiell og juridisk art. Selskapet vil understreke at det normalt er betydelig usikkerhet knyttet til vurderinger av fremtidige forhold.

Valutarisiko: Selskapet har i liten grad transaksjoner i utenlandsk valuta. Transaksjonsvaluta i disse tilfeller er hovedsakelig SEK og EUR, og transaksjonene er da hovedsakelig mot andre selskaper i konsernet, samt mot enkelte større leverandører. Selskapet vurderer i enkelte tilfeller om terminkontrakter i EUR skal benyttes for å redusere selskapets valutarisiko.



Renterisiko: Selskapet er i liten grad eksponert for renterisiko overfor eksterne parter da det ikke foreligger noen løpende eksterne lån. Renterisikoen knytter seg i all hovedsak til konserninterne låneavtaler.

Kredittrisiko: Risikoen for tap på fordringer er vurdert som lav. Fordringsmassen til selskapet består i all hovedsak av mange små fordringer mot enkeltkunder, risikoen er dermed spredd. Faktisk konstaterte tap gjennom året utgjorde MNOK 68 (MNOK 110 i 2020).

Likviditetsrisiko: Ledelsen vurderer likviditeten i selskapet som tilfredsstillende. Det er ikke besluttet å innføre tiltak som endrer risikoen. Forfallstidspunkter for kundefordringer opprettholdes og andre langsiktige fordringer er ikke vurdert reforhandlet eller innløst. Selskapet har tilgang til likviditet gjennom Telia Company ABs konsernkontoordning.

Organisasjon, ansatte, likestilling, diskriminering og kultur

Telia Norge AS har en organisasjonsstruktur som er inndelt i følgende operasjonelle divisjoner: Consumer, Enterprise, Infrastruktur og Customer Service & Delivery. Hver av divisjonene ledes av en divisjonsdirektør. I tillegg har selskapet stabsfunksjoner som HR, Finans, Kommunikasjon og Juridisk.

Ved utgangen av 2021 hadde selskapet 1989 gjennomsnittlig antall årsverk.

Kvinneandelen var på 29%, og 26,2% kvinnelige ledere. I den øverste ledergruppen er kvinneandelen 25 %.

Utbetalt gjennomsnittskompensasjon til kvinner er 3,3% lavere enn gjennomsnittskompensasjonen for menn. Dette inkluderer avtalt lønn, uregelmessige tillegg, overtid, selskapsbonus, salgsprovisjon, overtidsgodtgjørelse, bilgodtgjørelse og andre skattepliktige naturallytelser. Ser vi på avtalt lønn isolert sett, er den gjennomsnittlige lønnen 0,6% høyere for kvinner enn gjennomsnittet for menn. Det er ulike årsaker til dette bildet, blant annet at mye av provisjon og fast bilgodtgjørelse utbetales til salgsstillinger der kun 25% av salgsapparatet er kvinner. I gjennomsnitt jobber kvinner også færre timer definert som ubekvem arbeidstid, der det foreligger et kontant tillegg. Det er også høyere andel menn enn kvinner i lederstillinger. Telia Norge har satt i verk flere konkrete tiltak for å få kvinner inn i lederroller og de mannsdominerte stillingskategoriene.

Telia Norge AS har lik arbeidstidsordning for kvinner og menn, samt lik ordning for kvinner og menn når det gjelder lønn under foreldrepermisjon.

Telia Norge AS ønsker å stimulere til målrettet og resultatorientert innsats gjennom en bonusordning for alle ansatte. Bonus kommer i tillegg til grunnlønn. Denne er variabel og baserer seg på bedriftens og Telia-konsernets resultat, samt den enkelte ansattes egne prestasjoner.

Telia Norge AS har et godt arbeidsmiljø, og selskapets årsrapporter fra bedriftshelsetjenesten bekrefter dette for alle selskapets kontorlokasjoner. Det avholdes jevnlig møter både med tillitsvalgte og selskapets arbeidsmiljøutvalg.

Telia Norge følger intensjonsavtalen av 1. januar 2019 om et mer inkluderende arbeidsliv. Vi som selskap har et fokus på et inkluderende, forebyggende og godt arbeidsmiljø, med systematiske tiltak for reduksjon i sykefraværet.

Det gjennomføres blant annet årlige helseprofilundersøkelser, hvor ansatte får tilbud om en helsekartlegging samt en rådgivende samtale med tanke på livsstil og helse sammen med representanter fra bedriftshelsetjenesten. Ansatte som ender i risikosone får tilbud om individuell oppfølging. Alle fast ansatte i Telia Norge er omfattet av selskapets helseforsikring og de ansatte har tilgang til fysioterapeut på arbeidsplassen som arrangerer ukentlige energipauser med fokus på forebygging av muskelsplager. I tillegg arrangeres årlige helsefremmende tiltak for å fremme fysisk aktivitet og engasjement.

Vi har i hovedsak kontoransatte, i tillegg har vi serviceteknikere som jobber med feilretting av nettet vårt og hjemme hos våre kunder.

Våre serviceteknikere har til enhver tid nødvendig opplæring og sikkerhetsutstyr med seg. Via egen applikasjon på sin mobil utfører disse sikker jobb analyse (SJA), samt rapporterer inn avvik. Sykefraværet i Telia for 2021 var på 4,2 %.

Telia Norge har siden 2016 vært sertifisert av DNV innen ledelsessystemet og standarden OHSAS 18001. Per november 2019 ble Telia Norge AS sertifisert i ISO 45001 standarden, denne sertifiseringen har en varighet på 3 år, med årlige oppfølgingsrevisjoner. Telia ble i 2021 revidert av DNV og fikk høyeste score for HMS ledelsessystemet for Telia.





Det er utarbeidet en redegjørelsesrapport. Denne er lagt ved etter regnskapsnotene.

Ytre miljø

Utbyggingen av telenettet innebærer nødvendigvis visse inngrep i det ytre miljø. Telia Norge AS bestreber en minimering av skadevirkninger av utbyggingen, blant annet ved å samlokalisere vår utbygging med andre operatører. Telia Norge AS sitt utgangspunkt ved etablering av egne basestasjonsanlegg er at terrenget skal skånes mest mulig og at plasseringen er tilpasset omgivelsene. Telia Norge AS sitt arbeid for å minimere skadevirkningene er nedfelt i et eget dokument om miljøprofil for stasjonsutbyggingen.

Alle Telia Norge AS sine basestasjoner inneholder batterier. Når disse batteriene skiftes ut, har selskapet avtaler som sikrer at de håndteres på en forskriftsmessig måte og leveres inn ved returstasjoner for formålet.

Det foregår fremdeles en offentlig debatt omkring farene ved stråling fra basestasjoner og mobiltelefoner. Telia Norge AS anser at det er de nasjonale strålevern- og helsemyndigheter som innehar kunnskap og som er valgt til eksperter på dette området. Vi stoler på den informasjon, anbefalinger og råd som disse gir ut.

Telia Norge AS følger også de anbefalte grenseverdier som myndighetene har fastsatt til beskyttelse av befolkningens helse og sikkerhet.

Bærekraft

Telia Norge AS er underlagt policyer og retningslinjer om bærekraft og ansvarlig virksomhet fra morselskapet Telia Company AB. Selskapets arbeid med, og prestasjoner knyttet til, blant annet arbeidstakerrettigheter, menneskerettigheter, anti-korrupsjon og miljøansvar er rapportert som en del av Telia Companys års- og bærekraftsrapport. Denne er tilgjengelig på <http://annualreports.teliacompany.com>.

Selskapsstyring og ledelse

Telia Norge AS har fokus på internkontroll, operasjonelt og finansielt. Implementeringen, fokus og oppfølgingen rundt dette sikrer at selskapet er profesjonalisert i håndtering og kontroll av informasjon som påvirker selskapets kritiske styringsprosesser, samt god inntekts- og kostnadskontroll.

Som heleid datterselskap av Telia Company AB legger Telia Norge AS eierens regler, systemer og rutiner for god selskapsstyring til grunn for sin drift.

Styret består av Stein-Erik Vellan (styreleder), Carsten Dyrup Revsbech, Henrik Larsen, Hemdan Michael Bezabih, Lars Marcus Bergman og Benedicte Onsøien Dypvik. De tre sistnevnte er ansattrepresentanter.

Alle Telia-ansatte som sitter i styret for Telia Norge AS er dekket av styreforsikring.

Fremtiden

Økt prispress i markedet nødvendiggjør kontinuerlig utvikling av produkt- og tjenestetilbudet for å kunne opprettholde omsetningsvekst og tilstrekkelig lønnsomhet. I tillegg vil det fortsatt være viktig med god kostnadskontroll og selskapet vil til enhver tid ta initiativ til å søke å redusere kostnadene til driften av virksomheten.

Koronaviruset og Covid-19 har preget også 2021, men gitt dagens smittesituasjon og løft av restriksjoner er antagelsen at første halvdel av 2022 vil være et år som i mindre grad vil preges av pandemi.





Fortsatt drift

Etter styrets mening gir det fremlagte resultatregnskapet og balanse med tilhørende noter en rettvise oversikt over selskapets økonomiske utvikling og finansielle stilling.

Årsregnskapet for 2021 er satt opp under forutsetning av fortsatt drift. Styret bekrefter at denne forutsetningen er til stede i henhold til Regnskapsloven paragraf 3-3.

Disponeringer

Årsresultatet for Telia Norge AS var på 1 616 MNOK. Styret vil foreslå for generalforsamlingen følgende disponering av resultatet for 2021 (MNOK):

Disponering	Beløp
Avsatt til annen egenkapital	1 616

Oslo , 30.06.2022

Styret i Telia Norge AS

Stein-Erik Vellan
styreleder/daglig leder

Henrik Larsen
styremedlem

Herdan Michael Bezabih
styremedlem

Lars Marcus Bergman
styremedlem

Benedicte Onsøien Dypvik
styremedlem

Carsten Dyrup Revsbech
styremedlem





Oppstilling av totalresultatet

Telia Norge AS

Beløp vises i millioner kr

Driftsinntekter og driftskostnader	Note	2021	2020*
Salgsinntekt	5, 23, 24	13 874	14 115
Annen driftsinntekt	5	147	31
Sum driftsinntekter		14 021	14 145
Nettverks- og produktkostnader	6, 23	4 602	4 503
Lønnskostnad	8, 18, 23	1 472	1 523
Avskrivning av driftsmidler og immaterielle eiendeler	12, 13, 24	2 785	2 845
Nedskrivning av driftsmidler og immaterielle eiendeler	12, 13, 24	29	247
Salgs-, distribusjons- og andre driftskostnader	7, 8, 23	2 455	2 471
Sum driftskostnader		11 343	11 590
Driftsresultat		2 678	2 555
Finansinntekter og finanskostnader			
Inntekt på investering i tilknyttet selskap	23	0	3
Annen renteinntekt		8	5
Annen finansinntekt	23	77	89
Rentekostnad til foretak i samme konsern	23	578	577
Annen rentekostnad	24	80	74
Annen finanskostnad	23, 24	61	65
Resultat av finansposter		-634	-620
Ordinært resultat før skattekostnad		2 044	1 936
Skattekostnad på ordinært resultat	11	449	421
Ordinært resultat		1 595	1 515
Ekstraordinære inntekter og kostnader			
Estimatavvik pensjoner	14, 18	27	10
Skattekostnad på ekstraordinært resultat		-6	-2
Resultat av ekstraordinære poster		21	8
Arsresultat	14	1 616	1 523
Totalresultat for perioden		1 616	1 523
Overføringer			
Avsatt til utbytte		0	1 583
Avsatt konsernbidrag		0	332
Avsatt til annen egenkapital		1 616	-392
Sum overføringer		1 616	1 523

*) Justert for sammenligningsformål, se note 2

Telia Norge AS

Side 7





Oppstilling av finansiell stilling

Telia Norge AS

Beløp vises i millioner kr

Eiendeler	Note	2021	2020*
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.	12	3 272	2 299
Utsatt skattefordel	11	310	176
Goodwill	12	19 008	19 008
Sum immaterielle eiendeler		22 590	21 483
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	13	495	452
Maskiner og anlegg	13	8 472	7 772
Driftsløsøre, inventar o.a. utstyr	13	365	282
Bruksrett leiekontrakter	24	2 746	2 329
Sum varige driftsmidler	13, 20	12 078	10 835
Finansielle anleggsmidler			
Investeringer i datterselskap	16	0	96
Investeringer i aksjer og andeler	16, 17	10	11
Andre langsiktige fordringer	22	94	61
Sum finansielle anleggsmidler		104	167
Sum anleggsmidler		34 772	32 485
Omløpsmidler			
Lager av varer og annen beholdning	9	161	166
Fordringer			
Kundefordringer	22, 23	1 588	1 927
Kontraktseiendeler	22	474	380
Andre kortsiktige fordringer	23	515	3 009
Sum fordringer		2 577	5 316
Bankinnskudd, kontanter o.l.	10	25	30
Sum omløpsmidler		2 763	5 511
Sum eiendeler		37 535	37 997

*) Justert for sammenligningsformål, se note 3

Telia Norge AS

Side 8





Oppstilling av finansiell stilling

Telia Norge AS

Beløp vises i millioner kr

Egenkapital og gjeld	Note	2021	2020*
Egenkapital			
Innskutt egenkapital			
Aksjekapital	14, 15	380	380
Overkurs	14	8 177	8 177
Annen innskutt egenkapital	14	332	332
Sum innskutt egenkapital		8 889	8 889
Opptjent egenkapital			
Annen egenkapital	14	2 781	1 164
Sum opptjent egenkapital		2 781	1 164
Sum egenkapital		11 670	10 053
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	18	51	96
Andre avsetninger for forpliktelser	19	1 073	338
Sum avsetning for forpliktelser		1 125	434
Annen langsiktig gjeld			
Langsiktig konserngjeld	23	13 551	16 051
Langsiktig leieforpliktelse	24	2 522	2 054
Øvrig langsiktig gjeld		74	3
Sum annen langsiktig gjeld		16 148	18 108
Kortsiktig gjeld			
Leverandørgjeld	23	2 808	2 312
Betalbar skatt	11	606	551
Skyldig offentlige avgifter	10	399	465
Utbytte	23	0	1 583
Leieforpliktelser	24	349	308
Annen kortsiktig gjeld	23	4 431	4 183
Sum kortsiktig gjeld		8 593	9 402
Sum gjeld		25 865	27 943
Sum egenkapital og gjeld		37 535	37 997

*) Justert for sammenligningsformål, se note 3

Stein-Erik Vellan
styreleder/daglig leder

Oslo, 30.06.2022
Styret i Telia Norge AS

Henrik Larsen
styremedlem

Hemdan Michael Bezabih
styremedlem

Lars Marcus Bergman
styremedlem

Benedicte Onsøien Dypvik
styremedlem

Carsten Dyrup Revsbech
styremedlem

Telia Norge AS

Side 9





Indirekte kontantstrøm

Telia Norge AS

Beløp vises i millioner kr

	Note	2021	2020*
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		2 044	1 936
Periodens betalte skatt		-551	-502
Ordinære avskrivninger		2 785	2 845
Nedskrivning anleggsmidler		29	247
Endring i varelager		5	-38
Endring i kundefordringer		339	-66
Endring i leverandørgjeld		496	779
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsord		-8	7
Endring i andre tidsavgrensningsposter		2 137	-179
Netto kontantstrøm fra operasjonelle aktiviteter		7 275	5 029
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		19	107
Utbetalinger ved kjøp av varige driftsmidler		-3 324	-2 521
Innbetalinger ved salg av aksjer og andeler i andre foret		57	0
Netto kontantstrøm fra investeringsaktiviteter		-3 248	-2 414
Kontantstrømmer fra finansieringsaktiviteter			
Utbetalinger ved nedbetaling av langsiktig gjeld		-2 007	-346
Utbetalinger ved nedbetaling av finansielle leiekontrakte		-442	-568
Utbetalinger av utbytte		-1 583	-1 700
Netto kontantstrøm fra finansieringsaktiviteter		-4 031	-2 614
Netto endring i kontanter og kontantekvivalenter		-4	1
Beh. av kont. og kontantekvivalenter ved per. begynnel		30	29
Beh. av kont. og kontantekvivalenter ved per. slutt		25	30

*) Justert for sammenligningsformål, se note 4





Regnskapsprinsipper

Årsregnskapet er avlagt i henhold til regnskapsloven § 3-9 og Forskrift om forenklet IFRS fastsatt av Finansdepartementet 3. nov 2014. Dette innebærer i hovedsak at innregning og måling følger internasjonale regnskapsstandarder (IFRS) og presentasjon og noteopplysninger er i henhold til norsk regnskapslov og god regnskapsskikk. Unntak fra måling og innregning etter full IFRS er forklart i note 1.

Årsregnskapet for regnskapsåret 2021 er vedtatt av selskapets styre den 30.06.2022.

Driftsinntekter fra kontrakter med kunder

Driftsinntekter fra kontrakter med kunder innregnes når kontrollen over en vare eller tjeneste overført til kunden og i henhold til det beløp som reflekterer hva selskapet forventer å motta for varen eller tjenesten. Selskapet har konkludert med at det er prinsipal i de vesentligste av dets inntektsstrømmer, fordi det kontrollerer varene og tjenestene før disse overføres til kunden.

Inntekter fra salg av varer og tjenester

Inntekter fra salg av varer innregnes på det tidspunkt der kontrollen over eiendelen overføres til kunden. Kontroll over en eiendel innebærer muligheten til å styre bruken av og få så godt som alle gjenværende fordeler ved eiendelen. Kontroll omfatter samtidig muligheten til å hindre andre fra å styre bruken av og få fordelene fra eiendelen. Inntekt innregnes vanligvis ved levering av varen.

Selskapet vurderer hvorvidt det er andre leveranser i kontrakten som anses som separate leveringsforpliktelser hvor deler av transaksjonsprisen bør fordeles.

Selskapet tilbyr tjenester som enten selges separat eller som en pakke sammen med salget av varer.

Selskapet innregner inntekter fra salg av tjenester over tid, da kunden samtidig mottar og forbruker fordeler etter hvert som selskapet tilbyr disse.

Kontrakter for salg av pakker med varer og tjenester som består av to leveringsforpliktelser, der hver av disse forpliktelsene består av enten salg av varer eller tjenester, regnskapsføres med hensyn til prinsippene nevnt over. Transaksjonsprisen fordeles på de to leveringsforpliktelsene basert på de relative frittstående salgsprisene for de underliggende varene og tjenestene.

Inntekter fra salg av varer innregnes vanligvis på tidspunktet for levering av varen, og tjenester innregnes over tid basert på fullføringsgrad.

Utgifter til kontraktsinngåelse

Konsernet har valgt å benytte seg av den praktiske løsningen for utgifter knyttet til oppnåelse av en kontrakt som tillater at konsernet løpende kostnadsfører slike utgifter, dersom tilhørende inntekt er forventet innregnet innen ett år. Når inntekten innregnes over flere perioder innregner konsernet de løpende marginale utgiftene knyttet til oppnåelse av en kontrakt som en eiendel, gitt at utgiftene er forventet å bli gjenfunnet i løpet av kontraktsperioden. Innregnede eiendeler amortiseres på en systematisk måte som samsvarer med overføringen av varen eller tjenesten til kunden, og revurderes på slutten av hver rapporteringsperiode.

Kostnader

Utgifter sammenstilles med og kostnadsføres samtidig med de inntekter utgiftene kan henføres til. Utgifter som ikke kan henføres direkte til inntekter, kostnadsføres når de påløper.

Salgs- og markedsføringskostnader

Salgs- og markedsføringskostnader i forbindelse med kundetilgang er kostnadsført. Salgs- og distribusjonskostnader inkluderer kostnader i forbindelse med opptak av nye kunder (bl.a. provisjoner), generelle markedsføringskostnader og kostnader i forbindelse med registrering av kundene.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.





Anleggsmidler vurderes til anskaffelseskost, fratrukket akkumulerte av- og nedskrivninger. Anleggsmidler nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Vesentlige driftsmidler som består av betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Når eiendeler selges eller utrangeres, blir balanseført verdi fraregnet og eventuelt tap eller gevinst resultatføres. Anskaffelseskost for varige driftsmidler er kjøpsprisen og kostnader direkte knyttet til å sette anleggsmiddelet i stand for bruk. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

Alle kostnader relatert til GSM-, LTE- og UMTS-nettene, inkludert teknisk utstyr, kommunikasjonsutstyr og tjenester direkte relatert til utbyggingsprosjektet, er aktivert. Utbyggingskostnader knyttet til egne ansatte aktiveres sammen med driftsmidlet. Rentekostnader i forbindelse med finansieringen av utbyggingen av nettverket aktiveres.

Estimert økonomisk levetid er som følger:

Nettverksinvesteringer 5 - 20 år

Mobil - lisenser over kommersiell nyttetid

IT-utstyr/software 3 - 5 år

Inventar 3 - 5 år

Påkostning leide lokaler over levetiden til leiekontrakten

Kjøretøy 5 år

Fjerningsforpliktelser

Nåverdi av fjerningsutgifter balanseføres som en del av anskaffelseskost av teknisk anlegg og avskrives sammen med dette. Avsetningen tilsvarer nåverdi av forpliktelsen i hele den økonomiske levetiden for driftsmiddelet.

Offentlige tilskudd

Offentlige tilskudd regnskapsføres når det foreligger rimelig sikkerhet for at selskapet vil oppfylle vilkårene knyttet til tilskuddene, og tilskuddene vil bli mottatt. Offentlige tilskudd nettoføres i regnskapet.

Immaterielle eiendeler

Immaterielle eiendeler ervervet separat eller ved egenutvikling balanseføres til kost. Kostnaden ved immaterielle eiendeler ervervet ved oppkjøp balanseføres til virkelig verdi i selskapet. Balanseførte immaterielle eiendeler regnskapsføres til kost redusert for eventuell av- og nedskrivning. Beløp betalt for patenter og lisenser er balanseført og avskrevet lineært over forventet brukstid. Goodwill avskrives ikke, men testes for nedskrivning dersom det er indikasjoner på verdifall, og minst hvert år.

Forskning og utvikling

Utgifter til forskning og utvikling kostnadsføres løpende gjennom året, med mindre intern utvikling tilfredsstiller kriteriene for innregning som eiendel. Dette gjelder eksempelvis intern softwareutvikling som blant annet er dokumentert vil kunne gi positiv kontantstrøm til selskapet i fremtiden. Utgifter som påløper i forprosjekt og forbundet med opplæring kostnadsføres direkte.

Balanseførte utviklingskostnader avskrives lineært over eiendelens estimerte brukstid.

Datterselskap/tilknyttet selskap

Datterselskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi ved objektive indikasjoner på verdifall. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.





Andre aksjer vurderes etter kostmetoden. Investeringen er vurdert til aksjenes anskaffelseskost. Aksjene nedskrives ved objektive indikasjoner på verdifall. Nedskrivninger reverseres når grunnlaget for nedskrivning ikke lenger er tilstede.

I note 16 er det opplyst om andel egenkapital og resultat ifølge siste årsregnskap, i tråd med regnskapsloven § 7-15.

Aksjebasert avlønning

Virkelig verdi av aksjebasert avlønning blir bokført som en lønnskost, med tilsvarende økning i egenkapitalen. Totalbeløpet som skal kostnadsføres baseres på virkelig verdi av ytelsesaksjer tildelt.

Den totale kostnaden tas over innvinningsperioden, som vil si perioden alle spesifiserte innvinningsbetingelser kan oppfylles. Ved slutten av hver periode gjøres det en oppdatert vurdering av hvor mange ytelsesaksjer forventes opptjent basert på eventuelle ikke-markedsbaserte betingelser og tjenestekriterier. Eventuelle endringer i opprinnelige estimater føres over resultatet, med en tilsvarende føring over egenkapitalen.

Kontraktseiendeler

En kontraktseiendel defineres som retten til vederlag i bytte mot varer eller tjenester som selskapet har overført til en kunde. Hvis selskapet overfører varer eller tjenester til en kunde før kunden betaler vederlag eller før betalingsfristen forfaller, innregnes en kontraktseiendel for opptjent vederlag som er betinget.

Kontraktsforpliktelser

En kontraktsforpliktelse er en plikt til å overføre varer eller tjenester til en kunde som selskapet har mottatt vederlag fra (eller har rett til vederlag som er forfalt). Hvis en kunde betaler vederlag før selskapet overfører varer eller tjenester til kunden, vil en kontraktsforpliktelse innregnes på tidspunktet for betaling. Kontraktsforpliktelser innregnes som inntekt på det tidspunkt selskapet oppfyller leveringsforpliktelsen slik den er spesifisert i kontrakten.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap på krav.

Varebeholdninger

Lager av innkjøpte varer er verdsatt til laveste av anskaffelseskost og virkelig verdi. Anskaffelseskost for terminaler tilordnes hver enkelt enhet, mens tilleggsutstyr vurderes etter FIFO-metoden. Det foretas nedskrivning for påregnelig ukurans.

Valuta

Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Transaksjoner i utenlandsk valuta er bokført til valutakurs på transaksjonstidspunktet. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Urealisert valutagevinst og -tap ved regnskapsårets slutt er bokført i resultatregnskapet.

Beste estimat

Ved usikkerhet knyttet til egenskaper ved eiendeler og forpliktelser benyttes beste estimat. Endring av estimat i senere perioder resultatføres i den periode estimatet endres. Hvis endringene også gjelder fremtidige perioder fordeles effekten over inneværende og fremtidige perioder.

Avsetninger

En avsetning regnskapsføres når selskapet har en forpliktelse (rettslig eller selvpålagt) som en følge av en tidligere hendelse, det er sannsynlig (mer sannsynlig enn ikke) at det vil skje et økonomisk oppgjør som følge av denne forpliktelsen og beløpets størrelse kan måles pålitelig. Hvis effekten er betydelig, beregnes avsetningen ved å neddiskontere forventede fremtidige kontantstrømmer med en diskonteringsrente før skatt som reflekterer markedets prissetting av tidsværdien av penger og, hvis relevant, risikoer spesifikt knyttet til forpliktelsen.

Tapskontrakter: Dersom det foreligger tapskontrakter, innregnes den eksisterende plikten i henhold til kontrakten som en avsetning. Før en separat avsetning for en tapskontrakt fastsettes, innregner konsernet eventuelle tap knyttet til verdifall som har oppstått på eiendeler som omfattes av den konkrete kontrakten.





Leiekontrakter

Telia Norge AS som leietaker

Telia Norge AS innregner en bruksrett og leieforpliktelse i balansen når underliggende eiendel blir gjort tilgjengelig for Telia Norge AS, dvs. ved startdatoen til leieavtalen. Telia Norge AS benytter seg av unntaket ved å inkludere kortsiktige leieavtaler og leieavtaler med lav verdi som kostnad i resultatregnskapet. Telia Norge AS anvender ikke IFRS 16 for immaterielle eiendeler.

Leieforpliktelsen innregnes til nåverdi av leiebetalingene over den estimerte leieperioden. Leiebetalinger består av faste betalinger, variable leiebetalinger som er avhengig av en indeks eller en kurs, beløp som forventes å bli betalt under en garanti for restverdi og betalinger relatert til opsjoner Telia Norge AS er rimelig sikker på å utøve. Betalinger relatert til ikke-leiekomponenter skilles fra leiebetalingene og kostnadsføres etter hvert som de påløper.

Leieperiode

Estimert leieperiode kan bestå av leieperiode inkludert forlengelsesopsjoner dersom Telia Norge AS er rimelig sikker på å benytte seg av denne. Estimert leietid kan også være kortere enn kontraktsperioden dersom det finnes termineringsmuligheter som Telia Norge AS er rimelig sikre på å benytte seg av. Terskelen for rimelig sikkerhet er ansett som høyere enn "mer sannsynlig enn ikke", men lavere enn "så godt som sikkert" iht IAS 37 "Avsetninger, betingede forpliktelser og betingede eiendeler". Forlengelse- og termineringsopsjoner er inkludert i flere leiekontrakter i Telia Norge AS. Ved estimering av leieperiode vurderer Telia Norge alle fakta og omstendigheter som kan skape et økonomisk insentiv til å benytte seg av en forlengelsesopsjon, eller å ikke benytte seg av en termineringsopsjon. Eksempler på faktorer som tas med i vurderingen er: strategiske planer, vurdering av fremtidige teknologiske endringer, viktigheten av den underliggende eiendelen for Telia Norges drift, og/eller kostnader knyttet til å forlenge eller ikke terminere en leie. Leieforpliktelsen måles på nytt hvis det tilkommer modifikasjoner til leiekontrakten eller kontantstrømmen som følger av leiekontrakten.

Leiebetalingene er neddiskontert med renten implisert av leien, eller hvis denne ikke kan fastsettes, med Telia Companys inkrementelle lånerente. Den inkrementelle lånerenten er benyttet i majoriteten av leieforholdene da renten implisert av leien ofte ikke lar seg fastsette.

Enkelte leieavtaler, f.eks. leie av butikklokaler inneholder en variabel del som baserer seg på en prosentandel av salget generert i butikken. Dette innregnes som kostnad i resultatregnskapet i den perioden salget er generert.

Bruksretten er innregnet til kost, hvilket består av initieil leieforpliktelse pluss eventuelle leiebetalinger betalt før eller ved starten av leieforholdet. Kostnader forbundet med fjerningsforpliktelser er også innregnet i bruksretten. Den tilhørende forpliktelsen er innregnet separat fra leieforpliktelsen.

Bruksretten avskrives lineært fra startdato til det som kommer først av eiendelens anvendbare levetid eller estimert kontraktslutt.

Justeringer av leieforpliktelse som følge av ny måling vil i de fleste tilfeller føre til en tilsvarende justering av bruksrett. Hvis bokført beløp av bruksretten avskrives til null vil gjenværende justering føres i resultatregnskapet. Bruksretten vurderes for nedskrivning ved situasjoner eller endringer som indikerer at bokført verdi ikke er intakt.

Bruksrett presenteres som separate linje i oppstilling av finansiell stilling og leieforpliktelsen som kortsiktig og langsiktig lån i oppstillingen av finansiell stilling I resultatregnskapet presenteres avskrivning av bruksrett som avskrivninger og rentekostnad fra leieforpliktelsen som annen finanskostnad.

Tilbakebetaling av leieforpliktelse presenteres i kontantstrømmen som kontantstrøm fra finansielle aktiviteter. Rentekostnaden presenteres som kontantstrøm fra operasjonelle aktiviteter.

I leieforhold der Telia Norge AS er utleier, vurderes det ved leieavtalens start hvorvidt utleien er finansiell eller operasjonell. Vurderingene legger vekt på hvorvidt risiko og nytte fra eiendelen overføres til leier eller om den ligger igjen hos utleier. Eierskapet ved kontraktslutt og hvorvidt eiendelen fortsatt har økonomisk nytte ved utløpet av leietiden er også relevant. Hvis risiko og nytte i all hovedsak er overført til leier anses leien som finansiell. En avtale kan også inneholde elementer av begge typer leie vil Telia Norge AS allokere godtgjørelsen til hhv finansiell og operasjonell leie basert på separate markedspriser.





Finansiell utleie i Telia Norge AS

Telia Norge AS hadde ingen utleie i 2021 som kvalifiserer som finansiell utleie.

Operasjonell utleie i Telia Norge AS

Utleieinntekter fra operasjonelle leieavtaler innregnes lineært over kontraktens periode. Initiale direkte kostnader i leieforholdet innregnes som del av eiendelen til leieobjektet og innregnes slik som leieinntektene

Pensjoner

Selskapet har både ytelsesbaserte og innskuddsbaserte pensjonsordninger.

Selskapet fører pensjoner etter regnskapsstandarden IAS 19. I henhold til standarden er årets pensjonskostnad kostnadsført under lønn og sosiale kostnader i resultatregnskapet. Netto pensjonsforpliktelse er klassifisert som langsiktig gjeld.

Pensjonskostnader og pensjonsforpliktelser tilknyttet ytelsesbasert pensjon, beregnes etter lineær opptjening basert på forventet sluttlønn. Beregningen er basert på en rekke forutsetninger; herunder diskonteringsrente, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden, fremtidig avkastning på pensjonsmidler samt aktuariemessige forutsetninger om dødelighet og frivillig avgang. Pensjonsmidler er vurdert til virkelig verdi og fratrukket i netto pensjonsforpliktelser i balansen.

Ved regnskapsføring av ytelsesbasert pensjon er lineær opptjeningsprofil og forventet sluttlønn som opptjeningsgrunnlag lagt til grunn. Estimatavvik føres mot utvidet resultat. Selskapet har således ingen pensjonsforpliktelse som ikke er balanseført.

Rentekostnad på pensjonsforpliktelse og avkastning på pensjonsmidler føres som henholdsvis annen finanskostnad og annen finansinntekt.

Pensjonspremie til innskuddsbasert pensjonsordning kostnadsføres når den påløper. Innskuddene er gitt til pensjonsplanen for heltidsansatte.

Skatter

Skattekostnad består av betalbar skatt og endring i utsatt skatt. Utsatt skatt/skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld. Utsatt skattefordel er beregnet med 22,00 % (22,00 % i 2020) på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret.

Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at selskapet vil ha tilstrekkelige skattemessige overskudd i senere perioder til å nyttiggjøre skattefordelen.

Forpliktelser og eiendeler ved utsatt skatt er klassifisert som langsiktig forpliktelse (anleggsmiddel) i balansen.

Betingede forpliktelser

Betingede forpliktelser regnskapsføres i samsvar med regnskapsstandarden for betingede forpliktelser og -eiendeler. Betingede forpliktelser blir regnskapsført dersom det er sannsynlighetsovervekt for at de kommer til oppgjør. Beste estimat benyttes ved beregning av oppgjørsverdi.

Kontanter og kontantstrømpoppstilling

Kontantstrømpoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Hendelser etter balansedagen

Ny informasjon etter balansedagen om selskapets finansielle stilling per 31.12.2021 er hensyntatt i årsregnskapet. Hendelser som ikke påvirker selskapets finansielle stilling på balansedagen, men som vil påvirke selskapets finansielle stilling i fremtiden, er opplyst om dersom dette er vesentlig.



Note 1 Endring regnskapsprinsipp, nye standarder og fravik fra IFRS

Beløp vises i millioner kr

Implementerte standarder:

Nye eller endrede standarder og tolkninger gjort gjeldende i 2021

Det er ingen nye standarder som har trådt i kraft i 2021, men det er gjort enkelte endringer i gjeldende standarder.

Amendment to IFRS 16 - Covid-19-Related Rent Concessions

Endringene i standarden trådte i kraft i løpet av 2020, og er vedtatt utvidet periode. Endringen unntar leietaker fra å vurdere individuelle leiekontrakter for å avgjøre om avslag i leie som følge av covid-19 er en modifisering av leiekontrakt, og tillater leietaker å bokføre det som om det ikke utgjør en modifisering av leiekontrakten. Endringen har ingen vesentlig effekt for regnskapet ettersom Telia Norge ikke har mottatt noen betydelig leiereduksjoner som følge av Covid-19

IFRS 4 Forsikringskontrakter

Endringen utvider det midlertidige unntaket fra implementering av IFRS 9 til å gjelde frem til regnskapsår som starter 1.januar 2023 eller senere.

Nye eller endrede standarder og tolkninger som trer i kraft på eller etter 1.januar 2022

Telia Norge AS har ikke forhåndsimplementert noen av de nye eller reviderte standardene som trer i kraft på eller etter 1 januar 2022.

IFRS 17 Forsikringskontrakter inkludert forslag om endringer i IFRS 17

IFRS 17 erstatter IFRS 4. IFRS 17 har bestemmelser om hvordan forsikringskontrakter skal vurderes og presenteres, noe som tidligere har vært overlatt til nasjonalt regelverk. Telia Norge AS har ingen forsikringskontrakter og vil derfor ikke påvirkes av endret standard.

Andre endringer

Følgende kommende endringer vil være relevante for Telia Norge AS, men forventes å ha ingen eller liten påvirkning på regnskapet når de trer i kraft:

- IAS 1 "Klassifisering av forpliktelser som enten kort- eller langsiktig", effektiv for regnskapsår f.o.m tidligst 01.01.2024
- IFRS 3, effektiv f.o.m 01.01.2022
- IAS 16, effektiv f.o.m 01.01.2022
- IAS 37, effektiv f.o.m 01.01.2022
- IAS 1 og IFRS Practice Statement 2, effektiv f.o.m 01.01.2023
- IAS 8, effektiv f.o.m 01.01.2023

Andre endringer i regnskapsstandarder er vurdert som ikke relevante for Telia Norge AS.

Fravik fra IFRS:

IAS 10 nr. 12 og IFRIC 17 nr. 10 fravikes slik at utbytte og konsernbidrag regnskapsføres i samsvar med regnskapslovens bestemmelser.

Endring i anvendt regnskapsprinsipp:

I April 2021, publiserte International Financial Reporting Interpretations Committee en avgjørelse vedrørende regnskapsføring av skytjenestekostnader. De nye retningslinjene adresserer kostnader vedrørende konfigurering og tilpasninger på en leverandørs applikasjon i skybaserte tjenester. Retningslinjene skal implementeres retroaktivt, og avhengig av omstendigheter skal visse kostnader regnskapsføres som operasjonelle kostnader etterhvert som arbeidet utføres. Telia Norge AS har implementert de nye retningslinjene fra og med fjerde kvartal 2021, og har konkludert med at deler av beløp tidligere bokført som immaterielle eiendeler omarbeides i henhold til den nye avgjørelsen. Effektene for regnskapsåret avsluttet 31. desember 2020 er presentert i tabellene i note 2 og 3.



Note 2 Endring i fjorårets resultat

Beløp vises i millioner kr

	Rapportert 2020	Justering skvløsninger	Justert 2020
Driftsinntekter og driftskostnader			
Salgsinntekt	14 115		14 115
Annen driftsinntekt	31		31
Sum driftsinntekter	14 145		14 145
Nettverks- og produktkostnader	4 503		4 503
Lønnskostnad	1 523		1 523
Avskrivning av driftsmidler og immaterielle eiendeler	2 869	- 24	2 845
Nedskrivning av driftsmidler og immaterielle eiendeler	247		247
Salgs-, distribusjons- og andre driftskostnader	2 376	95	2 471
Sum driftskostnader	11 519	71	11 590
Driftsresultat	2 627	- 71	2 555
Finansinntekter og finanskostnader			
Inntekt på investering i tilknyttet selskap	3		3
Annen renteinntekt	5		5
Annen finansinntekt	89		89
Rentekostnad til foretak i samme konsern	577		577
Annen rentekostnad	74		74
Annen finanskostnad	65		65
Resultat av finansposter	- 620		- 620
Ordinært resultat før skattekostnad	2 007	- 71	1 936
Skattekostnad på ordinært resultat	437	- 16	421
Ordinært resultat	1 570	- 55	1 515
Ekstraordinære inntekter og kostnader			
Estimatavvik pensjoner	10		10
Skattekostnad på ekstraordinært resultat	- 2		- 2
Resultat av ekstraordinære poster	8		8
Arsresultat	1 578	- 55	1 523
Totalresultat for perioden	1 578	- 55	1 523





Note 3 Endring i fjorårets balanse

Beløp vises i millioner kr

	Rapportert 2020	Justering skyløsninger	Justert 2020
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.	2 458	- 159	2 299
Utsatt skattefordel	141	35	176
Goodwill	19 008		19 008
Sum immaterielle eiendeler	21 607	- 124	21 483
Varige driftsmidler			
Tomter, bygninger o.a. fast eiendom	452		452
Maskiner og anlegg	7 772		7 772
Driftsløsøre, inventar o.a. utstyr	282		282
Bruksrett leiekontrakter	2 329		2 329
Sum varige driftsmidler	10 835		10 835
Finansielle anleggsmidler			
Investeringer i datterselskap	96		96
Investeringer i aksjer og andeler	11		11
Andre langsiktige fordringer	61		61
Sum finansielle anleggsmidler	167		167
Sum anleggsmidler	32 609	- 124	32 485
Omløpsmidler			
Lager av varer og annen beholdning	166		166
Fordringer			
Kundefordringer	1 927		1 927
Kontraktseiendeler	380		380
Andre kortsiktige fordringer	3 009		3 009
Sum fordringer	5 316		5 316
Bankinnskudd, kontanter o.l.	30		30
Sum omløpsmidler	5 511		5 511
Sum eiendeler	38 121	- 124	37 997





Egenkapital og gjeld

Egenkapital

Innskutt egenkapital

Aksjekapital	380		380
Overkurs	8 177		8 177
Annen innskutt egenkapital	332		332
Sum innskutt egenkapital	8 889		8 889

Opptjent egenkapital

Annen egenkapital	1 288	- 124	1 164
Sum opptjent egenkapital	1 288	- 124	1 164

Sum egenkapital	10 177	- 124	10 053

Gjeld

Avsetning for forpliktelser

Pensjonsforpliktelser	96		96
Andre avsetninger for forpliktelser	338		338
Sum avsetning for forpliktelser	434		434

Annen langsiktig gjeld

Langsiktig konserngjeld	16 054		16 054
Langsiktig leieforpliktelse	2 054		2 054
Sum annen langsiktig gjeld	18 108		18 108

Kortsiktig gjeld

Leverandørgjeld	2 312		2 312
Betalbar skatt	552		551
Skyldig offentlige avgifter	465		465
Utbytte	1 583		1 583
Leieforpliktelser	308		308
Annen kortsiktig gjeld	4 183		4 183
Sum kortsiktig gjeld	9 402		9 402

Sum gjeld	27 944		27 943

Sum egenkapital og gjeld	38 121	- 124	37 997





Note 4 Endring i fjorårets kontantstrøm

Beløp vises i millioner kr

	Rapportert 2020	Justering skyløsninger	Justert 2020
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad	2 007	- 71	1 936
Periodens betalte skatt	- 502		- 502
Ordinære avskrivninger	2 869	- 24	2 845
Nedskrivning anleggsmidler	247		247
Endring i varelager	- 38		- 38
Endring i kundefordringer	- 66		- 66
Endring i leverandørgjeld	779		779
Forskj. kostnadsført pensjon og inn-/utbet. i pensjonsordning	7		7
Endring i andre tidsavgrensningposter	- 179		- 179
Netto kontantstrøm fra operasjonelle aktiviteter	5 124	- 95	5 029
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler	107		107
Utbetalinger ved kjøp av varige driftsmidler	- 2 616	95	- 2 521
Innbetalinger ved salg av aksjer og andeler i andre foretak	-		-
Netto kontantstrøm fra investeringsaktiviteter	- 2 509	95	- 2 414
Kontantstrømmer fra finansieringsaktiviteter			
Utbetalinger ved nedbetaling av langsiktig gjeld	- 346		- 346
Utbetalinger ved nedbetaling av finansielle leiekontrakter	- 568		- 568
Utbetalinger av utbytte	- 1 700		- 1 700
Netto kontantstrøm fra finansieringsaktiviteter	- 2 614		- 2 614
Netto endring i kontanter og kontantekvivalenter	1		1
Beh. av kont. og kontantekvivalenter ved per. begynnelse	29		29
Beh. av kont. og kontantekvivalenter ved per. Slutt	30		30





Note 5 Salgsinntekter

Beløp vises i millioner kr

	2021	2020
Pr. Virksomhetsområde		
Trafikkinntekter	8 276	8 591
TV og bredbåndsinntekter	3 126	3 040
Terminalinntekter	2 472	2 483
Annet	147	31
Sum	14 021	14 145

Alle inntektene i selskapet genereres i Norge

Note 6 Nettverks- og produktkostnader

Beløp vises i millioner kr

	2021	2020
Nettverkskostnader	293	340
Trafikkavgifter til andre operatører	1 829	1 859
Andre nettverks- og produktkostnader	409	387
Varekost terminaler	2 072	1 917
Sum	4 602	4 503

Note 7 Spesifikasjon av driftskostnader etter art

Beløp vises i millioner kr

	2021	2020*
Salgs- og distribusjonskostnader	830	866
Reparasjon- og vedlikeholds	31	46
Leiekostnader	14	7
Tap på fordringer	68	110
Andre driftskostnader	1 512	1 442
Sum driftskostnader	2 455	2 471

*) Justert for sammenligningsformål, se note 2

Note 8 Lønnskostnader og ytelser, godtgjørelser til daglig leder, styret og revisor

Beløp vises i millioner kr

Lønnskostnader	2021	2020
Lønninger	1 426	1 409
Arbeidsgiveravgift	239	221
Pensjonskostnader	127	122
Andre ytelser	5	24
Brutto lønnskostnad	1 797	1 776
Kapitaliserte lønnskostnader	-325	-252
Sum	1 472	1 523

Antall sysselsatte i selskapet per 31.12.2021 var 2 159

Gjennomsnittlig antall årsverk	1989	2048

Det er i 2021 ikke utbetalt styrehonorar.





Ytelser til ledende personer (tall fremkommer i TNOK)

	Daglig leder
Lønn	6 507
Pensjonskostnader	1 533
Annen godtgjørelse	191
Sum	8 230

Daglig leder har avtale om lønn i inntil 1 år etter fratreden fra sin stilling. Utvalgte ledende ansatte er deltakere i konsernets incentiv program. Programmet går ut på at dersom forhåndsdefinerte økonomiske målstørrelser blir oppfylt i programmets definerte resultatperiode, skal deltakerne i programmet motta en nærmere angitt andel aksjer i konsernet kostnadsfritt. Ordningen har i 2021 medført en kostnad for Telia Norge på MNOK 1,3.

Det er ikke stilt garantier for, eller utstedt lån til verken administrerende direktør eller styremedlemmer. Alle transaksjoner mellom selskapet og administrerende direktør eller styremedlemmer er foretatt på armlengdes avstand.

Pensjonsforpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov. Tilskuddet til innskuddspensjon utgjør fra 5,55% - 8% av lønn.

Revisor

Kostnadsført revisjonshonorar for 2021 utgjør MNOK 4.
I tillegg kommer honorar for andre tjenester med MNOK 1.

Note 9 Varer

Beløp vises i millioner kr

Selskapet innehar varelager av terminaler og tilleggsutstyr med MNOK 161

	2021	2020
Innkjøpte varer for videresalg	161	166

Note 10 Bankinnskudd

Beløp vises i millioner kr

Telia Norge AS disponerer en konsernintern kreditfasilitet som underkonto i Telias konsernkontosystem. Se note 23 for mer informasjon.

Selskapet har ingen bundne skattetrekksmidler. Selskapet har en skattetrekksgaranti på 119 MNOK som dekker forpliktelsen.





Note 11 Skatt

Beløp vises i millioner kr

Årets skattekostnad fordeler seg på:	2021	2020*
Betalbar skatt	598	531
Korreksjon betalbar skatt tidligere år	-9	-2
Endring i utsatt skatt/utsatt skattefordel	-134	-177
Korreksjon endring i utsatt skatt/utsatt skattefordel tidligere år	0	-6
Skatteeffekt av estimatavvik	-6	-2
Skatteeffekt av ytet konsernbidrag	0	94
Skatteeffekt av endring anvendt regnskapsprinsipp	0	-16
Sum skattekostnad	449	422
Beregning av årets skattegrunnlag:	2021	2020
Resultat før skattekostnad	2 044	1 936
Permanente forskjeller	38	12
Estimatavvik for IFRS foretak	27	8
Endring i midlertidige forskjeller	611	810
Ytet konsernbidrag med skatteeffekt	0	-426
Årets skattegrunnlag	2 720	2 342
Oversikt over midlertidige forskjeller:	2021	2020
Anleggsmidler	17 571	18 179
Fordringer	-33	-24
Varer	0	-1
Gevinst- og tapskonto	3	-3
Pensjoner	-51	-96
Andre avsetninger for forpliktelser	-375	-342
Operasjonell leieavtale skattemessig (Svitsj)	0	11
IFRS 15 effekt av utsatt inntekt eller kostnad	472	380
Bokførte leieavtaler i regnskapet	-126	-33
Sum	17 461	18 071
Goodwill oppstått i forbindelse ved fusjonene i 2015	-15 755	-15 755
Forskjeller som ikke inngår i beregningen av utsatt skatt / skattefordel	-3 114	-3 116
Sum grunnlag for beregning av utsatt skatt/skattefordel	-1 408	-800
Utsatt skatt/skattefordel	310	176
Forklaring til hvorfor årets skattekostnad ikke utgjør 22 % av resultatet før skatt:		
	2021	
Resultat før skatt	2 044	
22 % skatt av resultat før skatt	450	
Korreksjon betalbar skatt tidligere år	-9	
Permanente forskjeller	8	
Forskjeller som ikke inngår	0,45	
Beregnet skattekostnad	449	
Effektiv skattesats **)	22 %	
Skattesats betalbar skatt	22%	
Skattesats utsatt skatt 2021	22%	
Skattesats utsatt skatt 2020	22%	

*) Justert for sammenligningsformål, se note 2





Note 12 Immatrielle eiendeler

Beløp vises i millioner kr

	Goodwill	Patenter, lisenser	Under utførelse	Sum
Anskaffelseskost 01.01.2021*	19 980	4 466	361	24 807
Tilgang kjøpte immatrielle eiendeler	0	1 067	397	1 464
Utrangering	0	-40	0	-40
Aktivering og reklassifisering	0	215	-225	-9
Anskaffelseskost 31.12.2021	19 980	5 708	533	26 221
Akkumulerte avskrivninger 31.12.2021	921	2 852	0	3 774
Akkumulerte nedskrivninger 31.12.2021	51	116	0	168
Bokført verdi 31.12.2021	19 008	2 739	533	22 280
Årets avskrivninger	0	482	0	482
Årets nedskrivninger	0	0	0	0
Økonomisk levetid	Verditestes	3-20 år		
Avskrivningsplan		Lineær		

*) Justert for sammenligningsformål, se note 2

Selskapet benytter lineære avskrivninger for alle immaterielle eiendeler med unntak for goodwill. Den økonomiske levetiden for de immaterielle eiendelene er beregnet til:

Patenter	3-5 år
Lisenser	20 år

De største balanseførte frekvensene per 31.12.2021 målt i bokført verdi (MNOK), var følgende:

3,7 GHz-båndet	733
900 MHz-båndet	451
2,6 GHz-båndet	264
800 og 1800 MHz-båndet	229
700 MHz-båndet	195
1800 Hz-båndet	191
2,1 MHz-båndet	11
23 GHz-båndet	5
10 GHz-båndet	4
Sum	2 083

Selskapets goodwill utgjør primært konserngoodwill videreført gjennom konsernkontinuitet etter tidligere gjennomførte fusjon. Det blir foretatt nedskrivningstest for goodwill hvert år og det foretas nedskrivning ved verdifall. Gjenvinnbart beløp er fastsatt gjennom estimer på fremtidige kontantstrømmer fra den enkelte innfusjonerte virksomhet neddiskontert med en rimelig diskonteringsrente.





Note 13 Anleggsnote

Beløp vises i millioner kr

	Eiendom	Maskiner og anlegg mm	Under utførelse	Driftsløsøre, verktøy mm	Sum
Anskaffelseskost 01.01.2021	635	18 564	2 271	728	22 199
Tilgang kjøpte/leide driftsmidler	6	1 045	1 570	127	2 748
Salg og utrangering	0	-6	0	-13	-19
Aktivering	2	539	-542	11	9
Anskaffelseskost 31.12.2021	643	20 142	3 298	853	24 936
Akkumulerte avskrivninger 31.12.2021	320	13 749	0	601	14 670
Akkumulerte nedskrivninger 31.12.2021	60	840	0	34	934
Bokført verdi per 31.12.2021	262	5 553	3 298	219	9 332
Årets avskrivninger	48	1 740	0	60	1 848
Årets nedskrivninger	0	29	0	0	29
Økonomisk levetid	5-20 år		5-10 år		3-10 år
Avskrivningsplan	Lineær		Lineær		Lineær

Selskapet benytter lineære avskrivninger for alle varige driftsmidler. Tomter avskrives ikke. Årets nedskrivninger relaterer seg til maskiner og anlegg hvor det har vært endring i teknologiske rammebetingelser.

Reverseringer av nedskrivningene relaterer seg til driftsmidler fra tidligere Mobile Norway som nå er besluttet benyttet i virksomheten. Forutsetning lagt til grunn for reversering for eiendelene er regnskapsmessig verdi per nedskrivningstidspunkt justert for avskrivninger til beslutningstidspunkt for nyttiggjørelse.

Note 14 Egenkapital

Beløp vises i millioner kr

	Aksjekapital	Overkurs	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Pr. 31.12.2020	380	8 177	332	1 288	10 177
Endringer ført mot EK				-124	-124
Pr 01.01.2021	380	8 177	332	1 164	10 053
Årets resultat				1 595	1 595
Tilleggsutbytte				-0,4	0
PSP (share based payments)				1	1
Estimatavvik pensjon				21	21
Pr 31.12.2021	380	8 177	332	2 781	11 670





Note 15 Aksjonærer

Aksjekapitalen i Telia Norge AS pr. 31.12 består av:

	Antall	Pålydende	Bokført
Ordinære aksjer	30 000	12 652	380
Sum	30 000		380

Eierstruktur

De største aksjonærene i % pr. 31.12 var:

	Ordinære	Eierandel	Stemmeandel
TELIA COMPANY AB	30 000	100,0	100,0

Pålydende beløp på ordinære aksjer viser i NOK. Bokført verdi av aksjene vises i MNOK. Selskapet er heleid datter av Telia Company AB. Alle aksjer gir lik stemme. Telia Norge AS inngår i Telia Company AB konsernet. Konsernets hovedkontor ligger i Solna, Sverige. Konsernregnskapet kan lastes ned fra www.teliacompany.com

Note 16 Datterselskap, TS og FKV

	Kontor-kommune	Eierandel	Balanseført verdi	Andel egenkapital	Andel resultat
DS/FKV/TS					
Phonero Distribusjon AS	KRISTIANSAND	100,0%	0	1	
Strex AS	OSLO	49,0%	10	24	4
Strex Mobile Services AS	OSLO	49,0%	0		
Sum			10	25	4

Beløp vises i millioner kr.

Note 17 Aksjer og andeler i andre selskaper

Beløp vises i millioner kr

Telia Norge AS eier aksjer i selskapene Norsk Referansedatabase AS (14,3%) og Byneset Golfsenter AS (0,01%), til en verdi av 0,04 MNOK.





Note 18 Ytelsespensjon

Beløp vises i millioner kr

Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

Selskapet har i tillegg pensjonsordninger som omfatter i alt 157 personer. Ordningene gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. Forpliktelsene er dekket gjennom et forsikringsselskap.

	2021	2020
Nåverdi av årets pensjonsopptjening	14	15
Rentekostnad av pensjonsforpliktelsen	9	11
Avkastning på pensjonsmidler	-8	-8
Netto pensjonskostnad	16	18
Nåverdi av påløpte pensjonsforpliktelser	-312	-297
Verdi av pensjonsmidlene	261	201
Beregnete netto pensjonsforpliktelser pr. 31.12.	-51	-96
Økonomiske forutsetninger for beregning av pensjonskostnaden	2021	2020
Diskonteringsrente	2,15 %	1,80 %
Forventet lønnsvekst	2,50 %	2,00 %
Forventet G-regulering	2,25 %	1,75 %
Årlig regulering av pensjoner under utbetaling	0,56 %	0,25 %
Forventet årlig avgang	K2013	K2013

Estimatavvik i aktuarberegningen er ført mot utvidet resultat.

De aktuarmessige forutsetningene er basert på vanlige benyttede forutsetninger innen forsikring vedrørende demografiske faktorer.

Note 19 Avsetning for forpliktelser

Beløp vises i millioner kr

	2021	2020
Fjerningsforpliktelser lokaler, siter og basestasjoner	-315	-326
Restruktureringsforpliktelse	-27	-11
Forpliktelse frekvensavgift	-730	0
Sum	-1 073	-338

Fjerningsforpliktelse relaterer seg hovedsakelig til frekvenser, samt fjerning av utstyr, og sette området tilbake i opprinnelig stand ved fjerning av utplassert nettverksutstyr. Områdene vedrører hovedsakelig steder hvor Telia har bygget nettverksstasjoner. Beregningen baserer seg på estimert fremtidig fjerningstidspunkt, estimert fjerningskost og diskonteringsrente på 2,20 %.

Forklaring fjerningsforpliktelse

	2021	2020
Inngående balanse	-326	-285
Tilganger	7	-48
Påløpt fjerning/avgang ved salg	2	2
Renter	-2	-1
Reversal	4	6
Sum	-315	-326





Note 20 Pantstillelser og garantier

Beløp vises i millioner kr

Pr. 31.12.2021 hadde selskapet avgitt 63 forskjellige garantier på totalt MNOK 224 som hovedsakelig er relatert til selskapets nåværende kontor- og butikklokaler, samt skattetrekksgaranti til Oslo kommune pålydende MNOK 119.

Note 21 Offentlig tilskudd

Selskapet mottar offentlige tilskudd i forbindelse med utbygging av sites. Dette mottas etterskuddsvis når en site er ferdig utbygget og er operativ. Tilskuddene innregnes ved mottak og regnskapsføres som en reduksjon av balanseført eiendel i oppstillingen. På resultatsiden innregnes den som en reduksjon av avskrivningskosten for eiendelen. Tilskuddet har vært i størrelsesorden 14 MNOK i 2020 og 18 MNOK i 2021.

Selskapet har i 2021 jobbet med prosjekt Customer Identity Mapping og Engage All, hvor formålet er å forbedre kundeinnsikten. For dette prosjektet er det for inntektsåret 2021 søkt SkatteFunn på MNOK 4,75

Note 22 Fordringer

Beløp vises i millioner kr

Kundefordringer	2021	2020
Kundefordringer eksterne	1 288	1 504
Kundefordringer konsern	354	472
Avsetning for tap på kundefordringer	-54	-48
Netto kundefordringer	1 588	1 927
Kostnadsførte tap på fordringer i året	68	110
Langsiktige fordringer - forfaller senere enn ett år etter 31.12.2021	2021	2020
Terminalfinansiering	93	60
Øvrige langsiktige fordringer	1	1
Sum	94	61
Kontraktseiendeler	2021	2020
Åpningsbalanse	380	282
Tilgang	336	305
Nedskrivninger og avsetninger innregnet i perioden	-268	-208
Utkjøp binding	26	0
Sum	474	380

Kontraktseiendeler innregnes ved oppfyllelse av leveringsforpliktelser. Når vederlaget blir ubetinget vil kontraktseiendelene omklassifiseres





Note 23 Mellomværende med selskap i samme konsern

Beløp vises i millioner kr

Telia Norge AS kjøper tjenester knyttet til headoffice fra Telia Company AB. Dette vedrører administrasjonstjenester og datavaretenester som software o.l. Selskapet yter tilsvarende tjenester også til andre norske enheter i konsernet. Dette er klassifisert som andre driftskostnader.

All gjeld til konsernet per 31.12.2021 forfaller innen fem år.

Fordringer	2021	2020
Kundefordringer		
Telia Company AB	92	64
Telia Sverige AB	42	139
Telia Towers Norway AS	0	14
Telia Nättjänster Norden AB, DK	22	58
Telia Finland Oyj	24	39
Telia Eesti AS	8	10
AB Telia Lietuva	4	7
Latvijas Mobilais Telefons SIA	4	6
Telia Finance AB Norge	137	228
Telia Carrier AB	0	2
TV4 Media AB	13	0
Telia Försäkring AB	8	0
Øvrige	0	1
Sum	354	568
Andre kortsiktige fordringer		
Telia Company AB, internbank	1	2 678
Telia Finance AB Norge	6	5
Telia Sverige AB	8	3
Phonero Distribusjon AS	0	1
Telia Försäkring AB	2	2
TV4 Media AB	34	0
Sum	50	2 688
Gjeld	2021	2020
Leverandørgjeld		
Telia Sverige AB	164	176
Telia Nättjänster Norden AB, DK	9	16
Telia Company AB	176	106
Telia Towers Norway AS	39	38
Telia Carrier AB	0	9
AB Telia Lietuva	6	8
Telia Finland Oyj	2	3
Telia Finance AB Norge	15	3
Latvijas Mobilais Telefons SIA	1	0
Telia Company Danmark A/S	3	0
Cygate AB	1	0
TV4 Media AB	10	0
Øvrige	1	7
Sum	429	365





	2021	2020
Annen kortsiktig gjeld		
Telia Company AB, internbank	2 162	1 682
Telia Finance AB Norge	59	41
Telia Carrier AB	0	6
Springworks International AB	2	0
Øvrige	-1	-1
Sum	2 222	1 729

	2021	2020
Konsernbidrag og utbytte		
Telia Company AB	0	1 583
Telia Finance AB Norge	0	426
Sum	0	2 008

	2021	2020
Annen langsiktig gjeld		
Telia Company AB, internbank	13 551	16 051
Sum	13 551	16 051

Transaksjoner med nærstående	2021	2020
Transaksjoner med nærstående (kjøp)		
Telia Sverige AB	1 781	1 716
Telia Company AB	512	496
Telia Towers Norway AS	122	98
Telia Carrier AB	39	122
Phonero Distribusjon AS	72	61
Telia Finance AB Norge	124	107
Telia Nättjänster Norden AB, DK	9	16
Futurehome AS*	25	16
Telia Carrier Finland Oy	0	2
Telia Carrier Norway AS	7	7
Telia Finland Oyj	3	3
AB Telia Lietuva	6	8
Telia Försäkring AB	5	4
Cygate AB	1	0
Latvijas Mobilais Telefons SIA	1	2
Telia Global Serv Lithuania HO	1	0
Springworks International AB	1	0
Øvrige	2	1
Sum	2 712	2 658

Transaksjoner med nærstående (salg)	2021	2020
Telia Sverige AB	33	47
Telia Finance AB Norge	647	532
Telia Nättjänster Norden AB, DK	0	58
Telia Towers Norway AS	0	1
Telia Finland Oyj	27	39
Telia Carrier AB	3	9
Telia Eesti AS	8	10
AB Telia Lietuva	4	7
Telia Försäkring AB	31	0
Latvijas Mobilais Telefons SIA	4	6
Futurehome AS*	5	0
TV4 Media AB	3	0
Telia Nättjänster Norden AB, DK	22	0
Sum	787	711

* Futurehome AS inngår ikke i konsernet per 31.12





Note 24 Leiekontrakter

Beløp vises i millioner kr

Telia leier plass til teknisk utstyr, fiber, kontorer, butikklokaler og biler.

Leieperioden benyttet i verdsettelsen av leieforpliktelse følger kontraktslengder inkludert opsjoner som vil benyttes (med 80 % sikkerhet) for biler, kontorer og butikklokaler. For fiber og plass til teknisk utstyr varierer kontraktslengden mellom eiendelsklasser og er i intervallet 3-15 år ut ifra hva som anses som beste estimat for hvor lenge selskapet ønsker å være i leieforholdet.

Telias avtaler er gjenstand for årlig revurdering fra og med regnskapsåret 2020. Årets revurdering førte til at leieperioden benyttet i verdsettelsen økte med 1 år, og tilsvarer leieperioden som ble benyttet ved implementering av IFRS 16 i 2019. Denne revurderingen førte til en økning på MNOK 162 i bruksrett og langsiktig leieforpliktelse

Sensitivitet i estimat av leieperiode: En ett års økning/reduksjon i leieperioden tilsvarer ca MNOK 162 i økt/redusert leieforpliktelse og bruksrett.

	2021	2020
Bruksrett leiekontrakter		
Biler	2	4
Plassering teknisk utstyr	1 843	1 776
Eiendom	508	139
Fiber, kobber og føringsveier	393	411
Bokført verdi 31.12.2021	2 746	2 329

	2021	2020
Avskrivninger		
Biler	3	10
Plassering teknisk utstyr	254	244
Eiendom	123	120
Fiber, kobber og føringsveier	74	74
Bokført verdi 31.12.2021	454	448

Økonomisk levetid: 0-15 år

Resterende estimerte leiebetalinger for balanseførte leieavtaler	2021
Innen 1 år	382
1-5 år	1 114
Etter 5 år	921
Resterende estimerte innbetalinger (nominell)	2 416

	2021	2020
Balanseført leieforpliktelse	2 872	2 362
Hvorav:		
-kortsiktig gjeld	349	308
-langsiktig gjeld	2 522	2 054

	2021	2020
Rentekostnad leiekontrakter	79	74
Kostnad kortsiktige leiekontrakter	0	0
Kostnad leiekontrakter med lav verdi, ikke inkludert i oversikten over som kortsiktig gjeld.	3	3

Total kontantstrøm for leiekontrakter i 2021 var mnok 442





Telia Norge AS som utleier

Operasjonell utleie

Telia leier ut dekodere og routere samt telefoner til privatkunder og fremleier lokaler i Stålfjæra til bedrifter og andre operatører. Leiekontraktene er i stor grad kontraktene er i all hovedsak mellom 1-5 år for utstyr og 2-5 år for lokaler.

NOK i millioner kroner	2021	2020
Leieinntekt	429	908

Det var ingen variabel leieinntekt i 2021.

Analyse fremtidige leieinntekter	2021
Mindre enn 1 år	131
1-2 år	112
2-3 år	98
Totale nominelle forventede leieinntekter	341





Likestillingsredegjørelse Telia

I Telia Company oppmuntrer vi til, og tilrettelegger for at alle kan være den beste, brillante og mest autentiske versjonen av seg selv. Vi tilbyr like muligheter for å sikre at våre ansatte reflekterer mangfoldet vi har hos våre kunder og samfunnet vi er en del av.

Del 1: Tilstand for kjønnslikestilling

Kjønnsfordeling på ulike stillingsnivå/grupper					Lønn							
					Kontante ytelser							Skattepliktige naturalytelser
					Sum alle kontante ytelser	Avtalt lønn/fast lønn	Uregelmessige tillegg (UB-tillegg)	Selskapsbonus	Bonus og provisjon	Overtidsgodtgjørelser og planlagt nattarbeid	Fast bilgodtgjørelse	Sum skattepliktige naturalytelser
Beskrivelse av stillingsnivå/-gruppe	Kvinner	Menn	Andel kvinner	Total	Forskjeller kontante ytelser (%)	Forskjeller avtalt lønn/fast lønn (%)	Forskjeller uregelmessige tillegg (%)	Forskjeller bonus (%)	Forskjeller provisjon (%)	Forskjeller overtidsgodtgjørelser (%)	Forskjeller bilgodtgjørelse (%)	Forskjeller skattepliktige naturalytelser (%)
Total	605	1466	29 %	2071	96,7%	100,6%	29,2%	110,2%	36,5%	54,4%	25,2%	95,9%
Business Support	223	516	30 %	739	98,4%	102,6%	79,6%	169,5%	48,1%	71,8%	0,0%	121,6%
Senior Business Support	91	120	43 %	211	98,5%	103,1%	55,2%	135,4%	32,5%	50,3%	0,0%	106,6%
Team Leader/Professional	115	235	33 %	350	92,2%	99,5%	17,4%	103,2%	43,2%	82,3%	29,0%	95,3%
Team Manager/Senior Professional	104	304	25 %	408	92,8%	96,4%	26,3%	94,5%	35,9%	62,4%	35,6%	95,6%
Manager/Expert	59	217	21 %	276	95,4%	99,2%	0,0%	95,9%	34,4%	21,5%	52,7%	91,5%
Senior Manager/Senior Expert	13	74	15 %	87	101,7%	103,6%	0,0%	117,4%	0,0%	0,0%	4,0%	81,0%

Kjønnsbalanse		Midlertidig ansatte		Uttak av foreldrepermisjon		Deltidsarbeid				
						Faktisk deltidsarbeid		Ufrivillig deltidsarbeid		
Antall kvinner	Antall menn	Midlertidig ansatte kvinner	Midlertidig ansatte menn	Kvinner uttak av foreldrepermisjon (gjennomsnitt antall uker)	Menns uttak av foreldrepermisjon (gjennomsnitt antall uker)	Deltid kvinner	Deltid menn	Ufrivillig deltid kvinner	Ufrivillig deltid menn	
605	1466	3	12	42	34	89	277	4	21	

Til beregningen av lønnsforskjeller har vi delt opp fastlønn og ulike tillegg, slik som provisjon, overtidsgodtgjørelse, ubekvem arbeidstid-tillegg, bonuser og andre goder for regnskapsåret 2021. Vi har også vurdert likt arbeid og arbeid av lik verdi i utformingen av stillingsnivåene. Utformingen av stillingsnivåene er basert på eksisterende stillingskategorier i virksomheten og en vurdering av hvilke stillinger som inngår i de ulike nivåene. De tillitsvalgte blir hvert år presentert måten vi evaluerer stillingsnivåene på, og metodikken bak dette.

Vi har kartlagt ufrivillig deltid i bedriften vår basert på tilbakemeldinger fra ansatte i utviklingssamtaler med leder, og resultatene fra kartleggingen viste at kun ca. 7% av våre deltidsansatte kunne tenke seg å jobbe fulltid. En stor andel av våre deltidsansatte er studenter med et primært ønske om å kun jobbe deltid.

Lønnsforskjeller mellom kvinner og menn i virksomheten ser ut til å ha sunket det siste året.

Del 2: Vårt arbeid for likestilling og mot diskriminering



Prinsipper, prosedyrer og standarder for likestilling og mot diskriminering

- Vårt likestillingsarbeid er forankret i virksomhetens ulike strategier, verktøy, retningslinjer og personalpolitikk.
- Vi har en egen likestillingsstrategi fra 2019 som sist ble oppdatert i 2022.
- Vi startet med eget kjønnsrammeverk med ambisjon om 50/50 på alle nivåer i alle jobbfamilier i selskapet. I 2020 var fokuset på aktiviteter for å øke kvinneandel, og i fjor gjennomførte vi på konsern nivå en pilotundersøkelse for å få tall på andre minoriteter som lhbt+, nedsatt funksjonsevne og etnisiteter. Undersøkelsen er planlagt å kjøres i full skala i starten av neste år. Vi utvider også fokuset på kjønn og mangfold til å gjelde hele vår verdikjede i år, ved å sette krav til partnere og leverandører om å jobbe med dette.

Slik jobber vi for å sikre likestilling og ikke-diskriminering i praksis:

Rekruttering:

- Trening av ledere i inkluderende rekrutteringspraksis.
- Develop Diverse, et system som dekode annonsetekster for å forhindre at tekst bidrar til å ekskludere kjønn og minoritetsgrupper.
- Gjør sourcing og attraheringsaktiviteter i de tilfellene der vi har en uniform kandidatgruppe.
- Kontinuerlig utfordrer og lærer opp rekrutterende ledere i diskusjoner om kandidatutvalg.
- Sommer-internship i IT der et mangfold av jobbsøkere og studenter er blant kandidatene som tas inn.
- Internship i samarbeid med NAV gjennom Asker og Bærum voksenopplæring og JobbAsker.

Lønn:

- Lønn fastsettes i forhold til nivået som stillingen innplasseres i, der jobbens kompleksitet, kompetanse, ansvar og påkrevd erfaring verdsettes og vurderes. Faktorer som ens kjønn, etnisitet, religion med mer er irrelevante i lønnsfastsettelsesprosessen.

Tillitsapparat:

- Vi har hvert år fire møter med arbeidsmiljøutvalget der diskriminering er på agendaen ved hvert møte. Vi har også laget en risikokartlegging på diskriminering, som er en del av års hjulet vårt. Vi har avholdt workshop med verneorganisasjonen rundt diskriminerings, likestillings- og mangfolds risikoer og tiltak i mars 2022.
- Vi har i tillegg lagt diskriminering som et agendapunkt i årshjulet til ansattutvalget som består av alle ledere og nestledere i de fagforeningene som Telia er bundet av.

Forfremmelse og utvikling:

- Som hovedregel utlyses alle ledige stillinger som et minimum internt, da også stillinger som vil innebære forfremmelse, og alle interne kandidater går igjennom vår standardiserte rekrutteringsprosess. Her har vi spesielt fokus på å sikre like muligheter for alle kandidater uavhengig av bakgrunn.
- Alle utviklingsmuligheter er åpne for alle og vi går jevnlig igjennom for å se at vi har en god kjønnsbalanse og mangfold i dette.
- Vi har en fleksibel aktivitetsbasert arbeidsplass, som legger til rette for en gode muligheter til å kombinere arbeid og familieliv.

Arbeidsplassens utforming



- Flere tiltak er blitt gjort i forbindelse med etablering av et nye kontorlokaler, der hensyn til for eksempel funksjonsnedsettelse er blitt ivarettatt gjennom universell utforming. Eksempler er blindeskrift på trappegelender, tilstrekkelig plass og lave/ingen dørstokker som hindrer fremkommelighet, samt tilrettelagt parkering i byggets kjeller. Hensyn til ulike kjønnsuttrykk er tatt gjennom at 90% av toalettene er kjønnsnøytrale.

Slik jobber vi for å identifisere risiko for diskriminering og hindre for likestilling

- Ledelse, People Partners, Rekrutterere og Mangfolds- og inkluderingsansvarlig er alle involvert i arbeidet med å identifisere risiko for diskriminering og hindre for likestilling. Vi møtes i hovedsak kvartalsvis for å diskutere status og tiltak. Det blir behandlet i ledergruppen, i divisjonsmøter og i HR møter.
- Vi har gjennomgått alle våre interne prosesser og prosedyrer for å sikre at de er så nøytrale og inkluderende som mulig. Alt fra UX, HR prosesser, til supplier code of conduct og finansiell investeringsstrategi blir gjennomgått.
- Vi har en tydelig policy for nulltoleranse for diskriminering og vi har flere kanaler der ansatte kan varsle om eventuelle brudd på dette, som for eksempel nærmeste leder, HR-partner og en egen anonym speak-up linje.

Vi oppdaget følgende risikoer for diskriminering og hindre for likestilling

- Mens det er små forskjeller i forhold til kjønn på fast lønn, finnes det variasjoner blant de andre kontante ytelser. Når vi aggregerer tallene, mottar menn mer kompensasjon i form av salgsprovisjon og fast bilgodtgjørelse. I gjennomsnitt jobber kvinner også færre timer definert som ubekvem arbeidstid, der det foreligger faste kontante tillegg.

Risiko:	Hinder:	Tiltak:
Ubevisste fordommer blant rekrutterende ledere	Lettere å ta det trygge valget enn å bevisst velge annerledes	Alle ledere trenes i inkluderende rekrutteringspraksiser og ubevisste fordommer. Rekrutterere og People Partners utfordrer rekrutterende leder ift. valg av kandidat for å sikre større mangfold
Graden av opplevd fleksibilitet kan variere	Ledere gir ikke nok rom for fleksibilitet der det er mulig	Sikre økt fleksibilitet der det er rom for det, som et viktig tiltak for å romme ulike behov og livssituasjoner. Corona har også økt graden av opplevd fleksibilitet. Blir viktig å beholde denne.





Risiko:	Hinder:	Tiltak:
Engelsk som konsernspråk	Lokalt avholdes mange møter på norsk, det kan føles fremmedgjørende for våre engelskspråklige	Majoriteten av alle saker som publiseres på intranett finnes både på norsk og engelsk. Stort sett alle powerpoint-presentasjoner til fellesmøter har engelsk tekst. Vi gjennomfører nå første runde med 3 grupper som får norskkurs.
Variasjoner i lønn ved andre kontante ytelser	Menn mottar mer kompensasjon i form av salgsprovisjon og fast bilgodtgjørelse. Kvinner jobber mindre ubekvem arbeidstid.	Aktivt jobbe for å rekruttere flere kvinner til salgsstillinger der salgsprovisjon og fast bilgodtgjørelse er utbredt.
Diskriminering og trakassering	Kun to saker ble rapportert i 2021.	Konkrete kampanjer for bevisstgjøring av våre rapporteringskanaler. Forsterke et arbeidsmiljø hvor man føler seg trygg nok til å si ifra om adferd som ikke er akseptabel.
Ubalansert utgangspunkt hva gjelder lønn i enkelte stillingskategorier og nivåer	Utilstrekkelig oppfølging ift. fastsetting av grunnlønn.	Gjøre ledere bevisst ift. likestilt lønnsfastsettelse ved ansettelsesprosess, og ved årlig lønnsoppgjør.
Manglende likelønn	Manglende forståelse for viktigheten av å lukke gapene.	Gjennomfører hvert år en likelønnsanalyse på tvers av alle våre 7 land for å kunne sammenligne og lære av hverandre med tiltaksplan for å lukke gapene.
Vi rekrutterer flere menn enn kvinner	Følger ikke etablert policy	Sørge for etterlevelse av policy om 50/50 finalekandidater i rekrutteringsprosess.





Risiko:	Hinder:	Tiltak:
Ekskluderende jobbannonser og rekrutteringsprosess	Kompetanse blant ledere og at rekrutterer ikke involveres tidlige nok.	Bruk av Develop Diverse (se beskrivelse tidligere i dokumentet). Vi har hatt en gjennomgang av alt fra tekst til bilder i våre jobbannonser, samt jevnlig gjennomgang av vår rekrutteringsprosess for å sikre tilfang av en mer mangfoldig gruppe talenter.
Mangel på kompetanse om mangfold	Ledere og ansatte ønsker kunnskap, men opplever ofte mangel på tid til å delta på relevante læringsarenaer.	Vi har hvert kvartal våre globale «Diversity Talks» der vi setter ulike temaer, som LHBT+, funksjonsevne, kvinner i teknologi, allies osv. på agendaen. Dette er en stor utviklingsarena som treffer opptil 1300 deltakere hver gang. Vi har planlagte aktiviteter for både kvinnedagen og Pride i 2022.
Ekskluderende toaletter	At ikke alle er for ny toalettinndeling	I vårt nye kontor har vi 90% unisex toaletter for å sørge for at alle føler seg velkommen. 10% separate mann/kvinne toalett er beholdt for å også inkludere de som ønsker kjønnsdelte toaletter.
Kan ikke identifisere seg med sitt kjønn i Workday, vårt personalsystem	For få kategorier	Vi har tilrettelagt for at alle ansatte kan velge å identifisere seg med flere kjønnskategorier.





Risiko:	Hinder:	Tiltak:
Ikke nok intern kompetanse om mangfold	Sile ut relevante arenaer og allokere tid til kompetanseheving.	Vi er med i en rekke mangfolds nettverk for å øke vår egen kompetanse, lære av andre og dele av våre erfaringer. Vi har sterk tro på at vi sammen blir best. Gjennom Telia Company er vi også en del av initiativet «Nordic CEOs for a more sustainable future» for å lære av andre selskaper og sammen forplikte oss til mer handling.

Resultater av arbeidet

- Vi har allerede vunnet en rekke priser for mangfoldsarbeidet vårt globalt.
- Vi har lyktes i å trene rundt 41% av våre ledere i inkluderende rekrutteringspraksiser og rundt 34% i Unconscious Bias.
- Vi har lyktes å oppnå en kvinneandel hos våre ledere på **26,2%** i 2021. Vi har som mål at dette skal være 50% innen 2025. Vi ser på om vi kan sette mer ambisiøse delmål på veien dit.
- Vi har gjennomført en kampanje med fokus på mental helse som fikk stor oppmerksomhet i organisasjonen.
- Sammen med en rekke ildsjeler har vi også i fjor lyktes med å opprette en diversity hub, der en rekke initiativer ansatte i organisasjonen har kommet og blitt løftet opp, blant annet intern bevissthet rundt psykisk helse, Norsk-kurs og tilrettelegging for engelskspråklige.
- Vi har signert en eksternt CEO forpliktelse til å jobbe detaljert med kjønn og etnisk mangfold, i regi av Oda og Mak.
- Vi ser en holdningsendring hos rekrutterende ledere når det kommer til åpenhet rundt kandidatutvalg, men ser fortsatt en tendens mot å gå for det «tryggeste» valget i mange tilfeller.
- I vår medarbeiderundersøkelse sier 91% at de behandles med respekt og 77% sier at de har en god balanse i arbeid- og privatliv.
- I vår onboarding-undersøkelse som sendes ut til alle nyansatte sier 94% at de føler seg komfortable med å være seg selv.

Forventninger til arbeidet framover

- I året som kommer vil vi ha fokus på å fortsette kompetanseutviklingsarenaene våre med våre kvartalsvise «Diversity Talks» for å bygge kompetanse og bevissthet både internt og eksternt.
- Vi vil kjøre et internt sponsorprogram to runder i år for å løfte mangfoldige talenter, samt fortsette med en rekke internship initiativ.
- Målet vårt for kjønnsbalanse blant ledere er 30% kvinner i 2022.
- Ledertreningene i Inclusive Recruitment Practices og Unconscious Bias vil fortsette å rulle med mål om 100% innen 2023 og et anslag på 70% i år.





Verifikasjon

Transaksjon 09222115557472756808

Dokument

Telia Norge AS 30.06.22 inkl redegjørelsesrapport
Hoveddokument
38 sider
Initiert på 2022-07-04 13:20:27 CEST (+0200) av Helene
Ribe (HR)
Ferdigstilt den 2022-07-05 16:47:25 CEST (+0200)

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2021-10-01 16:25:40 CEST (+0200)
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Annual and Sustainability Report





Better connected living

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The audited annual and consolidated accounts comprise pages 19-105 and parts of pages 110-111 and pages 124-250. The corporate governance statement examined by the auditors comprises pages 54-73.

The sustainability information reviewed by the auditors comprises pages 74-122, which also includes the statutory sustainability report on pages 74-105 as well as parts of pages 110-111. The statutory sustainability report is also part of the Board of Directors' Report.



Our Business

Our Strategy

Read more →

Directors' Report

Sustainability

Financials

Other

Comments from our CEO

Towards a Better Telia

As we close out the second year of the pandemic, and look with optimism towards the future, we see the rapid shifts in consumer behaviour, innovation and technological development reinforcing the important role Telia will play in an increasingly digital world. The pandemic has accelerated digital transformation at a rate no one could have imagined. And the power of our networks has never been more evident as the services they underpin have kept people safe and connected and businesses operating through these past two years. In such a time of great change, Telia's ambition to be one of the world's most purpose driven providers of digital communications, steered by our purpose – **Reinventing Better Connected Living** – could not be more pertinent.

Arsretningskapets årsrapport 2021 for 981929055

[illegible]



This will ultimately reduce cost, accelerate speed to market, and modernize our product offerings. In the year, we have saved more than SEK 250 million of IT costs which are structural and sustainable reductions generated through the decommissioning of legacy systems and products, as well as through the consolidation of IT vendors. Digital skills training of employees has led to a 30% increase in the use of online real-time data and analytics. And the impact for our customers is already evident, especially in our TV and Media business where we have seen consumption on digital channels, such as TV4 Play, grow 35% during the year, enabling a growth of more than 20% in Swedish digital advertising revenue.

Finally, we have committed to **Deliver Sustainably**. Delivering sustainably for us means creating value for all our stakeholders and being a financially, socially and environmentally resilient company so as to allow consistent and accountable delivery over time. Despite salary inflation and higher energy costs we are ending the year with SEK 300 million lower operational expenses due to strong benefits from our transformation. We have reduced complexity and improved capital allocation by divesting small, non-core businesses totalling SEK 500 million, in the past 12 months, without any impact on Group EBITDA. And, as further detailed in this report we are positively progressing towards our sustainability targets across our environmental, social and governance agenda with climate and circularity, digital inclusion, and privacy and security in focus. Sustainability and resilience must be at the core of everything we do, to constantly earn trust from our stakeholders. Last year consumers

in 5 out of 6 of our markets ranked us 1st or 2nd on privacy in our consumer survey, while we proactively responded to private and public enterprise customers' existing and emerging security needs by for example expanding the scope for ISO 27001 certification. Our digital skills initiatives, in place to ensure that no-one is left behind in the digital society, reached 600,000 seniors, children, and SMEs. Our innovative data-driven services continued to support cities and municipalities with the new Travel Emission Insights service a great example – enabling city and municipality planners to reduce emissions from transportation. Looking at our negative environmental footprint, most greenhouse gas emissions are generated in our supply chain which explains our focus to push suppliers to adopt science-based targets. Suppliers representing 27% of total supply chain emissions had adopted such reduction goals by the end of the year.

»In 2022, I expect demands for our services to increase further as customers seek more and more connected services and experiences that rely on safe, reliable and high-speed networks.«

In summary, our strategic progress sees us boldly moving forward towards a better Telia. We have returned to growth on both revenue and EBITDA for the first time since 2014. We have secured our network leadership, we have laid the foundations for a sustainable digital transformation of the whole of Telia, and we remain a sector leader in responsible business. We are also on track to create the region's first meaningful tower platform with an enterprise

value of EUR 2.6 billion. This, along with the sale of Telia Carrier, means that we ended 2021 with a strong balance sheet, and have generated the cash flow necessary to both fully cover heightened investments and our progressive dividend.

With the current strong balance sheet position foreseen to be sustained, the Board also announced

in January 2022 that it intends to propose the distribution of the net proceeds from the Swedish tower transaction, which is expected to close during 2022, to our shareholders.

In 2022, I expect demands for our services to increase further as customers seek more and more connected services and experiences that rely on safe and high-speed networks. As the costs to

deliver these services now face inflationary pressure, it is no longer sustainable for our services to deflate in value. Entering 2022 we will execute on two fronts to meet this new environment. Firstly, by offering connectivity, communication and entertainment services that are superior to anything we have offered in the past, and by ensuring the price of these services reflect the value they bring to our customers. Secondly, by continuing to transform our operations to be simpler, and more modern we will have fewer products, platforms, and partners that will enable a much better customer experience at a lower cost base.

With one year under our belt, I remain in our ambitions and in our ability to successfully on a bold digital transformation will enable sustainable growth, with asset base, and a more efficient cost ultimately reinvent better for our customers, employees, our owners and the society the years to come.

As we move into the second year of our journey to reinvent a better Telia, I am confident and support we enjoyed to 500,000 shareholders and I could of everything my Telia colleagues have people and businesses connected to. Nor could I be more excited about the we can play as societies and economies and rebound, post the pandemic year

Stockholm, March 9, 2022

Allison Kirkby
President and CEO

Telia Company in brief

Who we are

We are technology pioneers digitalizing society for the past 160 years. Today our 20,000 talented colleagues serve 25 million customers across the Nordic and Baltic region with essential digital infrastructure and digital services that are fundamental enablers of the digital societies we live in. We are the telecommunications leader in the region, the leading Nordic media house, and the leader in ICT in both Finland and the Baltics.

What we do

We are the hub in the digital ecosystem, connecting individuals, families, businesses and communities to the communication, ICT and entertainment services that enable and empower their lives. We have a deep social conscience that drives us to use our technology to be agents of improvement in society. We are constantly innovating ourselves to do better for ourselves, our customers, our owners and the societies of the Nordics and the Baltics.

Why we do it

We believe a connected life is a better life. Everything we do is driven by our purpose to reinvent better connected living so that people can live fuller lives, businesses can work smarter, and society and the planet can flourish together.

We provide



Mobile voice and data



Fixed voice and data



TV and streaming



ICT Services



Media advertising



Devices

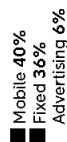


Value added services

Net sales 2021: 88.3 SEK billion

Per segment

Per service



Market	Position			Brands
				
Sweden	#1	#1	#2	 Telia
	#2	#2	#3	 Telia
Finland	#2	#2	#2	 Telia
Norway	#3	#5	#4	 Telia
Denmark	#2	#1	#1	 Telia
Lithuania	#1	#1	#2	 Telia
Estonia	#1	n/a	n/a	 Telia
Latvia	#1	n/a	n/a	 Telia

2021 in review

Adjusted EBITDA



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Financial

Service revenues (SEK billion)

75.2 (77.3)

Operational free cash flow (SEK billion)

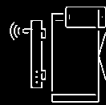
10.4 (12.1)

Leverage (ratio)

2.14x (2.57x*)

Dividend** (SEK/share)

* Restated
** Proposal to AGM



Operational

Fixed broadband subscriptions (million)

2.9 (2.9)

TV subscriptions (million)

3.4 (3.2)

Fixed telephony (million)

1.0 (1.2)

Mobile subscriptions (million)



Sustainability

78% (79%) reduction of CO₂e emissions since 2018

27% (16%) of supply chain emissions covered by science-based climate targets

608,000 individuals reached through digital inclusion initiatives

74% of waste from own operations were reused or recycled

37% (38%) female leaders in the extended leadership team

76/100 (78/100) in employee engagement score

Selected highlights 2021

New purpose and strategy
Telia launched a transformative purpose and strategy, to galvanize the organization, return the company to growth, and help drive and define our next decade.

Strategic public sector partnerships
Telia Sweden and Telia Norway signed their largest enterprise contracts ever. Sweden extended its agreement for connectivity, security and call center services with Region Skåne while Telia Norway gained the Norwegian postal services as client.

Pan-Nordic tower partnership
Telia formed a TowerCo in partnership with Brookfield and Alecia contributing its towers in Finland and Norway (expanded in 2022 to also include Sweden, resulting in a total EV of EUR 2.6 billion).

Champions League exclusivity
Telia Sweden launched Champions League football exclusively for Telia and C More customers.

First 5G standalone network
Telia Finland launched the first commercial 5G standalone network in the Nordic and Baltic region.

Return to growth
Both service revenue and adjusted EBITDA were like-for-like for time in over 7

5G frequencies in Sweden
Telia Sweden secured spectrum in the 3.5GHz band which together with existing frequencies enables 5G rollout targeting >90% population coverage 2023.

Best employer award in Lithuania
Telia Lithuania was named Best Employer among large companies by Lithuania's Ministry of Social Security and Labor.

Network sharing expansion
Telia Finland and DNA agreed to further expand network sharing in Finland, enabling increased population coverage and wider 5G deployment.

Unique mobile and streaming offering
Telia Sweden launched a unique mobile offering combining unlimited data with popular streaming services Netflix and C More.

Spectrum in Norway
Telia Norway secured frequencies in the 2.6 GHz band and 3.5 GHz bands, enabling Telia's target of launching the country's first nationwide 5G by 2023.

Eco
Telia and four leading operators launched Eco scheme to help choose mobile lower environment

Trends

A world of connected opportunities

Telia operates in one of the world's most digitalized regions with the privilege to serve customers across the Nordics and the Baltics. The opportunities and challenges our customers and our societies face are at the core of the trends that influence our business strategy and our desire to continuously reinvent better connected living.

[Read more](#) →

01.

Connecting everyone and everything

02.

Simplification and convergence

03.

Digitalization of businesses

04.

Security and cyber resilience

05.

Scalable global platforms

06.

Infrastructure value creation

07.

Sustainability at the core

08.

The future of work



01. Connecting everyone and everything

As we continue to move from connecting people and companies to increasingly connecting things and business critical processes, every point of connectivity can make a difference, and even minor downtimes or glitches can have far-reaching consequences. Connectivity is now an integral part of our daily lives and businesses that will keep growing in importance for the foreseeable future.

02. Simplification and convergence

Consumers increasingly demand digital products and services that entertain, simplify their daily routines, and enable a sustainable digital life. Continuous innovation by large global players as well as small start-ups is catering to these needs and desires. When buying and using aggregated offerings for a household, consumers expect seamlessness and flexibility. This drives the demand for simple and digital user experiences across channels, products and services.

03. Digitalization of business

Digitalized business models are superior in delivering high value together with operational excellence while enabling environmental sustainability. They are fuelled by a core of readily available platform software driven tools to create innovative solutions. Enterprise simplicity driving the demand for orchestrated digital solutions, IoT and cloud, closely integrated connectivity, are essential for business success.

04. Security and cyber resilience

The need for secure and resilient infrastructure continues to grow along with rising cyber threats, continuity risks and privacy concerns. Digitalization has increased the vulnerability of businesses by the increasing volume of data. Where speed and scale might have formerly been points, in a world of interconnected devices, hyper-automation, and reliability and data integrity inevitably become a high priority for businesses and consumers.

05. Scalable global platforms

Global hyperscalers (e.g. Microsoft, Google, Amazon, Netflix and Alibaba) continue to gain traction, leveraging their scale and enormous development resources to drive adoption of their cloud-based platforms. Increased use of hyperscaler platforms enables growth of asset light businesses and increases the speed of innovation. Hyperscalers skew local competitive dynamics while at the same time enabling local players to compete by utilizing their existing customer relationships and developing locally orchestrated solutions.

06. Infrastructure value creation

With the current abundance of capital, interest to invest in telecommunications infrastructure has increased. Predictable returns over time driven by increasing dependence on digital communication, as well as the potential upside available through increased utilization of infrastructure assets, has led to the emergence of companies specialized in active development and operation of infrastructure. This has resulted in several telecommunications companies separating out infrastructure to crystallize value from those assets and continuing to grow their networks in a more capital efficient manner.

07. Sustainability at the core

Sustainability increasingly impacts purchasing behaviour as customers and other stakeholders recognize the value of integrated sustainability strategies. Cherry picking sustainability projects will no longer suffice as the transition to thriving sustainable economies and societies require considerations across the entire human rights and environmental spectrum, both in own operations as well as extended to a company's suppliers, partners and beyond.

08. The future of work

Automation, fierce competition for skills, and shifting employee desires are influencing a rapidly changing labor market as well as work models. In a world increasingly driven by data, cloud, and standardized software-as-a service solutions, competition for talent is less industry-specific and local than previously as digital skills can be applied across sectors and remotely. Future competition for talent will be global and candidates discerning as to employers' propositions.



We reinvent better connected living

Through our...



By excelling at...



So that we have the...



Most empowered societies

Reinventing a better Telia

In January we launched a transformative purpose and strategy, the organization, return the company to growth, and help drive our next decade.

Our ambition is to make Telia better for our customers, our employees and the societies of the Nordics and the Baltics. Led by we have chosen four strategic priorities that explain how our strategy create value and be better for all our stakeholders.

- **Inspiring customers** with brands and experiences that go beyond connectivity
- **Connecting everyone** through the most trusted, reliable and modern networks
- **Transforming to digital** to be simpler, faster, data driven and lower cost
- **Delivering sustainably** through an accountable and empowered organization

Read more about the four strategic priorities →

Inspiring customers

We work relentlessly to bring our customers better products and services to enable them to achieve, engage and experience more.

Providing seamless customer interactions...

...through frictionless customer-personalized touch-points and experiences across platforms

Catering for all the household's needs...

...with high-quality connectivity, sustainable devices and engaging media and entertainment offerings in the home and on the go

Being the preferred digitalization partner for businesses...

...by orchestrating services beyond connectivity - including cloud, IoT and security solutions as well as private networks dedicated to customers' specific needs

Innovating for the future...

...by putting sustainability at the center of product development to help businesses and societies solve pressing challenges such as climate change

Selected progress 2021

- Telia ranked #1 for most satisfied enterprise customers in Sweden for 20 consecutive years
- Halebop ranked #1 for most satisfied in Sweden by SKI (#1 in 12 out of the 13 categories)
- Telia's OneCall again awarded the best in Norway by EPSI
- Telia and Phonero awarded #1 and #2 enterprise brands in Norway by EPSI
- Telia Sweden's TV service ranked best consecutive year
- Customers buying more than one service across our footprint, with Telia Life, our convergence product grew by 13%
- Digital and linear ad revenues growing digital up >20% in Sweden
- Launch of Travel Emission Insights, enabling customers to reduce CO₂ emissions from flights
- » Sustainability section

Connecting everyone

Connecting everyone over the most reliable and secure networks is imperative to deliver better and inclusive connected living.

Building and maintaining digital network leadership...

...through expanded reach, capacity and quality in high-speed fixed and 4G/5G mobile networks

Modernizing our networks...

...by retiring legacy and rolling out modern technology to introduce new functionality, improved reliability and operational efficiency

Driving digital inclusion...

...by providing access to reliable connectivity for all and empowering users with digital skills

Expanding and crystalizing infrastructure value...

...by partnering with strategic partners and investors who bring industry expertise and investment into our assets

Selected progress 2021

- Telia Sweden awarded best mobile network in the world for the Swedish people (compared to second place by the Norwegian people)
- Leading 5G roll-out across the Nordic region with population coverage by year end 45% in Norway, 10% in Sweden, 40% 25% in Estonia
- Legacy network dismantling accelerated 3G network shut down; 70% of Swedish now dismantled
- 80% of network traffic now transitioned to cloud platform
- 10 Enterprise Mobile Networks fully operational including the first in Norway for the O2 Group
- 600,000+ individuals reached via our skills initiatives, targeting seniors and » Sustainability section
- Ranked 11 out of 150 globally and 4th in digital inclusion by World Economic Forum
- Creating the first Nordic tower platform Enterprise Value of EUR 2.4 Bn

Årsrapport 2021

Transforming to digital

We are transforming to digital to simplify operations, act faster and, ultimately, enable a better customer experience.

Simplifying and automating products and processes...

...to reduce complexity, utilize scale, and enhance quality

Leveraging analytics and data driven operations...

...in our decision making and in value proposition creating processes to improve customer personalization

Establishing business agile IT...

...by modernizing and standardizing our IT systems across the organization

Maintaining a privacy and security focus...

...at the core of all our work with our own and our customers' digitalization journeys

Selected progress 2021

- Retired >20% of all legacy products and legacy systems
- Scaled common products by 2x, to >40% of target portfolio
- Intelligent automation increased by 35%
- Deployed digital native platforms including AWS analytics
- >75% of Swedish marketing campaigns enabled via data driven insights
- IT supplier consolidation reducing from 28 to 11 strategic partners
- Enabling a digital workforce via critical skills in-sourcing and growth in data users +30%
- Top tier privacy positions in Sweden, Norway, Denmark, Estonia, and Lithuania. » [Sustainability section](#)

Delivering sustainably

Creating value for all stakeholders and society rests on being a financially, socially and environmentally resilient company – the essence of our commitment to deliver sustainably.

Ensuring financial stability...

...through a return to growth, transformation of our cost base to improve productivity, improved structural cashflow, a strengthened balance sheet, and enabling a predictable and progressive shareholder remuneration policy.

Securing execution excellence...

...by empowering employees to deliver on our purpose within a culture that values diversity and inclusion while promoting accountability and development

Integrating ESG...

...into all material processes and strategies guided by a strong ethics and human rights agenda to reduce risks and maximize our positive impact on people and the planet



Selected progress 2021:

- Balance sheet significantly strengthened reduced from **2.57x to 2.1x**
- **300 MSEK** lower operational expenses benefits from our transformation
- **500 MSEK** realized from sale of non core assets
- **700 MSEK** of excess liquidity invested in bonds
- Employee Engagement is **26/100** in percentile performing companies
- New leadership and development framework to strengthen both leadership and strategy
- **70%** of workforce capacity now delivered with agile methodologies
- Achieved top rating from CICI ESG Report status by EcoVadis

For detailed sustainability results, read more in the » Sustainability section



Directors' Report



Comments from our Chair

Reinventing a better Telia for our customers and owners

At the beginning of 2021 I encouraged us all to buckle up for the eventful multi-year transformational journey that Telia Company was embarking upon to better serve customers with leading connectivity and innovative products and services to match their needs. I also mentioned that by making Telia more digital, faster, better and cost efficient, we expected to return to growth.

One year on the road towards a "Better Telia" I am pleased to see such predictions starting to materialize as the company returned to both service revenue and EBITDA growth; maintained its network leadership; grew converged households, fiber, fixed wireless and C More customers; extended its commercial share of viewing in TV and Media; elevated connectivity with the region's first 5G stand-alone network; progressed a strong ESG agenda; executed on its cost transformation plans; and further moved towards becoming simpler, more agile and more digital. Efforts which combined underpin our ability to inspire, gain and maintain the trust of our customers, in both the consumer and enterprise segment.

Customer satisfaction, however, is never constant but must be earned every day. In a rapidly evolving landscape, where traditional competition is augmented by hyper scalers and shifting customer demands, the benchmark for quality customer experience is continuously evolving and we must evolve not only with, but ahead of it. Telia has all the pre-requisites in place to do so, particularly in its ambition to become a more digitally enabled, more customer friendly company to deal with. The company's purpose and strategy are clear with a

solid focus on network leadership and network security underpinning our many innovative products and services that allow consumers both entertaining and more sustainable choices, and enterprises a path to more efficient and greener operations.

Excellent customer experience is also driven by the ease of dealing with us as a provider, and our strategic priorities to transform to digital and deliver sustainably are hence as fundamental to our success. Implementation of Telia's internal transformation agenda and its effect on customer experience has been among the topics the Board has allocated time to during the year, as has been the company's efforts to become financially, socially and environmentally resilient.

Our resilience is a corner stone in our partnerships with governments and society more broadly who rely on the safety and reliability of our networks. Our responsibility in connecting everyone could

not be clearer as last year has yet again shown. We seek out opportunities to crystalize the value of our digital infrastructure, operationally as well as financially, with such responsibility in mind. During the year this was exemplified by our partnership with Brookfield and Alecta, solidifying our long-term view of tower ownership while enhancing expert management of the same.

»Our resilience is a corner stone in our partnerships with governments and society more broadly who rely on the safety and reliability of our networks.«

Our people are at the core of the ability of the organization to deliver on its goals. As the world is emerging into a post-pandemic setting, bringing with it unprecedented shifts in employee movements, the Board is pleased to see renewed focus and investment being put toward strengthening the company's talent, performance management and leadership program. We are glad

also to see the company's management team being complemented by a new General Counsel, Stefan Backman, and Chief People Officer, Maria Ewerth Romberg, during 2022.

With the opportunity to meet and connect with our customers in person again returning, I have no doubt that our strategy execution will continue to deliver value for our shareholders while also to President and CEO, Allison K. also to the Board of Directors and management team and all Telia employees, for their commitment and work during the year.

The transformation towards a better Telia serves customers, stakeholders and partners continues, and I am looking forward to the next year of our journey.

Stockholm, March 9, 2022

Lars-Johan Jarnheimer
Chair of the Board

Group development in 2021

Telia Company's operating model is based on geographical areas except for the TV and Media segment. The group's operations are managed and reported by the following operating segments: Sweden, Finland, Norway, Lithuania, Denmark, Estonia and TV and Media. Included in Other operations are the operations in Latvia, Telia Finance as well as Group functions. Group functions include Group Strategy & Commercial, External Affairs, Governance and Trust, Corporate Affairs, Finance, Common Products and Services, Brand, People, Experience & Culture and Telia Asset Management. Telia Carrier was also included in Other operations and classified as held for sale from September 30, 2020 until June 1, 2021 when divested. For information on assets held for sale and discontinued operations, see Note C35. In this Report, comparative figures are provided in parentheses following the operational and financial amounts and refer to the same item in the full year of 2020, unless otherwise stated.

Financial highlights

SEK in millions, except key ratios, per share data and changes

	Jan-Dec 2021	Jan-Dec 2020
Net sales	88,343	89,377
Change (%) like for like ¹	3.2	
of which service revenues (external) ^{1,4}	75,180	77,777
change (%) like for like	1.5	
Adjusted ² EBITDA ^{1,5}	29,861	30,730
Change (%) like for like	0.4	
Margin (%)	33.8	34.3
Adjusted ² operating income ^{1,5}	10,032	11,111
Operating income ⁵	15,232	17,232
Income after financial items ⁵	12,598	12,598
Net income from continuing operations ⁵	11,661	12,598
Net income from discontinued operations ³	171	-
Total net income ⁵	11,832	12,598
of which attributable to owners of the parent ⁵	11,680	12,598
EPS total (SEK) ⁵	2.86	2.86
Operational free cash flow	10,401	12,598
CAPEX ¹ excluding fees for license, spectrum and right-of-use assets ⁵	15,883	13,133

1) See sections Alternative performance measures and Definitions.

2) See section Adjustment items.

3) For discontinued operations, see Note C35.

4) See Note C6.

5) Restated, see Note C1.



Net sales

Net sales decreased 1.0 percent to SEK 88,343 million (89,191) partly driven by Finland although mainly by the divestment of Telia Carrier in June 2021.

Net sales like for like increased 3.2 percent mainly due to increased service revenues in TV and Media as well as the Baltic operations and increased sale of equipment in most markets although primarily in Sweden.

Service revenues like for like increased 1.5 percent driven by a positive development for TV and Media as well as the Baltic operations, which more than compensated for lower service revenues in the Nordic markets.

Net sales SEK in millions	Jan-Dec 2021	Jan-Dec 2020	Change (SEK million)	Change (%)
Sweden ¹	34,451	33,732	719	2.1
Finland	14,504	15,260	-756	-5.0
Norway	13,788	13,373	415	3.1
Denmark	5,214	5,464	-251	-4.6
Lithuania	4,320	4,151	169	4.1
Estonia ¹	3,331	3,276	55	1.7
TV and Media	8,648	7,429	1,218	16.4
Other operations	5,723	8,715	-2,992	-34.3
of which Telia Carrier	1,944	5,235	-3,291	-62.9
of which Latvia	2,562	2,381	182	7.6
Eliminations & other ¹	-1,635	-2,211	576	-26.0
Total	88,343	89,191	-848	-1.0

¹⁾ Restated, see Note C1.

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Operating expenses

Operating expenses decreased by 8.4 percent to 80,685 (88,041) mainly as last year was impacted by an impairment related to goodwill in Finland of SEK 7,800 million.

Goods and sub-contracting services purchased and change in inventories increased by 10.2 percent to SEK 27,558 million (25,016) driven mainly by increased equipment sales in Sweden and Norway as well as increased costs for film and program rights in TV and Media.

Interconnect and roaming expenses decreased by 28.8 percent to SEK 3,655 million (5,132) because of the Telia Carrier divestment.

Personnel expenses decreased by 3 percent to SEK 1,891 million (1,957) due to efficiencies realized throughout divestment of Telia Carrier.

Amortization, depreciation and impairment losses decreased 27.8 percent to SEK 20,023 (27,744) as last year contained a SEK 7,724 impairment related to goodwill in Finland.

Operating expenses SEK in millions	Jan-Dec 2021	Jan-Dec 2020 ¹	Change (SEK million)
Goods and sub-contracting services purchased and change in inventory	27,558	25,016	2,542
Interconnect and roaming expenses	3,655	5,132	-1,477
Other network expenses	1,891	1,957	-66
Personnel expenses	14,166	14,720	-554
Marketing expenses	3,265	3,343	-78
Other expenses	8,584	8,851	-267
Amortization depreciation and impairment losses	20,023	27,744	-7,721
Subtotal	79,141	86,763	-7,622
Other operating expenses	1,544	1,278	266
Total	80,685	88,041	-7,356

¹⁾ Restated, see Note C1.

Adjustment items

Adjustment items ⁴ SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Within EBITDA	5,290	-508
Restructuring charges, synergy implementation costs, costs related to historical legal disputes, regulatory charges and taxes etc.:		
Sweden	-227	-10
Finland	-48	-37
Norway	-112	-161
Denmark	-163	-17
Lithuania	-18	-13
Estonia	-6	-7
TV and Media	-86	-64
Other operations	-722	-164
Sub total	-1,383	-473
whereof personnel redundancy restructuring costs	-561	-399
whereof transformation and integration consultant costs	-376	-109
whereof other	-446	35
Capital gains/losses ¹	6,673	-35
Within Depreciation, amortization and impairment losses²	-91	-7,910
Within Income from associated companies and joint ventures³	-	-20,889
Total adjustment items within operating income, continuing operations	5,198	-29,307

1) 2021 includes a capital gain from the disposal of Telia Carrier and a capital gain from the disposal of the Alerta business, see Note C35.

2) 2020 includes an impairment of SEK -7800 million related to goodwill in Finland and an impairment of SEK -110 million relating to remeasurement of the Finnish real estate companies disposed in 2020.

3) 2020 includes a capital loss of SEK -17955 million from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses and a net impairment of SEK -2928 million related to the holding in Turkcell.

4) See sections Alternative performance measures and Definitions.

Following a balance sheet review in Denmark, a reassessment has been made of certain assets and liabilities, see Note C1.

Costs for major group wide business transformations have been added to the definition of Adjustment items from the first quarter 2021.

Management believe that this change results in reliable and more relevant information on the financial performance of the group as these transformation costs are not considered being part of the underlying financial performance of the business over time. See section Definitions.

Adjusted EBITDA

Adjusted EBITDA declined 2.0 percent to SEK 29,861 million (30,482) due to mainly the deconsolidation of Telia Carrier and lower adjusted EBITDA generation in Finland which more than offset a positive development for primarily TV and Media as well as for Norway.

Adjusted EBITDA like for like, increased 1.0 percent as a positive development for and Media as well as Other operations offset lower Adjusted EBITDA in main Denmark. In Sweden adjusted EBITDA declined 0.4 percent due to lower service revenue to mainly fixed telephony and partly well as business solutions.

Adjusted EBITDA ¹ SEK in millions	Jan-Dec 2021	Jan-Dec 2020	Change (SEK million)
Sweden ²	13,359	13,418	-5
Finland ²	4,322	4,789	-46
Norway ²	6,240	5,971	26
Denmark ²	906	1,015	-10
Lithuania	1,511	1,497	1
Estonia	1,196	1,153	4
TV and Media	878	758	12
Other operations	1,449	1,881	-43
of which Telia Carrier	371	909	-53
of which Latvia	840	778	6
Other and eliminations	238	194	4
Eliminations	-	-	-
Total^{1,2}	29,861	30,482	-62

1) See sections Alternative performance measures and Definitions.

2) Restated, see Note C1.

Operating income

Operating income amounted to SEK 15,232 million (-17,850). 2021 was positively impacted by a capital gain of SEK 6,428 million related to the Telia Carrier disposal, whereas 2020 contained a negative impact from an impairment related to goodwill in

Finland and a net impairment as well as a capital loss from the disposal of Turkcell mainly related to reclassified accumulated foreign exchange losses.

Operating income SEK in millions	Jan-Dec 2021	Jan-Dec 2020	Change (SEK million)	Change (%)
Sweden ²	5,588	6,758	-1,170	-17.3
<i>adjusted operating income</i> ^{1,2}	5,833	6,768	-935	-13.8
Finland ²	1,354	-6,320	7,675	
<i>adjusted operating income</i> ^{1,2}	1,069	1,599	-529	-33.1
Norway ²	2,192	1,432	760	53.1
<i>adjusted operating income</i> ^{1,2}	2,351	1,593	759	47.6
Denmark ²	-299	-34	-265	
<i>adjusted operating income</i> ^{1,2}	-67	-17	-50	
Lithuania	752	756	-4	-0.6
<i>adjusted operating income</i> ¹	756	776	-19	-2.5
Estonia	536	446	89	20.0
<i>adjusted operating income</i> ¹	542	453	89	19.6
TV and Media	13	-120	132	
<i>adjusted operating income</i> ¹	99	-55	154	
Other operations	5,096	-20,770	25,866	
<i>adjusted operating income</i> ¹	-551	340	-891	
Eliminations	-	-	-	-
Total operating income	15,232	-17,850	33,082	
<i>Total adjusted operating income</i> ¹	<i>10,033</i>	<i>11,457</i>	<i>-1,424</i>	<i>-12.4</i>

1) See sections Alternative performance measures and Definitions. 2) Restated, see Note C1.

Financial items, taxes and net income

Financial items totaled SEK -2,634 million (-3,318) of which SEK -2,625 million (-3,161) related to net interest expenses. 2020 was impacted by higher costs mainly related to buy-backs of issued debt whilst 2021 was impacted by refinanced debt at lower interest rates.

capital gain related to the disposal of Telia Carrier whilst comparative figures were mainly related to a non-deductible capital loss related to the disposal of Turkcell and non-deductible impairment related to goodwill in Finland.

Total net income amounted to SEK 11,661 million (-22,837) of which SEK 11,661 million related to continuing operations and SEK 176 million related to discontinued operations.

Income taxes amounted to SEK -937 million (-1,390). The effective tax rate was 7.4 % (-6.6). The effective tax rate was mainly impacted by a non-taxable



Financial position, capital resources and liquidity

Financial position

Goodwill and other intangible assets increased to SEK 89,943 million (85,942), mainly due to foreign exchange rate effects and investments in frequencies.

Long-term interest-bearing receivables decreased to SEK 9,244 million (11,233), mainly due to changes in derivatives.

Short-term interest-bearing receivables increased to SEK 8,841 million (5,486), mainly due to investment in investment bonds.

Assets classified as held for sale decreased to SEK 0 million (4,957) due to the disposal of Telia Carrier, also affecting Liabilities directly associated with assets classified as held for sale.

Long-term borrowings decreased to SEK 91,637 million (100,239) mainly due to a reclassification to short-term borrowings, but also due to changes in derivatives.

Provisions for pensions and other long-term provisions decreased to SEK 7,001 million (11,787) mainly due to remeasurements of defined benefit pension plans.

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Condensed consolidated statements of financial position SEK in millions

	Dec 31, 2021	Dec 31, 2020 ¹⁾	Change
Goodwill and other intangible assets	89,943	85,942	4,001
Property plant and equipment	72,741	70,893	1,848
Film and program rights, non-current	1,416	1,312	104
Right-of-use assets	15,485	14,814	671
Investments in associated companies and joint ventures, pension obligation assets and other non-current assets	4,749	3,445	1,304
Deferred tax assets	1,302	1,449	-147
Long-term interest-bearing receivables	9,244	11,233	-1,989
Total non-current assets	194,879	189,088	5,791
Film and program rights, current	3,005	2,706	299
Inventories	2,040	1,918	122
Trade and other receivables and current tax receivables	13,902	13,815	87
Short-term interest-bearing receivables	8,841	5,486	3,355
Cash and cash equivalents	14,358	8,133	6,225
Assets classified as held for sale	-	4,957	-4,957
Total current assets	42,146	37,014	5,132
Total assets	237,025	226,103	10,922
Total equity	83,544	63,496	20,048
Long-term borrowings	91,637	100,239	-8,602
Deferred tax liabilities	10,185	9,723	462
Provisions for pensions and other long-term provisions	7,001	11,787	-4,786
Other long-term liabilities	1,914	757	1,157
Total non-current liabilities	110,736	122,505	-11,769
Short-term borrowings	10,017	8,345	1,672
Trade payables and other current liabilities, current tax payables and short-term provisions	32,729	28,430	4,299
Liabilities directly associated with assets classified as held for sale	-	3,325	-3,325
Total current liabilities	42,746	40,101	2,645
Total equity and liabilities	237,025	226,103	10,922

1) Restated, see Note C1.

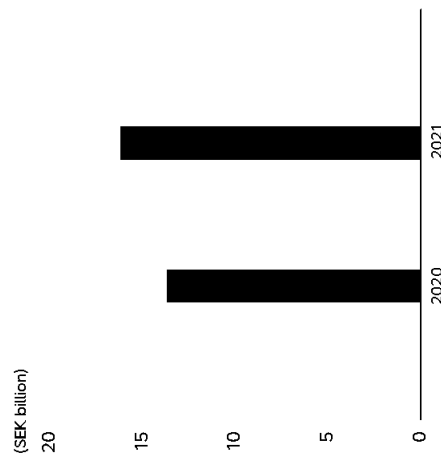
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CAPEX

CAPEX excluding right-of-use assets increased to SEK 18,001 million (13,563) and CAPEX, excluding fees for licenses, spectrum and right-of-use assets increased to SEK 15,885 million (13,421).

Main CAPEX components were related to investments in the mobile and fixed networks, roll-out of fiber and 5G as well as customer cases. Furthermore, telecom licenses and spectrum permits were acquired for a total amount of SEK 2.1 billion.

CAPEX excluding fees for licenses, spectrum and right-of-use assets



Credit facilities

Telia Company believes its available bank credit facilities and updated open-market financing programs are sufficient for the present known liquidity requirements. Telia Company's surplus liquidity (short-term investments, cash and bank, and certain securities with maturities exceeding 12 months but convertible to cash within 2 days) was in total SEK 26.4 billion (16.3) at year-end. In addition, the total available unutilized amount under committed bank credit facilities as well as overdraft and short-term credit facilities at year-end was SEK 16.8 billion (16.4). Telia Company shall target a solid investment grade long-term credit rating, defined as A- to BBB+. The credit rating of Telia Company remained unchanged during 2021. Moody's credit rating of Telia Company for long-term borrowings is Baa1 with a stable outlook. Standard & Poor long-term credit rating is BBB+ and the short-term rating is A-2, both with a stable outlook. Telia Company operates under a leverage target of 2.0x-2.5x.

Telia Company normally arrange its financing through the parent company Telia Company AB. Most issuances are done under the company's existing EMTN (Euro Medium Term Note) program of EUR 12 billion. The primary means of external borrowing are described in Notes C21 and C27 to the consolidated financial statements. No senior bonds were issued by Telia Company under the existing EUR 12 billion EMTN (Euro Medium Term Note) program during 2021.

As part of its commitment to sustainability Telia Company AB has a Green Bond Framework since 2019, under which Telia Company may issue Green

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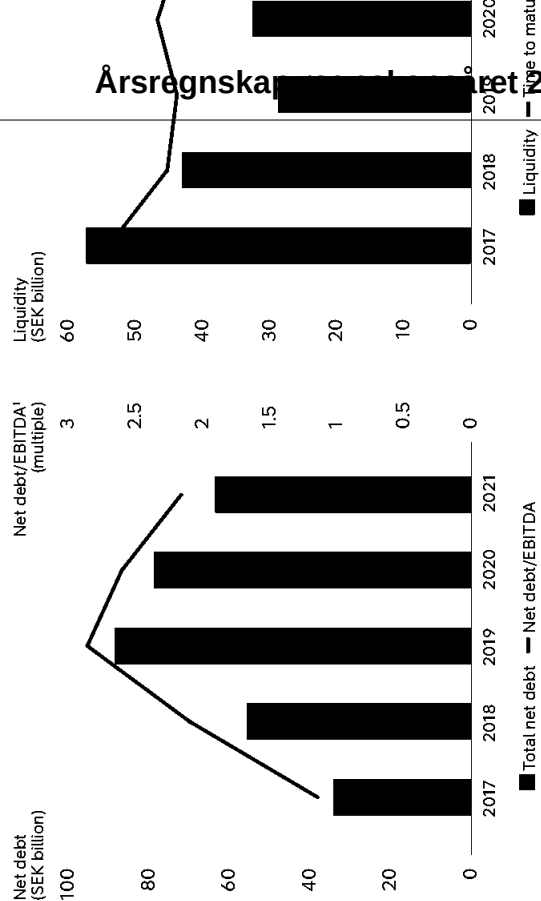
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Bonds. The framework specifies what kind of projects that are eligible for the use of proceeds, how projects are selected, the management of proceeds and reporting. Telia Company published its first Green Bond Report on 4 February 2021. No new debt was issued under the Green Bond

Framework in 2021. Issued debt at a SEK 5.8 billion was repaid during the year. At year-end, the average time to maturity of Company's overall debt portfolio was 6.4 years (6.9).

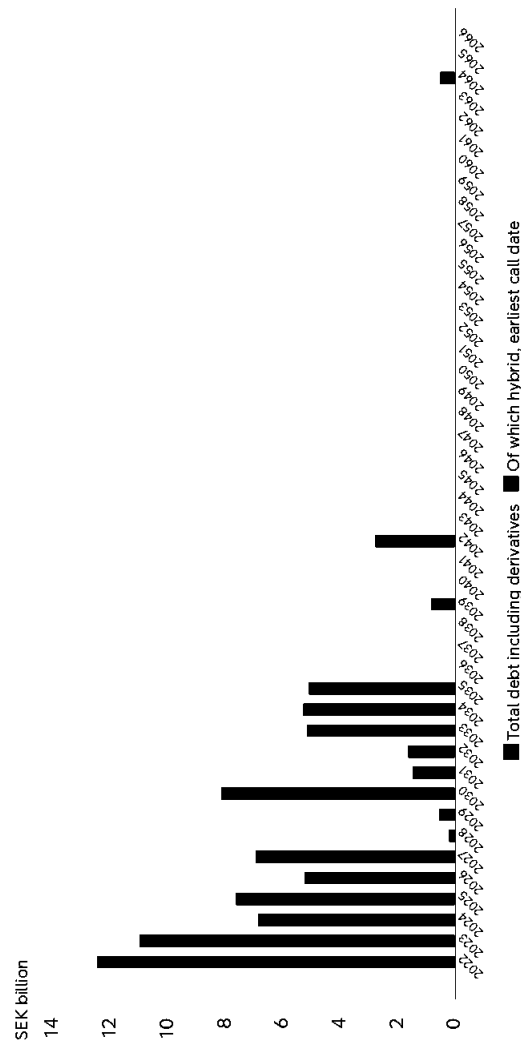
Total net debt and Total net debt/EBITDA^{1,2,3,4}



1) Refers to Adjusted EBITDA.
2) Including continuing and discontinued operations and assets held for sale.
3) 2017 and 2018 are not restated for IFRS 16 Leases implemented in 2019.
4) 2020 has been restated, see Note C1.

1) Liquidity includes cash balances, deposits, investments and credit facilities.

Debt portfolio maturity schedule – 2022 and onwards



Cash flow, continuing and discontinued operations

Cash flow from operating activities decreased to SEK 27,376 million (28,604) mainly impacted by lower adjusted EBITDA partly due to the deconsolidation of Telia Carrier and higher paid taxes offset by higher compensation from the pension fund. Free cash flow decreased to 11,729 million (15,114) and was in addition also negatively impacted by increased cash CAPEX. Operational free cash flow, from continuing operations, decreased to SEK 10,401 million (12,095).

Cash flow from investing activities amounted to SEK -10,908 million (-3,247). 2021 was mainly impacted by

net investments in short term investments. Cash CAPEX partly offset by the disposal of Carrier. 2020 was impacted by net disposals of short-term investments and the disposal of Telia Carrier. Cash flow from financing activities amounted to 15,114 million (-23,098) positively impacted by the partial disposal of the tower business in Norway as well as lower paid dividends. Lower impact from repurchased treasury shares. See Consolidated statements of cash flow and related Notes to the consolidated financial statements for further details.

Condensed consolidated statements of cash flows SEK in millions

	Jan-Dec 2021	Jan-Dec 2020
Cash flow from operating activities	27,376	28,604
Cash CAPEX	-15,647	-13,114
Free cash flow	11,729	15,490
of which operational free cash flow	10,401	12,095
Cash flow from other investing activities	4,733	10,114
Cash flow from investing activities	-10,908	-3,247
Cash flow from financing activities	-10,600	-23,098
Cash and cash equivalents opening balance	8,332	6,114
Cash flow for the period	5,865	2,147
of which continuing operations	6,000	2,147
Exchange rate differences	15	-
Cash and cash equivalents closing balance	14,358	8,261
of which continuing operations	14,358	8,261

1) Restated, see Note C1.

Significant events in 2021

- On January 19, 2021, it was announced that Telia Company secured a 120 MHz frequency block in the 3.5 GHz band in Sweden for EUR 75 million (approximately SEK 757 million).
- On February 11, 2021, it was announced that the Nomination Committee had been informed by Mr Olaf Swantee that he was not available for re-election to the Telia Company Board.
- On March 11, 2021, Telia Company published its Annual and Sustainability Report for 2020.
- On March 26, 2021, Telia Company announced the investment of SEK 100 million in a Sustainable Development Bond recently launched by the World Bank.
- On April 1, 2021, Telia Company completed the sale of its alarm communication business Alerta in Finland. See Note C35.
- On April 12, 2021, 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 2021/2024.
- On April 20, 2021, Telia Company launched new goals to boost sustainable growth. The aim is to empower societies in the Nordics and Baltics to achieve zero CO2 and waste by 2030, reach one million people through digital inclusion initiatives by 2025 and implement winning privacy and security strategies by 2023 to gain and maintain customers' trust.

- On April 21, 2021, the Danish multiband auction was concluded and Telia Denmark secured via the joint operation TTNærket spectrum in the 1,500 MHz, 2,100 MHz, 3,600 MHz as well as in the 26 GHz band, for a total price of DKK 741 million (approximately SEK 1,000 million).
- On May 3, 2021, Telia Company announced that the Board of Directors has decided to exercise the mandate for buy-back of shares to cover commitments under Telia Company's "Long Term Incentive Program 2018/2021". See Note C20.
- On June 1, 2021, the divestment of Telia Carrier to Polhem Infra was completed. See Note C35.
- On June 4, 2021, Telia Company announced that Cecilia Lundin, Executive Vice President, Head of People Experience & Culture, will be leaving Telia Company.
- On June 30, 2021, Telia Company signed an agreement to dispose 49% of the tower businesses in Finland and Norway to Brookfield and Alecta, at a price corresponding to an enterprise value for 100% of EUR 1,524 million (approximately SEK 15.4 billion) on a cash and debt free basis. The transaction is subject to customary regulatory approvals and closing is expected take place in the fourth quarter of 2021. See Note C35.
- On July 12, 2021, Telia Company announced the appointment of Stefan Backman as EVP, Group General Counsel, Head of Corporate Affairs, to succeed Jonas Bengtsson who has decided to

- leave the company at the end of 2021.
- On September 6, 2021, Telia Company announced the appointment of Maria Romberg Ewerth as Senior Vice President, Chief People Officer.
- On September 20, 2021, it was announced that the Nomination Committee of Telia Company AB for the Annual General Meeting 2022 had been appointed.
- On September 30, 2021, the Norwegian frequency auction was completed and Telia secured frequencies in both the 2.6 GHz as well as in the 3.6 GHz band for a total price of NOK 1,070 million (approximately SEK 1,068 million).
- In October 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 at a price of EUR 36 million (approximately SEK 364 million). See Note C34.
- On November 3, 2021, Telia Company announced that the new mobile phone Eco Rating scheme launched across Europe earlier this year was set to expand globally after the five operators behind the initiative expanded their initial agreement to encourage operators worldwide to participate.
- On November 10, 2021, Telia Company announced the launch of a 5G standalone (SA) core network in Finland – the first commercially available 5G SA network in the Nordic and Baltic regions.

Significant events year-end 2021

- On January 4, 2022, Telia Company announced the divestment of SIA Telia Latvija for an enterprise value of EUR 10.1 million (approximately SEK 110 million) on a debt free basis. The transaction is closed during the second quarter Note C35.
- On January 27, 2022, Telia Company announced the launch of a pilot in partnership with energy storage solution provider PNEC to develop energy optimization.
- On January 27, 2022, Telia Company announced a divestment of a 49% stake in its business to Brookfield and Alecta. The price corresponds to an enterprise value of SEK 11,224 million on a debt free basis. The transaction is subject to regulatory approvals and closing is expected during the third quarter of 2022. See Note C35.

Acquisitions and disposals

Telia Company's significant acquisitions and disposals during 2021 are summarized in the table below. For further information on acquisitions and disposals, see Notes C4, C34 and C35.

Closing date	Country	Comments
April 1, 2021	Finland	Telia Company completed the divestment of its alarm communication business Alerta.
June 1, 2021	Telia Carrier, multiple countries	Telia Company completed the divestment of Telia Carrier to Polhem Infra which included 34 subsidiaries in 34 countries.
October 8, 2021	Latvia	SIA Latvijas Mobilais Telefons acquired 100% of the Baltic data transmission network and IT security solutions enterprise group, Santa Monica Networks from Livonia Partners.
December 29, 2021	Norway, Finland	Telia Company completed the sale of a minority stake of 49% in its Norwegian and Finnish tower businesses to Brookfield and Alecta.

Outlook for 2022

- Service revenues, like for like, are estimated to grow by low single digit.
- Adjusted EBITDA, like for like, is estimated to grow by low single digit.
- Cash CAPEX, excluding fees for licenses and spectrum, is estimated to be in the range of SEK 14.0-15.0 billion.

Ambition for 2021–2023

- Service revenues, like for like, to grow by low single digit.
- Adjusted EBITDA, like for like, to grow by low to mid-single digit.
- Cash CAPEX, excluding fees for licenses and spectrum, to return to around 15% of net sales by 2023.

Dividend policy

- Telia Company intends to follow a dividend policy, with a floor of SEK 1.00 per share and an ambition for low to mid percentage growth.
- The operational free cash flow is expected to cover the minimum level throughout 2023 period.
- The structural part¹⁾ of operational free cash flow is expected to cover the minimum dividend from 2022.

¹⁾ Telia Company considers the structural part of Operational free cash flow less contribution from discontinued operations.

Leverage and credit rating target

Telia Company targets a leverage ratio of Net debt/adjusted EBITDA in the range of 1.5-2.0 and a solid investment grade of A- to



Telia Company share

The Telia Company share is listed on Nasdaq Stockholm and Helsinki. In 2021 the share price in Stockholm increased 4.3 percent and closed at year-end 2021, at SEK 35,41 (33,96). During the same period, the OMX Stockholm 30 Index rose 29,1 percent.

At year-end 2021, Telia Company's market capitalization was SEK 144.7 billion. Besides Nasdaq Stockholm and Helsinki, the share was traded at

other platforms with the major trading volumes on Chi-X and BATS.

As of December 31, 2021, Telia Company's issued share capital totaled SEK 13,856,271,299,20 distributed among 4,089,631,702 shares with a quotient value of SEK 3.39 per share. For further information, see sections "Share capital" and "Treasury shares" in Note C20 to the consolidated financial statements. All issued shares have

been paid in full and apart from treasury shares carry equal rights to vote and participate in the assets of the company. At the general meeting of shareholders, each shareholder is entitled to vote for the total number of shares she or he owns or represents. Each share is entitled to one vote.

As of December 31, 2021, Telia Company's Finnish pension fund held 366,802 shares and its Finnish personnel fund 834,704 shares in the company,

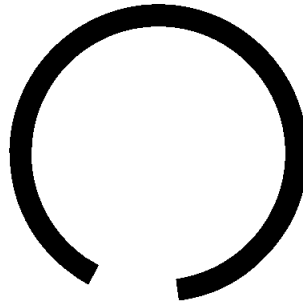
respectively, in total representing 0.0 the outstanding shares.

There are no regulations in either the legislation or in Telia Company AB's Association that would limit the possible transfer Telia Company shares. Telia is not aware of any agreements between shareholders of the company regarding Company shares.

Major shareholders, December 31, 2021	Total number of shares	Percent of total number of shares
Swedish State	1,614,513,748	39.48
BlackRock	122,792,622	3.00
Vanguard	78,029,664	1.91
Swedbank Robur Funds	68,420,837	1.67
Nordea Funds	58,909,498	1.44
Handelsbanken Funds	47,878,267	1.17
Norges Bank	32,053,860	0.78
SEB Funds	32,019,919	0.78
Mondrian Investment Partners	31,282,638	0.76
Folksam	30,948,065	0.76
Other shareholders	1,972,782,584	48.2
Total number of shares¹	4,089,631,702	100.0

1) As of December 31, 2021, Telia Company had no treasury shares and the total number of issued and outstanding shares was 4,089,631,702

Shareholdings per country, december 31, 2021 (% of total number of shares)



■ Sweden 62.1%
■ US 10.9%
■ Finland 8.6%
■ Norway 1.5%
■ UK 1.4%
■ Other countries and anonymous ownership 15.5%

The Board of Directors does not currently have any authorization by the general meeting of shareholders to issue new shares but has the authorization to repurchase a maximum of 10 percent of the company's total number of outstanding shares before the Annual General Meeting 2021. In order to continue to provide the Board of Directors with an instrument to adapt and improve Telia Company's capital structure, the Board of Directors proposes that the Annual General Meeting on April 6, 2022,

resolves to authorize the Board of Directors to acquire the company's own shares. The authorization may be exercised on one or more occasions before the Annual General Meeting 2022. The maximum number of treasury shares held by the company may not exceed 10 percent of all shares in the company.

In case of a change of control in Telia Company, the company might have to repay certain loans at short notice, since some of Telia Company's financing

agreements contain customary change-of-control clauses. These clauses generally also contain other conditions including, for example, that the change of control has to cause a negative change in Telia Company's credit rating in order to be effective.

For 2021, the Board of Directors proposes to the Annual General Meeting (AGM) an ordinary dividend of SEK 2.05 (2.00), equal to SEK 8.4 billion (8.2). The dividend is proposed to be split and distributed

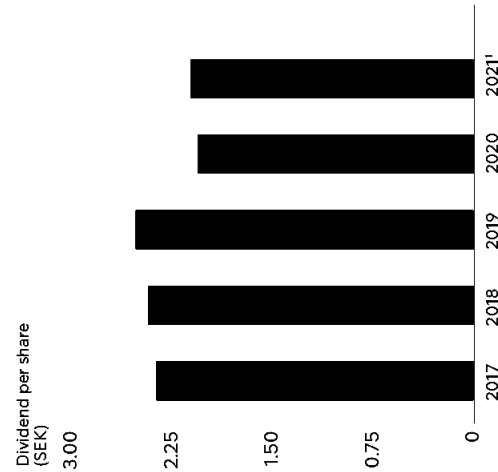
into two tranches of SEK 1.00 per share in 2022 and one of SEK 1.05 per share in 2022. The proposed dividend is based on the total number of shares as of December 31, 2021, which amounted to 4,089,631,702. The proposed appropriation of earnings

Share data

	2021	2020
Paid year-end	35.41	33.96
Highest paid during the year (SEK)	39.97	42.41
Lowest paid during the year (SEK)	33.75	30.29
Total number of shares at year-end (millions)	4,089.6	4,089.6
Number of shareholders at year-end	474,486	490,434
Earnings per share, total (SEK)	2.86	-5.62
Earnings per share, continuing operations (SEK)	2.81	-5.55
Dividend per share (SEK) ¹⁾	2.05	2.00
Equity per share (SEK)	19.74	15.36

¹⁾ 2021 refers to proposal to AGM.

Ordinary dividend per share





Innovation, Research and Development

In Telia Company all employees, regardless of position have a responsibility to drive innovation. We want innovation to cut across businesses and operations, from development of new products and services to process improvements and tweaks to our ways of working.

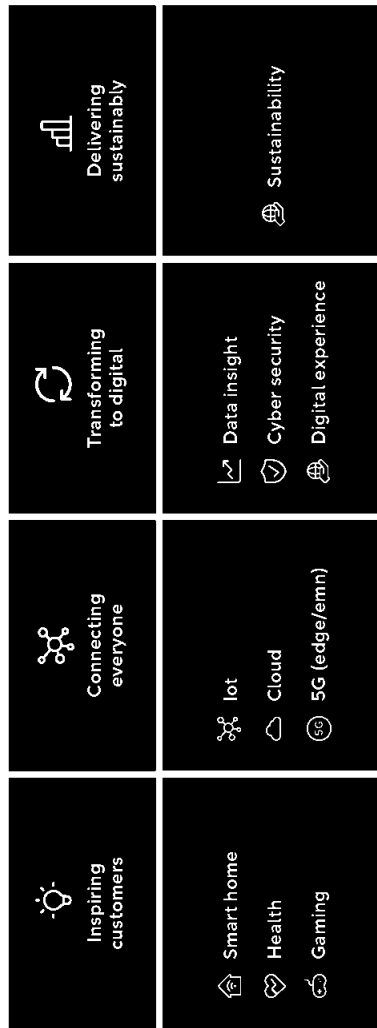
Division X is the emerging business unit tasked with spearheading and accelerating activities in emerging business areas such as Internet of Things (IoT) and Data Insights. Together with the units Prototyping, Partnership and Corporate Venture, they serve as catalysts that support and facilitate

innovation efforts in operating units across the group. We have during the year spun-off the earlier strategic innovation betas Telia Sense and Telia Health Monitoring.

Innovation initiative spectrum

Innovation initiatives represent a wide spectrum of applications meeting today's customer needs, from advanced connectivity solutions enabled by 5G to information services, all with focus on sustainability and security. Some examples from 2021 can be seen as below.

Key areas of innovation in Telia Company



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5G (edge/emn)

The gradual 5G launches and roll out in our different markets leads to that customer driven innovation projects are more and more done in the public 5G network. Until now the 5G innovation initiatives have been done in more closed environments like mines and confined areas through separate and dedicated 5G networks. The 5G SA technology simplifies and increases the flexibility to create 5G services, for example to fulfil customer unique service demands within the Enterprise Mobile Networks and Private 5G networks and to still keep the mobility beyond the confined area.

An important milestone towards a future with remote controlled machines and more secure timber loading was reached in the research project Remote Timber during 2021. In a real environment a 5G connected and remotely controlled High-Lift Wheel loader was demoed in action.

5G connected autonomous vehicles has entered the precision farming. Pilot test has been done on a farm close to Västerås. 5G connectivity in combination with sensor-, video- and AI-technology paves the way for more sustainable and efficient farming.

Telia continues to provide test and development environments to enable early service development based on the latest 5G technology, before it reaches a commercial market. New 5G enterprise innovation networks are gradually opened, like for example recently the testbed at Digital Well Arena and Karlstad Universitet in Sweden and the private 5G network being built for Kallmar R&D (part of Cargotec) in Finland.

Internet of Things

Starting with the idea of simplifying deployments for our customers, we launched Telia Global IoT Connectiv. The solution is a true game-changer helping customers like Kumera Corp beyond roaming when connecting th around the world.

Crowd insights

Our Crowd Insights solutions are based from anonymized mobility data have develop. The analyses are used by d like in Public Health Agencies man pandemic counteractions, and in Cit more sustainable and efficient cities. Examples of development projects efficient usage of health care resour pandemic using AI technology to an data and data from the mobile netw example is the Travel Emission Insig municipalities to measure CO2 emis different mode of transport before a improvement activities.

Patents and R&D expenses

As of December 31, 2021, Telia Com 240 patent "families" and 1,644 patent applications, with no significant chan to the previous year. In 2021, Telia C continued to modernize the patent p focusing on emerging technologies, Home, Security & Authentication an Telia Company incurred R&D expense million (298) in continuing operation

People

Our people ambition

The re-invention of Telia starts with our people. We have an ambition to relentlessly continue to build a Telia designed for generations to come. We have solid ground to stand on – building on almost 200 years of successful re-inventions and of focusing on people, business, and society. We will continue to move forward with our passion to create something more and something better for our employees and our customers. Our people strategy is essential to our journey ahead and to accelerate the transformation. Our ambition is to create a Telia where our people can grow and develop and a culture that is inclusive and empowering – with the opportunity for all Telia people to operate at their full potential and work in an environment where every person makes a difference every day.

Leadership

Leadership is key to the success of Telia's transformation, and significant focus and investment have been made into leadership this year. The first quarter saw the launch of Essentials of Leadership, an improved and updated virtual leadership training program for all leaders at Telia, delivered by internal facilitators. By year end 2021, close to 400 leaders have either completed the program or are currently in training, set to finish during Q1 2022.

Following that, and in a partnership with the Chemistry Group the 'Better Connected Leadership' initiative has been introduced, firmly based on our updated leadership framework of 4Es (Envision, Engage, Enable and Execute).

Since June, Telia Company's top 230 leaders ('ELT +') across the Telia footprint have participated in behavioural and motivational assessments, and individual coaching sessions, giving each leader individual leadership profiles and development areas. In addition, a subset of this group has been engaged in defining What Great Looks Like (WGLL) creating an ambition for leadership at Telia, as part of a development benchmark going forward.

Bridging over to 2022, team insight sessions will be conducted with the GEM management teams to further the understanding on leadership strengths and development areas on a team level against WGLL. During first half of 2022, more and wider initiatives including all our leaders, will be offered to help implement the new leadership framework, increase understanding and competence in key areas as well increase the general understanding of our leadership philosophy across our footprint.

YouFirst

YouFirst is our group-wide approach to employee performance and development; ensuring that we set clear expectations and priorities, coach our people to success, focus on growth and recognize and reward high performance. It is integrated in daily work through continuous dialogue between the employee and his/her leader, enabling regular performance coaching and feedback for all employees.

Performance excellence is key for us to successfully transform. Throughout the year we have worked to evolve YouFirst to ensure that the framework supports our employees to optimize their impact on company results – focusing performance with greater strategic alignment and personalised

growth. The framework has now been updated and will be implemented for all employees and leaders across our footprint during 2022.

Diversity, inclusion and equal opportunity

At Telia Company we are committed to building a diverse and inclusive culture. As of 2021, Telia has a new D&I ambition as well as public employee diversity and inclusion targets. Our work to integrate equal opportunity into all People Processes such as rewards, recruitment, performance management and leadership is continuous. A big focus has been to continue to raise awareness, both through live and online trainings for managers as well as virtual common employee engagement activities on D&I topics. Read more about our progress of the public targets, our diversity data, inclusion engagement scores and our local initiatives in the Sustainability section on Diversity, inclusion and equal opportunity.

Engagement, well-being and future way of working

During the year we have continued to adapt our operations and implement measures to limit the spread of COVID-19, with the primary focus of helping people maintain psychological and physical well-being while preserving engagement and motivation. Read more in Sustainability, Health & Wellbeing.

Based on employee feedback, we launched our "Better connected working" model. The model is built on an office first approach that enhances flexibility in the workplace, enabling employees to thrive together physically whilst leveraging the opportunities of working from home.

Results from our employee engagement survey reflect an increase of employees believing they perform their job in a good way with connected working model, in comparison to remote working.

Building a sustainable workforce

With a highly competitive talent market continuing to focus on attracting and the right people today and going forward actively and continuously working to our workforce using strategic work skills in combination with targeted upskilling to accelerate our shift towards skill profile strong in automation, digital, and agile (others).

To be able to retain and increase the value of our tech workforce we have set as one of our commitments that the reskilling and initiatives should be based on equal opportunities open and inclusive for all. During the year we also launched a new digital interface well as started collaborations with several content providers.

During the year, we have also established for one of our top people priorities; our future workforce and organizational Through analysis of our markets and an ambition for Telia's workforce size and composition over coming years. Several to reach the ambitions have been identified in execution, both with individual and on our workforce (e.g. processes excellence portfolio simplification, etc.). Workforce should be a part of the broader shift towards

and automation and will follow the migration away from legacy networks and products.

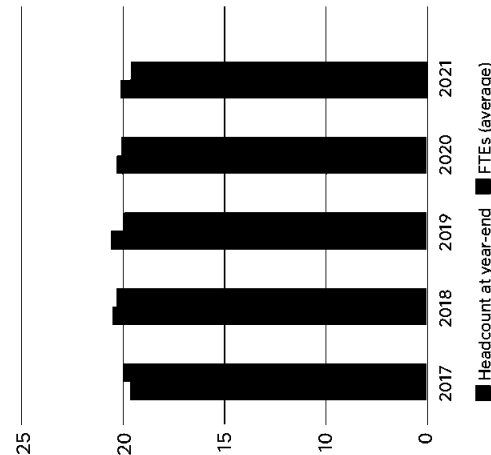
Labor rights

According to the Group policy – People, all employees, regardless of location or employment type, have the right to choose to be represented by a trade union for the purposes of collective bargaining. No employee shall be discriminated against for exercising this right. These principles

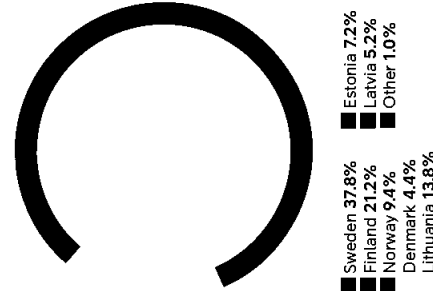
are also included in the Supplier Code of Conduct, which means that we also expect all suppliers to recognize these rights. Telia Company cooperates with employee representatives and national trade unions in accordance with both national legislation and applicable collective bargaining agreements. Together with employees in the Nordic and Baltic operations Telia Company has established a European Works Council (EWC) that serves as an employee representative forum

for information and consultation with the Group Executive Management on transnational matters. In addition, local companies regularly engage with local trade unions. During the year, there were no labor disputes resulting in strikes or notices of strike. During the year, Telia Company carried out a number of reorganizations that impacted employees across Telia Company. In all cases, local companies complied with applicable legal obligations relating to union information and consultation.

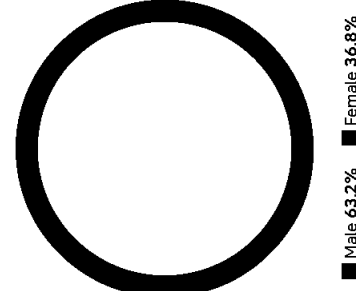
Employees, total (thousands)



Employees, total (FTEs, %) by country



Employees, total (FTEs, %) by gender



Remuneration to executive management

Remuneration principles for Group Management 2022

The Annual General Meeting on April 6, 2022, decided on guidelines for remuneration of Executive Management. The Board did not see the need to propose any changes to the Annual General Meeting guidelines, and the previously adopted guidelines are therefore still applicable. Group Management is defined as the President and other members of the Management report directly to the CEO. The guidelines in force until new guidelines are adopted in the Annual General Meeting will be valid for a maximum of three years. A successful implementation will ensure that the Company can attract the best people, enabling it to serve its business strategies and serve the long-term interests, including its sustainability. These guidelines do not apply to any other persons, including the General Management. The market comparison should be made against a set of peer companies with comparable sizes, industries and

Total reward approach

Remuneration to Group Executive Management should be built on a total reward approach, market relevant, but not leading. The guidelines should enable international companies to support diversity within Group Management. The market comparison should be made against a set of peer companies with comparable sizes, industries and

The total reward approach should consist of fixed salary, pension benefits, conditions for notice and severance pay as well as other benefits. The Company does not offer any variable remuneration to Group Executive Management.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Fixed salary

The fixed salary of a Group Executive Management member should be based on competence, responsibility and performance. The Company uses an international evaluation system in order to evaluate the scope and responsibility of the position. Market benchmark is conducted on a regular basis. The individual performance is monitored and used as a basis for annual reviews of fixed salaries. These are reviewed in relation to fulfilment of annual pre-defined goals (including financial, employee and sustainability-based).

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. This is done by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis for decision when evaluating if these guidelines and their limitations are reasonable. The Remuneration Committee regularly consults with the

CEO and Head of People & Brand to be mindful of employee pay, conditions and engagement across the broader employee population.

Pension

Pension and retirement benefits should be based on a defined contribution model, which means that a premium is paid amounting to a certain percentage of the individual's annual salary, unless legal requirements and/or collective agreements state differently. When deciding the size of the premium the level of total remuneration should be considered. The level of contribution should be benchmarked and may vary due to the composition of fixed salary and pension. The retirement age is normally 65 years of age but can vary based on regulatory requirements. The pension premiums for defined contribution pension shall amount to not more than 40 percent of the fixed annual cash salary.

Other benefits

The Company provides other benefits and programs in accordance with market practice which may change from time to time. A Group Executive Management member may be entitled to a company car, health and care provisions, etc. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

Internationally hired Group Executive Management members and those who are asked to move to another country can be offered mobility related benefits for a limited period of time. Such benefits may not in total exceed 25 percent of the fixed annual cash salary.

Notice of termination and severance pay

The termination period for a Group Executive

Management member may be up to six (6) months (twelve (12) months for the President) when given by the employee and up to twelve (12) months when given by the Company. In case the termination is given by the Company the individual may be entitled to a severance payment. Fixed cash salary during the notice period and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years.

Severance pay shall not constitute a basis for calculation of vacation pay or pension benefits. Remuneration during termination period and severance pay will also be reduced if the individual will be entitled to pay from a new employment or if the individual will be conducting own business during the termination period or the severance period.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

The decision-making process to determine, review and implementation of the guidelines

The Board of Directors has established a Remuneration Committee. The committee's task includes preparing the Board of Director's decision to propose guidelines for executive remuneration. Proposal for new guidelines shall be prepared at

least every fourth year and submit to the Board Meeting. The guidelines shall be in force from the Meeting. The guidelines are adopted by the General Meeting. The Remuneration Committee shall prepare the application of the guidelines for the Remuneration Committee as well as the current remuneration structures and compensation levels.

Remuneration is managed through various processes ensuring that no individual is involved in the decision-making process related to remuneration.

The CEO's total remuneration package is decided by the Board of Directors based on the recommendation of its Remuneration Committee within the confines of the guidelines. Remuneration packages to other members of Group Executive Management are a recommendation of the Remuneration Committee, based on the recommendation.

Deviation from the guidelines

The Board of Directors may temporarily deviate from the guidelines, in which case there is an individual case where a deviation is necessary in order to ensure the Company's long-term interests, in order to ensure the Company's sustainability, or to ensure the Company's viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in the Remuneration matters. This includes any resolution matters. The guidelines.

The 2021 remuneration guidelines are included in Note C32 to the consolidated financial statements.

Long-term incentive program 2021/2024

The Annual General Meeting held on April 12, 2021, resolved to launch a long-term incentive program (LTI) comprising of approximately 200 key employees. This program is not available for the members of Group Executive Management.

The purpose of the program is to strengthen the company's ability to recruit and retain talented key employees, create a long-term confidence in and commitment to the group's long-term development, align key employees' interests with those of the shareholders, increase the part of the remuneration that is linked to the company's performance and encourage shareholding. The program rewards performance measured over a three-year period, is capped to a maximum value of 60 percent of the annual base salary and is equity based (delivered in Telia Company AB shares). A prerequisite for pay-out from the LTI program is the continuous employment during the length of the program.

Financial targets are earnings before interest, tax, depreciation and amortisation (EBITDA), return on Capital Employed (ROCE) and total shareholder return (TSR). The final allotment of Telia Company AB shares will be based 25 percent on accumulated EBITDA, 25 percent on a third-year final target for ROCE and 50 percent on TSR compared to a corresponding TSR development of a pre-defined peer group of companies.

The maximum number of Performance Shares a participant can receive is based on 30 percent of the participant's annual salary and related to the share price.

Accumulated EBITDA represents 25 percent of the Performance Shares (or 7.5 percent of the participant's annual salary):

- If 100 percent (or above) of the EBITDA target is met, 100 percent of Performance Shares under the EBITDA part will vest.

- If between 97.5 and 100 percent of the target is met, a proportionate amount of Performance Shares under the EBITDA part will vest.
- If 97.5 percent (or less) of the target is met, 0 percent of Performance Shares under the EBITDA part will vest.

ROCE represents 25 percent of the Performance Shares (or 7.5 percent of the participant's annual salary):

- If 100 percent (or above) of the Company's ROCE target is met, 100 percent of Performance Shares under the ROCE part will vest.
- If less than 100 percent of the Company's ROCE target is met, no Performance Shares under the ROCE part will vest.

TSR part represents 50 percent of the Performance Shares (or 15 percent of the participant's annual salary):

- If the Company's TSR is ranked first or second compared to the defined peer group of companies, 100 percent of the Performance Shares under the TSR part will vest.
- If the Company's TSR is ranked third of fourth, 75 percent of the Performance Shares under the TSR part will vest.
- If the Company's TSR is ranked fifth or sixth, 50 percent of the Performance Shares under the TSR part will vest.
- If the Company's TSR is ranked seventh or lower, no Performance Shares under the TSR part will vest.

The program may be repeated annually. Similar programs were launched in 2010-2020. The prevalence of an LTI program is subject to the approval of the Annual General Meeting. For more information on Telia Company's LTI programs, see Note C32 to the consolidated financial statements.

Legal and administrative proceedings

In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial law issues and matters relating to telecommunications regulations and competition law. For further information regarding legal and administrative proceedings see Note C30.

Parent company

The parent company Telia Company AB (Corporate Reg. No. 556103-4249), which is domiciled in Stockholm, comprises group executive management functions including the group's internal banking operations. The parent company has no foreign branches.

Net sales amounted to SEK 982 million (564), of which SEK 925 million (560) was billed to subsidiaries.

Financial income and expenses increased to SEK 13,708 million (-8,634) mainly impacted by the capital gains from the disposals of 49% in Telia

Towers AB amounting to SEK 4,610 million, increased dividends from subsidiary Telia Finland Oyj, disposals amounting to SEK 8,084 million (6,2) impairments of the subsidiary Telia Finland amounting to SEK 4,500 million (14,4).

Non-current assets decreased to SEK (178,700), mainly impacted by an impairment of subsidiary Telia Finland Oyj, disposals of Carrier subsidiaries and 49% of Telia as well as decreased other long interest receivables. Current assets increased to million (36,111) due to increased cash bonds impacted by proceeds from the sale of the Telia Carrier subsidiaries and Towers AB.

Equity increased to SEK 8,134 million impacted by a positive Net income of SEK 1,344 million (87) by distributed dividends. Long-term debt decreased to SEK 78,240 million (87) impacted by reclassification of long-term debt to short-term borrowings. Short-term debt decreased to SEK 1,344 million (87) due to short-term provisions decreased to SEK 1,344 million (87) mainly due to reduction of current interest-bearing liabilities and term borrowings partly offset by a reduction of long-term borrowings.

The equity/assets ratio was 99.7 (assets 2.05 per share) percent (32.9).

The average number of full-time employees was 2,671 (2,67).



Proposed appropriation of earnings

Proposed Appropriation of earnings:

	SEK
Non-restricted equity excluding net income	51,845,234,723
Net income	17,877,165,823
Total	69,722,400,546

The board proposes that this sum be appropriated as follows:

	SEK
SEK 2.05 per share ordinary dividend to the shareholders ¹⁾	8,383,744,989
To be carried forward	61,338,655,557
Total	69,722,400,546

¹⁾ Based on outstanding shares as per December 31, 2021.

The dividend is proposed to be split and distributed into two tranches of SEK 1.00 per share in April 2022 and SEK 1.05 per share in November 2022.

The Board of Directors is of the opinion that the proposed dividend, according to Chapter 18 Section 4 of the Swedish Companies Act, is justifiable. After distribution of the proposed dividend, the equity of the company and the group will be sufficient with respect to the nature, scope, and risks of the operations. Also, the company and the group are deemed to have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position.

The full statement by the Board of Directors will be included in the AGM documentation.

AGM related documents are available at:
www.teliacompany.com/AGM

(Information on the Telia Company website does not form part of this Report)

Country development in 2021

Sweden

After securing a 120MHz frequency block in the 3.5GHz spectrum band auction early in the year, Telia gradually geared up the 5G network expansion and had by year-end implemented 5G in some 25 cities across Sweden, well on track towards the target of reaching a population coverage above 90% by the end of 2023. And in addition to proceeding well on the 5G roll-out Telia won again the award for best mobile network according to the independent benchmarking company uMlout. Telia also successfully delivered on the customer experience agenda and had according to SKI (Swedish quality index), like for the past six years, the most satisfied TV customers. Furthermore, Telia Enterprise and Halebop also secured the number one positions on mobile satisfaction after scoring well within key areas such as product quality, coverage, customer experience and reliability.

During the year Telia also took several important steps on the journey to continue improving the consumer customer experience. This by amongst other launching a unique mobile offering which combines unlimited data on Telia's superior network with the highly popular streaming services of Netflix and C More, as well as from making the crown jewel of football, UEFA Champions League, available to its TV customers. Telia was also successful on catering for the needs of Swedish enterprises something that amongst other was underpinned by the extension

of current multiyear digitalization and connectivity contracts with amongst other Region Skåne, COOP and Nobina as well as from several new contracts under which Telia will be the communication provider and digitalization partner of choice.

In the consumer segment service revenues decreased by 0.9 percent as mainly a continued reduction of fixed telephony revenues more than offset a double-digit growth for TV revenues as well as a slight increase for fixed broadband revenues. In the enterprise segment competition remained challenging and even though the service revenue trend improved compared to previous years, service revenues still declined by 1.0 percent driven predominately by lower revenues from fixed telephony and partly also business solutions.

Net sales increased 2.1 percent to SEK 34,451 million (33,732) and like for like, net sales increased 2.1 percent as increased sale of equipment more than compensated for lower service revenues.

Service revenues like for like decreased 0.6 percent due to a continued pressure on mainly fixed telephony revenues, but partly also from business solutions and mobile revenues declining by 2.2 percent and 0.5 percent, respectively.

Adjusted EBITDA declined 0.4 percent to SEK 13,359 million (13,418) and the adjusted EBITDA margin decreased to 38.8 percent (39.8). Adjusted EBITDA like for like fell 0.4 percent as efficiencies realized

SEK in millions, except margins, operational data and changes

	Jan-Dec 2021	Jan-Dec 2020	Other
Net sales ¹	34,451	33,732	
Change (%) like for like	2.1		
of which service revenues (external)	29,582	29,734	
change (%) like for like	-0.6		
Adjusted EBITDA ¹	13,359	13,418	
Margin (%)	38.8	39.8	
change (%) like for like	-0.4		
Adjusted operating income ¹	5,833	6,768	
CAPEX excluding fees for licenses, spectrum and right-of-use assets	3,685	2,806	
Subscriptions (thousands)			
Mobile	6,914	6,246	
of which machine to machine (postpaid)	2,120	1,306	
Fixed telephony	509	665	
Broadband	1,248	1,242	
TV	997	929	
Employees ¹	4,352	4,508	

1) Restated, see Note C1.

on the cost side was not enough to fully offset the negative impact from lower service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 3,685 million (2,806), mainly driven by increased investments associated with mobile network modernization and roll-out of 5G.

The number of mobile subscriptions during the year by 668,000 from an 814,000 post-paid subscriptions use to-machine services. TV subscriptions by 68,000 and fixed broadband subscriptions increased by 6,000 during the year.

Finland

After securing a long-term agreement with Nokia last year for network modernization and 5G roll-out, Telia continued to execute on the network modernization agenda and exited the year with a 5G population coverage above 60 percent compared to 40 percent the year before. Furthermore, Telia also divested 49 percent of its Finnish tower business to Alecta and Brookfield (see Note C20) as well as agreed with DNA to expand the mobile network built through the existing jointly owned network-sharing company. Finally on the network side, Telia also received a great proof point of that the significant efforts put into improving the mobile network have yielded good results. This when Telia's mobile network was ranked by the benchmarking company Tutela as the best in Finland and as number six globally. During the year Telia also launched the first totally digital converged consumer offering, when bundling high-speed 5G access with C More content. And on the enterprise side Telia signed several multiyear ICT contracts as well as a contract for the implementation of the largest private 5G Enterprise Mobile Network in Northern Europe.

Net sales decreased 5.0 percent to SEK 14,504 million (15,260) and net sales like for like, decreased 1.5 percent as increased sale of equipment was

more than offset by lower service revenues. The effect of exchange rate fluctuations was negative by 3.2 percent.

Service revenues like for like, decreased 2.5 percent as mobile and fixed revenues decreased by 1.4 percent and 3.8 percent, respectively. For mobile revenues the decline was driven by a lower ARPU, whereas fixed revenues declined driven by a negative development for most services.

Adjusted EBITDA declined 9.7 percent to SEK 4,322 million (4,789) and the adjusted EBITDA margin declined to 29.8 percent (31.4). Adjusted EBITDA like for like decreased 6.1 percent as efficiencies realized could not fully compensate for the negative impact from reduced service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 1,833 million (1,689) mainly from an increased level of mobile network related investments including 5G deployment.

The number of mobile subscriptions increased by 69,000 and fixed broadband subscriptions increased by 12,000 during the year. TV subscriptions decreased by 6,000 during the year.

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Directors' Report

SEK in millions, except margins, operational data and changes	Jan-Dec 2021	Jan-Dec 2020
Net sales	14,504	15,260
Change (%) like for like	-1.5	
of which service revenues (external)	12,125	12,851
change (%) like for like	-2.5	
Adjusted EBITDA ¹	4,322	4,789
Margin (%)	29.8	31.4
change (%) like for like	-6.1	
Adjusted operating income ¹	1,069	1,599
CAPEX excluding fees for licenses, spectrum and right-of-use assets	1,833	1,689
Subscriptions (thousands)		
Mobile	3,234	3,165
of which machine to machine (postpaid)	309	277
Fixed telephony	17	20
Broadband	474	462
TV	552	558
Employees ¹	2,860	3,023

¹⁾ Restated, see Note C1.

Norway

In parallel to the important work around upgrading and modernizing the mobile network, the 5G roll out continued at a high pace, and by year end more than 40 percent of all Norwegians had access to Telia's 5G network where they live. Furthermore, Telia also secured attractive 5G frequencies that will be an integral part of Telia's commitment to be the first operator in Norway to have a nationwide 5G coverage by 2023. Finally 49 percent of the Norwegian tower business was divested to Alecia and Brookfield, see Note C20.

Also work regarding improving the customer offerings and experience was high during the year, resulting amongst other in the introduction of speed-based tariffs on Telia's unlimited offering, Telia X. This allows for customers to go with the price plan that best suits their individual needs, whether it be streaming, gaming or sharing mobile networks. Furthermore, Telia received some great acknowledgment in the EPSI survey which showed that Telia's OneCall brand remains the favourite within the consumer segment, while Phonero and Telia conquered the two top positions in the enterprise segment. On the enterprise side, Telia significantly strengthened its position following a solid development for the Phonero brand as well as from Telia securing several material contracts including the largest ever when signing a multiyear agreement with the Norwegian postal services. A contract under which Telia in addition to mobile

subscriptions also will provide a wide range of digitalization and ICT services.

Net sales increased 3.1 percent to SEK 13,788 million (13,373) and net sales like for like, increased 1.1 percent as a slight decline in service revenues was offset by growth in equipment sales. The effect of exchange rate fluctuations was positive by 2.0 percent.

Service revenues like for like, decreased 0.5 percent as a slight growth in fixed service revenues attributable to a positive development for fixed broadband was offset by lower mobile service revenues driven by a significant decline in wholesale revenues.

Adjusted EBITDA increased 4.5 percent to SEK 6,240 million (5,971) and the adjusted EBITDA margin increased to 45.3 percent (44.6). Adjusted EBITDA like for like increased 1.7 percent as efficiency gains more than offset the negative impact from lower service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 3,043 million (2,441).

The number of mobile subscriptions increased by 43,000 during the year. Fixed broadband subscriptions increased by 23,000 during and TV subscriptions increased by 8,000 during the year.

Other

Financials

Sustainability

Directors' Report

SEK in millions, except margins, operational data and changes

	Jan-Dec 2021	Jan-Dec 2020
Net sales	13,788	13,373
Change (%) like for like	1.1	
of which service revenues (external)	11,510	11,338
change (%) like for like	-0.5	
Adjusted EBITDA ¹	6,240	5,971
Margin (%)	45.3	44.6
change (%) like for like	1.7	
Adjusted operating income ¹	2,351	1,593
CAPEX excluding fees for licenses, spectrum and right-of-use assets	3,043	2,441
Subscriptions (thousands)		
Mobile	2,289	2,247
of which machine to machine (postpaid)	125	107
Fixed telephony	32	40
Broadband	492	469
TV	477	469
Employees	1,412	1,633

1) Restated, see Note C1.



Denmark

In a challenging market, Telia continued to work on realizing further operational efficiencies which resulted that several IT efficiency milestones were achieved, including implementation of a single billing system. Commercially Telia continued to work towards becoming the natural choice for families regarding connectivity and streaming services, and the Call me brand was rebranded to increase awareness in the market and position it as an uncomplicated 'value for money' brand. Furthermore, the process of upgrading and modernizing the existing 4G network and roll-out of 5G continued in Denmark's larger cities, including Copenhagen that by year end principally was covered by 5G.

Net sales declined 4.6 percent to SEK 5,214 million (5,464) and net sales like for like, decreased 1.6 percent driven partly by lower equipment sales although mainly by decreased service revenues. The effect of exchange rate fluctuations was negative by 3.0 percent.

Service revenues like for like, decreased 1.7 percent driven predominately by lower business solutions and fixed broadband revenues which more than offset a slight growth for the mobile service revenues.

Adjusted EBITDA decreased 10.7 percent to SEK 906 million (1,015) and the adjusted EBITDA margin decreased to 17.4 percent (18.6). Adjusted EBITDA like for like decreased 7.0 percent as a result of the reduction in service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 462 million (288).

The number of mobile subscriptions increased by 125,000 during the year of which 140,000 attributable to subscriptions used for machine-to-machine services. Fixed broadband subscriptions decreased by 2,000 and TV subscriptions decreased by 5,000 during the year.

Other

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Directors' Report

SEK in millions, except margins, operational data and changes

	Jan-Dec 2020	Jan-Dec 2021
Net sales	5,464	5,214
Change (%) like for like		-1.6
of which service revenues (external)	3,976	3,807
change (%) like for like		-1.7
Adjusted EBITDA ¹	1,015	906
Margin (%)	18.6	17.4
change (%) like for like		-7.0
Adjusted operating income ¹	-17	-67
CAPEX excluding fees for licenses, spectrum and right-of-use assets	288	462
Subscriptions (thousands)		
Mobile	1,494	1,620
of which machine to machine (postpaid)	113	254
Fixed telephony	66	62
Broadband	68	66
TV	29	24
Employees	731	690

1) Restated, see Note C1.



Lithuania

On the back of the strategic partnership with Ericsson announced last year, work around modernizing the mobile network and laying a solid foundation for future 5G, was high during the year. And by year end more than 20 percent of all base stations had been upgraded, which puts Telia in a great position to provide commercial 5G services to its customers once the 5G frequency auction has taken place.

Net sales increased 4.1 percent to SEK 4,320 million (4,151) and net sales like for like, increased 7.6 percent supported partly by higher sale of equipment although mainly by increased service revenues. The effect of exchange rate fluctuations was negative by 3.5 percent.

Service revenues like for like, increased 6.0 percent supported by growth for both mobile as well as fixed service revenues. For mobile revenues the growth of 6.6 percent was the result of a customer

base expansion coupled with also a growing ARPU, whereas fixed service revenues increased 5.9 percent from a strong development for fixed broadband, TV and business solutions revenues.

Adjusted EBITDA increased 0.9 percent to SEK 1,511 million (1,497) and the adjusted EBITDA margin decreased to 35.0 percent (36.1). Adjusted EBITDA like for like increased 4.3 percent attributable to the growth in service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 669 million (383).

The number of mobile subscriptions increased by 121,000 during the year of which 105,000 attributable to subscriptions used for machine-to-machine services. Fixed broadband subscriptions increased by 4,000 and TV subscriptions increased by 2,000 during the year.

Other

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Directors' Report

Our Business

Our Strategy

SEK in millions, except margins, operational data and changes	Jan-Dec 2021	Jan-Dec 2020
Net sales	4,320	4,151
Change (%) like for like	7.6	
of which service revenues (external)	3,272	3,167
change (%) like for like	6.0	
Adjusted EBITDA	1,511	1,497
Margin (%)	35.0	36.1
change (%) like for like	4.3	
Adjusted operating income	756	776
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	669	383
Subscriptions (thousands)		
Mobile	1,518	1,398
of which machine to machine (postpaid)	309	204
Fixed telephony	201	230
Broadband	421	417
TV	255	253
Employees ¹	1,599	1,614

1) Restated, see Note C1.



Estonia

After launching 5G as the first operator in Estonia last year, the network roll-out continued at a high pace in 2021, resulting in that Telia by year end covered almost 150 locations across most cities with 5G. By far exceeding competition and putting Telia in a great position to continue providing mobile customers with a superior experience.

Net sales increased 1.7 percent to SEK 3,331 million (3,276) and net sales like for like, increased 5.1 percent driven mainly by increased service revenues and to some extent also higher equipment sales. The effect of exchange rate fluctuations was negative by 3.4 percent.

Service revenues like for like, increased 5.0 percent to some extent driven by mobile service revenues increasing 3.0 percent although predominantly from strong development for fixed revenues that

grew 6.3 percent. The latter mainly following a solid development for fixed broadband, business solutions and TV revenues.

Adjusted EBITDA increased 3.7 percent to SEK 1,196 million (1,153) and the adjusted EBITDA margin increased to 35.9 percent (35.2). Adjusted EBITDA like for like increased 7.2 percent attributable to the growth in service revenues.

CAPEX excluding licenses, spectrum and right-of-use assets, increased to SEK 417 million (374).

The number of mobile subscriptions increased by 79,000 during the year of which 43,000 attributable to subscriptions used for machine-to-machine services. Fixed broadband subscriptions increased by 1,000 and TV subscriptions decreased by 1,000 during the year.

Other

Financials

Sustainability

Directors' Report

SEK in millions, except margins, operational data and changes

	Jan-Dec 2020	Jan-Dec 2021	
Net sales ¹	3,276	3,331	
Change (%) like for like		5.1	
of which service revenues (external)	2,627	2,689	
change (%) like for like		5.0	
Adjusted EBITDA	1,153	1,196	
Margin (%)	35.2	35.9	
change (%) like for like		7.2	
Adjusted operating income	542	542	
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	374	417	
Subscriptions (thousands)			
Mobile	1,112	1,191	
of which machine to machine (postpaid)	353	396	
Fixed telephony	226	209	
Broadband	242	243	
TV	208	207	
Employees ¹	1,359	1,306	

1) Restated, see Note C1.



TV and Media

After displaying a negative service revenue development last year due to the COVID-19 pandemic, service revenues recovered in 2021 and were back to pre-pandemic levels. The strong revenue development was attributable to both increased TV revenues as well as a recovery for advertising revenues driven by an increased demand from advertisers. In addition to the service revenue improvement, the development for digital consumption and share of viewing on linear TV also continued to improve in both Sweden and Finland. As an example, the time spent on TV4 Play increased by 35% compared to last year and the linear portfolio of TV4 increased its commercial share of viewing amongst the ages 15-64 to 54% compared to 52% in 2020.

Net sales increased 16.4 percent to SEK 8,648 million (7,429) and net sales like for like, increased 17.3 percent.

Service revenues like for like, increased 17.3 percent driven by increased TV as well as advertising

revenues. TV revenues increased 22.5 percent driven by a positive development for the customer base as well as revenues last year containing a significant adverse impact from cancelled or postponed sports due to the COVID-19 pandemic. Advertising revenues increased by 15.6 percent driven by a good work on capitalizing on an improved demand for linear as well as digital advertising.

Adjusted EBITDA increased 15.9 percent to SEK 878 million (758) and the adjusted EBITDA margin remained unchanged at 10.2 percent. Adjusted EBITDA like for like increased 16.1 percent as the growth in service revenues more than compensated for higher content costs.

CAPEX excluding licenses, spectrum and right-of-use assets, decreased to SEK 263 million (333).

The number of direct subscriptions video-on-demand (SVOD) grew by 76,000 during the year.

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SEK in millions, except margins, operational data and changes	Jan-Dec 2021	Jan-Dec 2020
Net sales	8,648	7,429
Change (%) like for like	17.3	
of which service revenues (external)	8,647	7,429
change (%) like for like	17.3	
Adjusted EBITDA	878	758
Margin (%)	10.2	10.2
change (%) like for like	16.1	
Adjusted operating income	99	-55
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	263	333
Subscriptions (thousands)		
TV	865	789
Employees ¹	1,378	1,427

¹⁾ Restated, see Note C1.



Other operations

Included in Other operations are the operations in Latvia, Telia Finance as well as Group functions. Telia Company's shareholding in Turkcell Holding as well as the ownership in Telia Carrier were also included in Other operations. Turkcell Holding was divested in October 22, 2020 and Telia Carrier was divested on June 1, 2021. Santa Monica Networks in Latvia was acquired on October 8, 2021, see Note C34.

Net sales declined 34.3 percent to SEK 5,723 million (8,715), mainly due to the divestment of the Telia Carrier business and net sales like for like, increased 12.1 percent driven both by increased service revenues and sale of equipment.

Service revenues like for like, increased 8.4 percent mainly driven by increased mobile service revenues in Latvia and to some extent also positive development in the other businesses part of Other operations.

Adjusted EBITDA decreased 23.0 percent to SEK 1,449 million (1,881) and the adjusted EBITDA margin increased to 25.3 percent (21.6). Adjusted EBITDA like for like increased 14.9 percent driven largely by increased EBITDA generation in Latvia but also for the Group functions part of Other operations.

For Telia Carrier, net sales fell 62.9 percent to SEK 1,944 million (5,235) and adjusted EBITDA decreased 59.3 percent to SEK 371 million (909) following the divestment.

In Latvia, net sales increased 7.6 percent to SEK 2,562 million (2,381) and net sales like for like, increased 15.5 percent driven by increased sale of equipment as well as increased service revenues. Adjusted EBITDA increased 8.0 percent to SEK 840 million (778) and adjusted EBITDA like for like increased 13.1 percent as growing service revenues more than compensated for higher operational expenses. The number of mobile subscriptions increased by 40,000 during the year.

Income from associated companies improved to SEK 97 million (-20,073) as last year was impacted by a net impairment of SEK -2,928 million and a capital loss of SEK -17,955 million, both as a result of the divestment of Turkcell Holding.

CAPEX, excluding fees for licenses, spectrum and right-of-use assets, increased to SEK 5,512 million (5,104) of which SEK 0.5 billion related to Latvia, SEK 0.6 billion to Telia Finance and SEK 4.0 billion to the central function Common Products and Services, and referred to items such as IT systems, mobile networks, products and platforms, for the segments to benefit from.

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SEK in millions, except margins, operational data and changes

	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	8,715	5,723	
Change (%) like for like		12.1	
of which Telia Carrier	5,235	1,944	
of which Latvia	2,381	2,562	
Adjusted EBITDA	1,881	1,449	
of which Telia Carrier	909	371	
of which Latvia	778	840	
Margin (%)	21.6	25.3	
Income from associated companies	-20,073	97	
of which Turkey	-20,246	-	
of which Latvia	179	112	
Adjusted operating income	340	-551	
CAPEX excluding fees for licenses, spectrum and right-of-use assets ¹	5,104	5,512	
Subscriptions (thousands)			
Mobile Latvia	1,307	1,347	
of which machine to machine (postpaid)	341	380	
Employees ¹	6,446	5,969	

1) Restated, see Note C1.

Risks and uncertainties

Telia Company's Risk Universe

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. Our Risk Universe that consist of four categories, 13 principal risk areas and over 40 sub-risk areas are used to aggregate and categorize risks identified across the organization within the risk management framework. The four main risk categories and the most material risk and sub-risk areas are described below.

Four main risk categories

Strategic and emerging risks

Risks that can have a material impact on the strategic objectives arising from internal or external factors.

Operational and societal risks

Risks that may affect or compromise execution of business functions or have an impact on society.

Financial risks

Risks that can cause unexpected volatility in net sales, margins, share, returns or market capitalization.

Legal and regulatory risks

Risks related to legal or government that can have a material impact or management of business objectives.



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Risk management is an integrated part of Telia Company's business planning process and monitoring of business performance.

Risks and uncertainties that could specifically impact Telia Company's operations include, but may not be limited to the following:

Risk	Description	Mitigating activities	Risk	Description	Mitigating activities
Pricing, market and business model disruption	The traditional telecommunications markets are mature and under commoditization pressure and there is a need to innovate in how we conduct our business and ensure growth. Our industry is undergoing a historical transformation and is subject to new and substantially increasing competition, also from new type of competitors including e.g. hyperscalers in the entertainment business, communications business and ICT. In addition, there is continued price pressure on services driven by increasing competition in our B2B and B2C business.	- Actively monitor changes in customer and market behavior to create and execute mitigation plans - Business transformation programs and new business initiatives in line with our business strategy. Focused execution to ensure business transformation and cost savings. - Continuously exploring opportunities close to our core services to create new revenues and broaden customer relationships - Active focus on partner collaboration to drive value creation	Transformation & Change Management	Telia Company invests in business transformation, improving agility and flexibility, reducing cost and complexity to increase competitiveness, customer attractiveness, and financial performance. Transformation and growth initiatives' success depends on complex project interdependencies, delivery of suppliers and partners, and the dynamics of fast-shifting customer behavior. Therefore, continuously managing risks, prioritizing the most important initiatives, and removing barriers to execute is key for success.	- Identification of medium and long-term initiatives to digitalize Telia - A Transformation program has been established to ensure transparency and their performance, foster a culture of innovation and coordination to support success. - New strategy framework and deployed to reallocate, measure development objectives to ensure benefits
	Potential impact Failure to anticipate and respond to industry dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, may affect Telia Company's customer relationships, service offerings and position in the value chain. Competition from a variety of sources, including current market participants, new entrants and new products and services, may also adversely affect Telia Company's results. Failure in business transformation and growth initiatives may defer revenue upside as well as delay efficiency gains.			Potential impact Our transformation initiatives set out a series of financial and non-financial benefits to be achieved across Telia Company. Failure in business transformation and growth initiatives will defer revenue upside and delay cost reductions and efficiency gains from transformed operations.	

Risk	Description	Mitigating activities	Risk	Description	Mitigating activities
Cybersecurity, network quality, and resilience	Telia Company's ability to deliver high-quality, secure services and networks is fundamental to our customers and critical for our commercial success. Cyberattacks aimed directly at Telia Company and our customers are becoming more sophisticated and threats include loss of data and damage to our services. Preventive measures combined with preparedness and efficient continuity planning, incident management and crisis management are key to avoid unwanted consequences from incidents and disturbances.	- Investments in security skills, technology and processes to prevent, detect and monitor the different threat surfaces - Deploy operational processes, ensuring customer and authorities' security requirements are fulfilled - Strengthen security awareness and security culture through training - An external Security Maturity assessment was completed during Q4 2021 - ISO 27001 audit was conducted during 2021 leading to a certification of our Security Management System - Increased focus on service continuity management in architecture, service design, implementation, and maintenance Additional information in the Sustainability section, chapter Privacy and security.	Capabilities, skills, competence and leadership People are at the core of everything we do at Telia Company and their talents enable us to execute on our strategy. The demand and competition for talents in the ICT area is increasing. In order to secure the right talent and execute on our strategy Telia Company needs to retain highly skilled employees and continuously develop our capabilities and competencies. Potential impact Lack of access to relevant capabilities, skills and competences may limit progress on transformational change.		- Key initiatives Strategic Work - Partnering and recruitment efforts - Specific competence development - Providing internal reskilling, and offerings - Thoroughly follow up on recruitment action on recruitment surveys - Adaptation of offerings and talent needs

Risk	Description	Mitigating activities	Risk	Description	Mitigating activities
Third-party management	Telia Company relies on a vast number of suppliers and subcontractors, some of which are located in countries or industries with challenges in upholding ethical business practices, human and labor rights, health and safety and environmental protection. Despite efforts to conduct due diligence and audits, suppliers and subcontractors may be in violation of Telia Company's supplier requirements and/or national and international laws, regulations, and conventions. Certain suppliers have access to sensitive information such as personal data related to Telia Company's customers, which increases risks related to security and privacy.	- The Supplier code of conduct, which stipulates Telia Company's expectations on sustainable business practices, is included in all supplier contracts. In addition, the Supplier security directive is included in contracts where suppliers handle sensitive information - A standardized risk-based supplier due diligence process implemented and performed prior to signing new or renewed contracts - Continuous monitoring through recurring due diligence of high-risk suppliers - On-site and off-site audits by Telia Company or through the industry collaboration Joint Audit Cooperation (JAC) Additional information in the Sustainability section, chapter Responsible sourcing.	Customer privacy	Ensuring the privacy and security of our customers' data is vital for our business. Vast amounts of data are generated in and through Telia Company's services and networks and we have a responsibility to protect this data from misuse, loss, unauthorized disclosure, or damage. New ways of connecting as well as data-driven business models increase the complexity of understanding and retaining control over how data is collected and used.	- Continuous reviews of GDPR implementation - Ongoing implementation of common tools to further improve and control of and control of with customer requirements - Strengthening and mandate Protection Officer - Privacy impact assessments for other privacy related projects - Privacy training for all employees - Mandatory training for data security awareness for all employees - More information in the Sustainability chapter Privacy and security
	Potential impact Failure of Telia Company's suppliers to adhere to relevant laws, regulations and supplier requirements may risk or violate the rights of their employees' or subcontractors' human and labor rights. Such failure or perceived failure may also damage customers' or other stakeholders' perception of Telia Company. Violations of laws, regulations or supplier requirements put suppliers and subcontractors at risk of needing to limit or terminate their operations, which may negatively affect how Telia Company is able to deliver its services. Severe violations of such requirements, or disruptions to supplier due diligence or operations caused by restrictions, may lead to Telia Company needing to seek new suppliers which could negatively impact sourcing costs or delivery times.				

Risk	Description	Mitigating activities		Risk	Description	Mitigating activities
		Corruption and unethical business practices	Anti-bribery and corruption			
Corruption and unethical business practices	The telecommunications industry is particularly susceptible to a range of corrupt practices as it requires government approvals and necessitates large investments. In general, key areas where the threat of corruption is significant include the licensing process, market regulation and price setting, the supply chain, third-party management and customer relations. Mergers and acquisitions may pose risks of corruption, fraud and unethical business practices and require extensive buyer/seller due diligence. Some of the countries in which Telia Company historically have operated, mainly through Telia Carrier, are ranked by Transparency International's Corruption Perceptions Index as having high levels of corruption risk. In Telia Company's markets, in the Nordics and Baltics, the corruption risk is considered low or medium. Potential impact Actual or perceived corruption or unethical business practices may damage the reputation of Telia Company. Actual corrupt activity may result in loss of trust and customers, financial penalties and debarment from procurement and institutional investment processes. Fraud may significantly impact financial results. As corruption is often a barrier for human rights and equal opportunities, actual corruption or fraud may lead to Telia Company being associated with human rights violations.	• Anti-bribery and corruption (ABC) program implemented in all parts of the organization • Continuous development and testing of ABC-related controls, including implementation of measures to improve automatic controls • Due diligence and handover plans covering e.g. third-party due diligence, as part of mergers and acquisitions. • Education and communication efforts on ABC to targeted employees, specifically to high-risk roles and newly acquired businesses • During 2021, Telia Carrier was divested which significantly reduced our risk operating in countries with high levels of corruption • Additional information is provided in the Sustainability section, chapter Anti-Bribery and Corruption Additional information in the Sustainability section, chapter Anti-bribery and corruption.		Environment	Telia Company's operations and value chain generate negative environmental impacts, in particular greenhouse gas (GHG) emissions and different types of waste. The vast majority of GHG emissions (91%) are generated in the supply chain, while waste streams are associated with construction and maintenance of networks as well as end of life of electronic devices and equipment. We see increasing requirements and expectations from customers, policy makers, investors and others to manage these negative impacts. There is increasing regulatory and self-regulatory pressure in areas such as energy efficiency, circular approaches to close material loops and switch to circular business models. This is reflected in the EU Taxonomy Regulation and other upcoming legislation stemming from the EU Green Deal. Moreover, the increasing numbers of extreme weather events due to climate change, such as heat waves, flooding and thunderstorms, also pose risks to our infrastructures and services which, in turn, are vital for societies to function.	• Ambitious short-term GHG waste-related Science Based related program • 100 percent renewable electricity use offsetting • ISO 14001 environmental management system certification • Group-wide recycling program • Offers based on business models with own phones as a service and initiatives to encourage recycling • Stringent supplier requirements and maturity assessments of purchasing suppliers' environmental

Risk	Description	Mitigating activities	Risk	Description	Mitigating activities
Environment continues	Potential impact Failure to deliver on our commitments and goals and thereby not meeting stakeholders' requirements and/or expectations may lead to negative reputation, loss of revenues, inability to attract talents or limited access to "green capital." Increasing electricity prices, low availability of renewable energy certificates or introduction of carbon taxation could increase operational costs. Extreme weather may lead to operational disruptions and drive the need for additional investments to handle climate mitigation and building resilience in our operations. Negligence to implement circular business models such as leasing programs for consumer electronics (e.g. mobile phones and routers) and re-use of network equipment may lead to lost opportunities for cost savings and additional revenue.	Physical climate risk assessment conducted to improve business continuity management processes and network planning For in-depth information on environmental risks and mitigations, please refer to the Sustainability section, chapter Climate and circularity.	Regulation and licenses	Telia Company operates in a highly regulated industry, and regulations impose significant limits on Telia Company's flexibility to manage its business. New legislation and precedent are constantly being developed in the EU and by the European Court of Justice e.g., Terrorist content regulation, E-evidence regulation and net neutrality precedents which are cumbersome to fulfil. In a number of countries, Telia Company entities are designated as a party with significant market power in one or several telecom submarkets. As a result, Telia Company is required to provide certain services on regulated terms and prices, which may differ from the terms on which it would otherwise have provided those services. Effects from regulatory intervention may be both retroactive and prospective. Potential impact Changes in regulation affecting Telia Company's business activities, as well as decisions by regulatory authorities or courts, including granting or amending telecom licenses and spectrum permits and increasing national security requirements, may affect Telia Company's possibility of carrying out business and subsequently results of operations.	- Proactive work with legislators and when laws are and implemented as when laws on submarkets intervention and - Continuous legal regulatory model provide timely assistance through organization - Work closely with the late organization competence a integration of activities early in processes

Risk	Description	Mitigating activities	Risk	Description	Mitigating activities
COVID-19	The outbreak of COVID-19 has had an impact on Telia Company and its operations. Telia Company operates networks and services that are critical to society and our customers. The need for reliable and high-speed networks to support working from home has increased during the pandemic. Telia Company is highly dependent on a reliable supply chain to secure planned infrastructure development and a supply of spare parts. Financial market volatility may have an impact on Telia Company although financial markets have rebounded from pandemic lows. Telia Company's financial risk management is in all material aspects unchanged but with additional focus to maintain a continued strong liquidity position. Potential impact People's safety is key, and we are continuously monitoring the development of the pandemic to find a balance between staff working in the office and working from home. Business critical functions are primarily working from the office. COVID-19's impacts on the global transportation and production systems put further strain on our supply chain which may have an impact on planned infrastructure deliveries and supply of spare parts. Unplanned future restrictions in society may result in declining revenues (e.g. roaming) and an overall decline in the economy may lead to a negative impact on service revenues as well as increased credit losses, or even bankruptcies, leading to financial loss.	- Travel and meeting restrictions implemented - Strengthened workplace safety procedures have been implemented including increased cleaning, social distancing, availability of hand sanitizer, etc - Principals for a hybrid workplace have been deployed - Contingency plans for critical functions and services in place and maintained - Strengthened risk assessments and preparation of contingency plans to ensure supply of goods and services from key suppliers - Increased follow-up of key business KPI's to early mitigate the negative impact on financials	Impairment losses and restructuring charges Factors generally affecting the markets Telia is operating in as well as changes in the economic, regulatory, business or political and societal environment may negatively change management's expectation of future cash flows attributable to certain assets. Telia Company may then be required to recognize asset impairment losses, including but not limited to goodwill and fair value adjustments recorded in connection with historical or future acquisitions. Potential impact Significant adverse changes in the economic, regulatory, business or political and societal environment, as well as in Telia Company's business plans, may affect Telia Company's financial position, and results of operations, impairment losses, restructuring charges, which may adversely affect Telia Company's ability to pay dividends.	Risk Management reviews and re-evaluates business plans exit decisions actions in order to execute on business strategy	

Risk	Description	Mitigating activities
Human Rights	Human rights are universal, indivisible and interdependent making them challenging to rank and compare. In Telia Company we continuously work to identify human rights risks that are the most salient ones in our markets and value chain. We apply continuous human rights due diligence and conduct human rights impact assessments when there is a need for greater insight into the risk in question. We see growing stakeholder expectations from investors, business/public customers and regulators, including a development towards mandatory human rights due diligence and the upcoming EU Social Taxonomy. Potential impact Details on the most salient human rights risks and how we address these can be found in the Sustainability section, chapter Human rights on page 93.	Mitigation activities Our human rights due diligence strategy is described in the Sustainability section, chapter Human rights with additional information under sections on Digital inclusion. Theme-specific mitigation activities are found under sections on Digital inclusion, Privacy and security, Freedom of expression and surveillance privacy, Diversity, inclusion and equal opportunity, Health and well-being and Responsible sourcing.



Shareholders

Telia Company is a Swedish public limited liability company and is bound by the Swedish Companies Act, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code and the company's Articles of Association as well as other relevant Swedish and foreign laws and regulations. The General Meeting is the company's highest decision-making forum where the owners exercise their shareholder power.

For further information see *Swedish Companies Act (2005:551)*, *Annual Reports Act (1995:1554)*, *Securities Market Act (2007:528)* at www.riksdagen.se/en, www.government.se – *Nasdaq Stockholm (issuer rules and surveillance)* at www.nasdaq.com/solutions/rules-regulations-stockholm – *Swedish Corporate Governance Code and specific features of Swedish corporate governance* at www.corporategovernanceboard.se

Telia Company has one type of share. Each share represents one vote at the General Meeting. As of December 31, 2021, Telia Company had 474,486 shareholders.

The Swedish State is the largest shareholder, owning 39.5 percent of the total shares at year-end 2021. For companies with State ownership, the Swedish Government has issued an ownership policy, which sets forth requirements related to, inter alia, responsible business, diversity and gender balance. In companies where the State does not have majority ownership, the State acts in dialogue with other owners to promote the application of the policy.

The Telia Company share is listed on Nasdaq Stockholm and Nasdaq Helsinki. For more information on the Telia Company share and the shareholder structure, see the **Directors' Report**.

Annual General Meeting 2021

The Annual General Meeting 2021 was held as a postal voting meeting only, in accordance with temporary legislation due to the pandemic, and took place in Stockholm on April 12, 2021. The Annual General Meeting decided, among other things, on the following:

- Approval of the income statement and balance sheet
- Discharged the board members and CEO from liability
- Election of board members
- Election of auditors
- Appropriation of earnings
- Adoption of Remuneration Report
- Long-term incentive program for key employees and transfer of own shares
- Authorization for the Board to decide on repurchase of the company's own shares, within certain limits, and transfer of the same shares

Telia Company's Articles of Association is available at www.teliacompany.com/en/about-the-company/corporate-governance/articles-of-association/ and AGM and EGM minutes and related documents at www.teliacompany.com/en/investors/annual-general-meeting/ (Information on the Telia Company website does not form part of this Statement)

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General Meeting

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Remuneration Committee

Board of Directors

Audit Com

President & CEO

Finance

External Affairs,
Governance &
Trust

Internal

People,
Experience &
Culture

Common
Products &
Services

Brand

Corporate
Affairs

Sweden

Norway

Finland

Lithuania,
Estonia, Denmark

Group Strategy
& Commercial

Nomination Committee

The Nomination Committee shall, in accordance with the instruction for the Nomination Committee, be nominated by the four (4) shareholders that are largest in terms of votes at the end of July of the year before the Annual General Meeting, and who wish to participate in the Committee's work for the period up to the Annual General Meeting. The Nomination Committee of Telia Company for the Annual General Meeting 2022 has been appointed based on the ownership structure as of July 31, 2021, and consists of:

- Daniel Kristiansson, Chair (the Swedish state)
- Jan Andersson (Swedbank Robur Funds)
- Erik Durhan (Nordea Funds)
- Lilian Fossum Biner (Handelsbanken Funds)

In addition, Lars-Johan Jarnheimer (Chair of the Board of Directors) has been appointed as a co-opted member of the committee.

The Annual General Meeting 2021 has adopted instructions for the work of the Nomination Committee, which includes to:

- Propose the number of board members elected by the Annual General Meeting
- Nominate the Chair, the Vice-Chair and other board members
- Propose the board remuneration that is divided among the Chair, the Vice-Chair and other board members, and remuneration for serving on committees

- Nominate the Chair of the Annual General Meeting
- Nominate the external auditors and propose remuneration payable to the auditors

The Nomination Committee performs interviews and receives information from the Chair of the Board, other board members, including employee representatives and the CEO on internal work of the Board, Telia Company's position and strategic direction and other relevant circumstances and receives an internal evaluation of the Board. Based on this information, the Nomination Committee assesses the functioning of the Board and the competences needed in the Board as a whole. The Nomination Committee has concluded that competences currently needed are experiences from:

- The telecommunications industry and industries closely related to it
- Digitalization
- Relevant markets
- Consumer-oriented operations and markets
- Sustainability work
- Board work in listed companies
- Media
- Executive leadership
- Transformation and change processes
- Finance

On the basis of the competence needs identified, the Nomination Committee evaluates the competences of the present board members and the aggregated composition of the Board. Taking into account the competences and experiences needed in the future, diversity, including gender as well as professional background of the Board and the competences of present board members, the Nomination Committee nominates board members to the Annual General Meeting.

The Nomination Committee has reported that it complies with the provisions of the Swedish Corporate Governance Code and that it intends to report its activities on the company's website. In its work, the Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. The Nomination Committee has considered the importance of a well-functioning composition of the Board with diversity and breadth of qualifications, experience and background. The Nomination Committee has specifically discussed gender diversity as part of its efforts to strive for gender balance in the Board and to compose the most competent Board. The Board currently consists of four female and four male members, elected by the Annual General Meeting.

The Annual General Meeting 2021 reappoint board members in accordance with the instruction for the Nomination Committee's proposals. The Nomination Committee reviews its instruction and necessary proposes changes thereto at the Annual General Meeting.

Shareholders are welcome to send proposals to the Nomination Committee. Proposals should be sent to forslag@telia.se or by e-mail to forslag@telia.se.

Board of Directors

Responsibilities

The Board is responsible for the organization of the company and the administration of the company's affairs. The Board regularly assesses the company's and the group's financial position and ensures that the company is organized so that accounting, management of funds and the company's financial conditions, in general, are controlled in a satisfactory manner.

The tasks of the Board include, among other things, to:

- Establish business objectives and strategy
- Appoint, continuously evaluate and, if required, remove the CEO from office
- Ensure that there are effective systems in place for monitoring and controlling of the company's operations and financial position compared to its stated objectives
- Ensure that there is satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations
- Ensure that policies to govern the company's ethical conduct are adopted
- Ensure that the company's external disclosure of information is marked by openness and is correct, relevant and reliable

Instructions for the work of the Board are set forth in its rules of procedure, which are reviewed and adopted annually. The rules of procedure set out the number of ordinary board meetings, agenda items and matters to be addressed at ordinary

board meetings, the duties of the Chair of the Board and the allocation of responsibilities between the Board and the CEO, including the CEO's reporting to the Board. It also includes instructions for the work in Board Committees, inter alia, stipulating the Committees' duties, the number of Committee meetings, matters to be addressed at the meetings and reporting to the Board.

Members and independence

The Board consists of eight members elected by the Annual General Meeting, serving one-year terms, and three employee representatives (with three deputies) from the Swedish operations. Lars-Johan Jarnheimer is the Chair of the Board. The other board members, elected by the Annual General Meeting 2021, are Ingrid Bonde (Vice-Chair), Luisa Delgado, Rickard Gustafson, Jeanette Jäger, Nina Linander, Jimmy Maymann and Martin Tivéus. Anna Settmann and Olaf Swantee were not available for re-election at the Annual General Meeting 2021.

In accordance with the guidelines of the Swedish Corporate Governance Code, all board members elected by the General Meeting are considered independent in relation to the company, to the Group Executive Management of the company and to major shareholders.

The board members are presented in more detail, including meeting attendance, remuneration and holdings of Telia Company shares, at the end of this Statement.

Annual work cycle

The work of the Board follows an annual cycle, enabling the Board to appropriately address each of its duties and to keep strategic issues, risk assessment and value creation high on the agenda.

The Board's Annual Work Cycle



Board meetings

The annual board cycle starts and ends at the Annual General Meeting. During the year approximately nine ordinary meetings are held, including the inaugural meeting and a two-day strategy meeting. The meetings address, among other things:

- Approval of financial reports and the Annual and Sustainability Report
- Review and assessment of financial forecasts, investments, business plans and progress towards sustainability goals
- Budget review and approval
- Strategy review and evaluation
- Review and approval of key policies as well as governance documents
- Dividend proposal
- Issues that shall be referred to the Board, in accordance with, i.e. laws and governance documents
- Self-assessment of board work and board members

- Target setting
- Risk reports
- Performance review of the CEO
- Organization and management issues
- Discussion with the auditor of the group without the presence of the CEO or Group Executive Management

Board work in 2021

In 2021, the Board held nine (9) ordinary meetings (whereof one inaugural meeting) and two (2) extra meetings. Due to COVID-restrictions, the meetings partly moved to digital during the course of 2021. In

Board Committees

To improve board work efficiency, the Board has appointed a Remuneration Committee and an Audit Committee. The Committees prepare recommendations for the Board and make proposals on matters that require the Board's approval. The Committees also continuously give reports to the Board in relation to its work.

Remuneration Committee

The Remuneration Committee, among other things, assists the Board by preparing proposals on remuneration and monitor and evaluate on a regular basis the structures and levels of remuneration for the CEO, other members of the Group Executive Management, as well as the current remuneration structures and levels in the company.

Audit Committee

The Audit Committee assists, among other things, the Board in fulfilling its responsibility in relation to financial reporting, internal control, internal and external audit, enterprise risk management and the company's process for monitoring compliance with laws and regulations within financial reporting, accounting standards and other requirements for listed companies, as well as monitoring the company's risk and compliance work. The Committee shall further approve the appointment and dismissal of the Head of Internal Audit.

Remuneration Committee work in 2021

Lars-Johan Jarnheimer is the Chair of the Remuneration Committee. In 2021, the Committee

Organization of the Board

Board of Directors
12 members (of which 3 employee representatives)

- Lars-Johan Jarnheimer, Chair of the Board

Remuneration Committee
3 members

- Lars-Johan Jarnheimer (Chair)
- Luisa Delgado
- Rickard Gustafsson

CEO
3

- Nina Lind
- Jim

held three (3) meetings. Its work included, among other things:

- Guidelines for remuneration and evaluation of remuneration policies and programs as well as to prepare a remuneration report
- Variable pay and long-term incentive programs
- Succession planning and talent management
- Performance management
- Remuneration to the CEO and Group Executive Management
- Approval of recruitments of officers at senior management level

Audit committee work in 2021

Nina Linander is the Chair of the Audit Committee. In 2021, the Committee held seven (7) meetings. Its work included, among other things:

- Supervise and review the company's financial reporting process and procedures for financial information and annual accounts
- Review and approval of accounting principles pertaining to financial reporting
- Review of annual accounts, the Board's Report, the Corporate Governance Statement and reporting within the sustainability area
- Review of assessments concerning asset valuation, treasury and operational risks (including assessment of, and actions taken in response to, whistle-blower reports)
- Monitor the financial statements and interim reports and give recommendations and proposals to ensure accurate reporting
- Monitor the efficiency of the internal control and risk management systems with respect to financial reporting

CEO and group executive management

The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations in accordance with the Board's instructions for the CEO and other decisions made by the Board.

Headed by the CEO, the Group Executive Management comprises of the CEO, CFO, Chief Operating Officer, General Counsel and Head of Corporate Affairs, Head of People Experience & Culture, Chief Strategy & Commercial Officer, Chief External Affairs, Governance & Trust Officer, Head of Brand, CEO of Telia Sweden, CEO of Telia Norway, CEO of Telia Finland, Head of Lithuania, Estonia and Denmark and Head of TV and Media.

Group Executive Management meets monthly, and the meetings are devoted to follow-up on strategic and business performance, including sustainability, major change programs, risks and other issues of strategic nature and group-wide importance.

Allison Kirkby is the President and CEO of Telia Company. The members of Group Executive Management are presented in more detail, including remuneration and holdings of Telia Company shares, at the end of this Statement.

Jonas Bengtsson, General Counsel & Corporate Affairs, left the company in 2021. Stefan Backman has been appointed General Counsel and Head of Corporate Affairs. He will take up his position no later than 1 September 2022.

Cecilia Lundin, Head of People Experience & Culture, left the company in September 2021. Romberg Ewerth has been appointed Chief Operating Officer and will take up the position no later than 1 September 2022. Until then the position will be held by the Interim Chief People Officer Therese

Group-wide Governance Framework

Group-wide governance framework

Customer Promises and key stakeholder obligations

Deciding what we shall achieve

- Purpose
- Key strategic pillars
- Financial, operational and sustainability targets

Delivering on our promises

- Business processes
- Organization and resources
- Strategy to execution

Following up our performance

- Business reviews
- Risk and compliance reviews
- Individual performance management

Telia Company's group-wide governance framework is approved by the Board. Its purpose is to ensure that:

- the company has the understanding and prerequisites to fulfil promises and commitments to our customers, shareholders and employees
- operational results correspond to decisions made, and are structured to encourage all employees to strive, within set boundaries, towards the same goals
- there is a common, clear understanding of the group's purpose, values, roles, responsibilities and authority to act

Customers promises and key stakeholder obligations

The customers are our champions in everything we do. The promises and obligations we make to our customers, shareholders and other stakeholders are the foundation for deciding what we shall achieve and the values we want to create.

Deciding what we shall achieve

We are building a Better Telia – our goal is to make Telia better for customers, better for our employees, better for our owners and better for the societies in the Nordics and the Baltics.

Purpose

In order to provide overall guidance to employees, the Board has approved a purpose statement: "Reinvent better connected living". The purpose is a clear direction for the strategy to create a Better

Telia, grow business and deliver sustainable value creation.

Key Strategic Priorities

Led by our purpose to "Reinvent better connected living" we aim to grow our business and deliver sustainable value creation to our shareholders through four key strategic pillars.

Inspiring customers

We work relentlessly to bring our customers better products and services to enable them to achieve, engage and experience more.

Connecting everyone

Connecting everyone over the most reliable and secure networks is imperative to deliver better and inclusive connected living.

Transforming to digital

We are transforming to digital to simplify operations, act faster and, ultimately, enable a better customer experience.

Delivering sustainably

Creating value for all stakeholders and society rests on being financially, socially and environmentally resilient.

For more information on the strategy, see **Our Strategy**.

Operational, financial and sustainability targets

The Board is setting the direction for years for operational, financial and sustainability matters. The targets are set for the group and for each country and business unit.

For more information on Telia Company's sustainability work, targets and governance, see the **Sustainability section** and the **Directors' Report**.

Setting the boundaries for how we work

The Board and Group Executive Management set the boundaries for how employees work. Key elements are Telia Company's values, framework and the corresponding documents, Delegation of obligation and the Code of Conduct.

Set of values

Telia Company's values – **Be Care, Care** – are the compass for how we act in our daily work.

Policy framework

The policy framework consists of the documents group policies and group standards, which are core elements in managing and directing Telia Company. The head of functions secure that necessary group

Group policy	Description
Anti-Bribery and Corruption	To set the standards for ethical business practices throughout the operations.
Enterprise risk management	To describe the enterprise risk management framework.
Environment	To ensure that we proactively manage environmental impacts throughout the full lifecycle of delivering our products and services.
Financial management	To set the rules for managing financial risks and for counterparty credit ratings.
Freedom of expression and surveillance privacy	To define our commitments in relation to requests or demands with potentially serious impacts on freedom of expression and surveillance privacy.
Inside information and Insider trading	To ensure a high standard of ethical behavior towards the capital markets by defining trading and reporting rules.
Human rights	To respect and support human rights, to avoid complicity in human rights abuse and violations and to seek to provide for or cooperate in their remediation.
People	To provide our employees with an overview of our company values and expectations in relation to people, health, safety and well-being. It also gives employees at all levels the prerequisites to act in line with these values and expectations.
Privacy and data protection	To respect and safeguard privacy and data protection by setting high and consistent standards.
Quality	To define our commitment to consistently provide products and services with high quality that meet customer needs.
Remuneration	To set the strategic direction and clarify the approach on designing and implementing remuneration practices for employees at all levels.
Security	To describe the governance as well as control, facilitation and implementation of security measures.
Media Owner Commitments	To define Telia Company's commitments in relation to a free flow of information, freedom of expression, freedom and independence of mass media and an open and democratic society. As media owner, we confirm that all mass media content shall be protected by traditional editorial integrity principles, established journalistic practices and the sovereignty of the responsible publisher pursuant to constitutional law regarding freedom of expression.

and group instructions are issued within their respective area of responsibility. All group policies and group instructions are binding for all entities in which Telia Company has management responsibility. Group policies are approved by the Board, at least on an annual basis, after being reviewed at a Group Governance, Risk, Ethics and Compliance committee (GREC) or Group Executive Management meeting. The Board has delegated to the CEO to issue instructions for more detailed governance in areas of overall importance for the operations. Group instructions are reviewed, and updated if considered necessary, annually. The group instructions are approved by the CEO or the head of the relevant group function after being reviewed at a Group GREC or Group Executive Management meeting.

All group policies and group instructions are stored and published in a common database available to all employees and certain categories of contingent workers. Group policies are listed to the left.

Group policies are publicly available at: www.teliacompany.com/en/about-the-company/public-policy (Information on the Telia Company website does not form part of this Statement)

Delegation of Obligations and Authority

The CEO has issued a Delegation of Obligations and Authority (DoA), which defines how the CEO delegates obligations and authority to Group Executive Management and describes its governance principles. The document also

provides general descriptions of obligations, authority and expectations on the Group Management.

Telia Company's Code of Conduct

The Code of Conduct, issued by the high-level guidance on the framework and instructions. It helps creating a common ethical doing by defining a common ethical setting clear standards and expectations to act and helps in recognizing that with integrity is a shared responsibility chapters of the Code reflect the group instructions and they provide instructional information with a reference to find more information. The Code everyone at Telia Company, employees, members of the boards, contractors, and freelancers. The Code made a internal and external stakeholders.

The Code of Conduct is reviewed on basis and is currently being revised to reflect Telia Company's new market geographical footprint. The review is Governance, Risk and Compliance in with appropriate subject matter experts expected to be finalised during 2023.

Delivering on our promise

We always strive to deliver what we will, in the right time and in the right trust, reliability and key stakeholder satisfaction.

Business processes

Processes are at the heart of how to transform the value we deliver to the customer. The business processes set the foundation for being an effective overall company and meet the business and customer expectations with more agility. Telia Company Business Process Management consists of six main areas, which together enable Telia Company to align its business processes to its business strategy, fulfil legal compliance and provide customer value.

Organization and resources

The group's operations are managed and reported by the following operating segments: Sweden, Finland, Norway, Lithuania, Denmark, Estonia and TV and Media. Included in other operations are Telia Finance, the operations in Latvia as well as group functions. Group functions include External Affairs, Governance and Trust, Corporate Affairs (including Telia Asset Management), Finance (including Sourcing and Real Estate), Common Products & Services, Strategy & Commercial (including Division X and Global Business) and People, Experience & Culture.

Group functions are responsible for driving developments within their respective areas to ensure efficiency and cross-border synergies. All countries and group functions work in close cooperation with each other, providing advice and guidance in order to maintain high technical and commercial skills, ensure good management and regulatory compliance, use of economies of scale, as well as achieve a business that is sustainable in the long term. Resources, in terms of financial

and human capital, network assets, social and relationship capital as well as natural resources, are allocated to ensure successful execution.

Business Area TV and Media operations are characterized as mass media operations and protected by the constitutional law on Freedom of Expression. In accordance with the constitution and the Group Policy on Media Owner Commitments, all editorial decisions are solely taken by personnel within the editorial operations and at the absolute discretion of the Editor-in-Chief. Editorial operations are separate from other parts of Telia Company and we respect the editorial integrity of the mass media, including the confidentiality of sources and source material and the integrity and confidentiality of editorial work, decisions and necessary professional integrity. The group policy guarantees that independent publishing is upheld vis-à-vis e.g. the owners, governments, public authorities, political parties, the board and management of Telia Company, external financial power spheres, and other organized social interests.

Strategy to Execution

A new strategy to execution framework and process is deployed to redefine and allocate, measure and track development of business objectives to realization/benefit.

Follow-up of our performance

Performance follow-up is essential in order to be able to take corrective measures and plan for the future. Performance follow-up is applied to organizational units as well as individuals.

Business reviews

The CEO sets goals for the operations based on the direction of the Board.

To ensure performance, managers have annual targets for their respective operation. The plan for each unit is followed-up in business review meetings held on a monthly basis and includes financial and operational reviews for the reporting period. The review meeting also includes a review of scorecards including operational, commercial, financial and people performance metrics as well as tracking of business initiatives. The business reviews allow for frequent follow-up of operational key performance indicators (KPIs) on country and business unit level. The operational KPIs are a key part of the follow-up and consist of several measurements that give management a good overview of current state and progress over time. The Net Promoter Score (NPS®) framework is used to monitor and improve the customer experience that Telia Company provides. At the business review meetings, the CEO, CFO, COO, Head of Business Finance, Head of Investor Relations, and selected members of Group Executive Management attend, in addition to the respective country management. The Board receives reports on operational performance monthly, and at each ordinary board meeting, the group's operational and financial performance is presented in detail by the CEO and the CFO, respectively. See also section **Board of Directors**.

Risk and compliance reviews

The Governance, Risk, Ethics and Compliance (GREC) committee is the primary governing body

for risk and compliance follow-up. For more information, see section Governance and Compliance meetings.

Individual performance management

YouFirst is the group-wide approach to performance and development. It guides expectations and priorities are communicated through strategy, setting challenging goals and personal accountability for results. YouFirst is integrated in daily work through continuous employee conversations that include feedback with all employees.

Individual performance management is described in the Directors' Report, see section Management and Governance.

Enterprise Risk Management (ERM) and Compliance Framework

During 2021 risk assurance was further strengthened by forming a group wide Governance, Risk and Compliance (GRC) function through a merger of the Enterprise Risk Management and Ethics and Compliance organizations. A common risk and compliance assurance framework has been deployed to better align risk and compliance activities throughout the organization.

Risks and uncertainties

Operating in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry, Telia Company is subject to a wide variety of risks and uncertainties. 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 current or future operations or activities.

Risks and uncertainties related to business and sustainability as well as to shareholder issues are described in the Directors' Report section Risks and uncertainties and financial risks in Note C27 to the consolidated financial statements.

Risk management – the three lines model

Telia Company's risk management is a fundamental component of the well-established three-lines

model for managing and controlling risks. Risk management is an integral part of the group's operational activities, business planning process and monitoring of business performance. Risks are continuously identified and assessed, and measures are implemented to mitigate and monitor these risks.

The roles and responsibilities of the three lines include:

- **First line:** The line organization owns its operational risks and is responsible and accountable for assessing, controlling and mitigating the risks as well as for internal control activities and assurance.
- **Second line:** Comprises the group-level Governance, Risk and Compliance (GRC) function incorporating Enterprise Risk Management (ERM) function and Group Compliance function, the group risk area coordinators, the internal controls function within Group Finance, the Chief External Affairs, Governance & Trust Officer and the GREC meetings.
- **Third line:** The Group Internal Audit function provides independent and objective assurance and advisory services of governance, risk and internal control.

In addition, external parties, such as the external auditors and regulatory bodies, provide assurance related to specific statutory requirements, e.g. information presented in the consolidated financial statements or reported to the Swedish Financial Supervisory Authority.

The objective of the continuous risk management process is to ensure all risks that may help or hinder the achievement of Telia Company's objectives are regularly assessed, managed and monitored. The risk management process promotes transparency, feasibility and traceability and Telia Company strives to fully integrate risk management into all business processes. Management shall ensure that a personal sense of responsibility and common view on, and awareness of, risk is established among the employees, as well as facilitate accountability for risks in daily decision making. Risk reporting is integrated into the business planning process and risks shall be reviewed at business reviews and escalated through the line organization.

Management proactively conducts risk and compliance evaluations and assessments, on a regular basis and in a timely manner, in order to ensure that all employees are aware of and take steps to comply with the relevant requirements. Compliance indicates the conformance to external as well as internal requirements, such as:

- Applicable legislation and regulation
- International standards and norms
- Group policies and group instructions

Aligned assurance

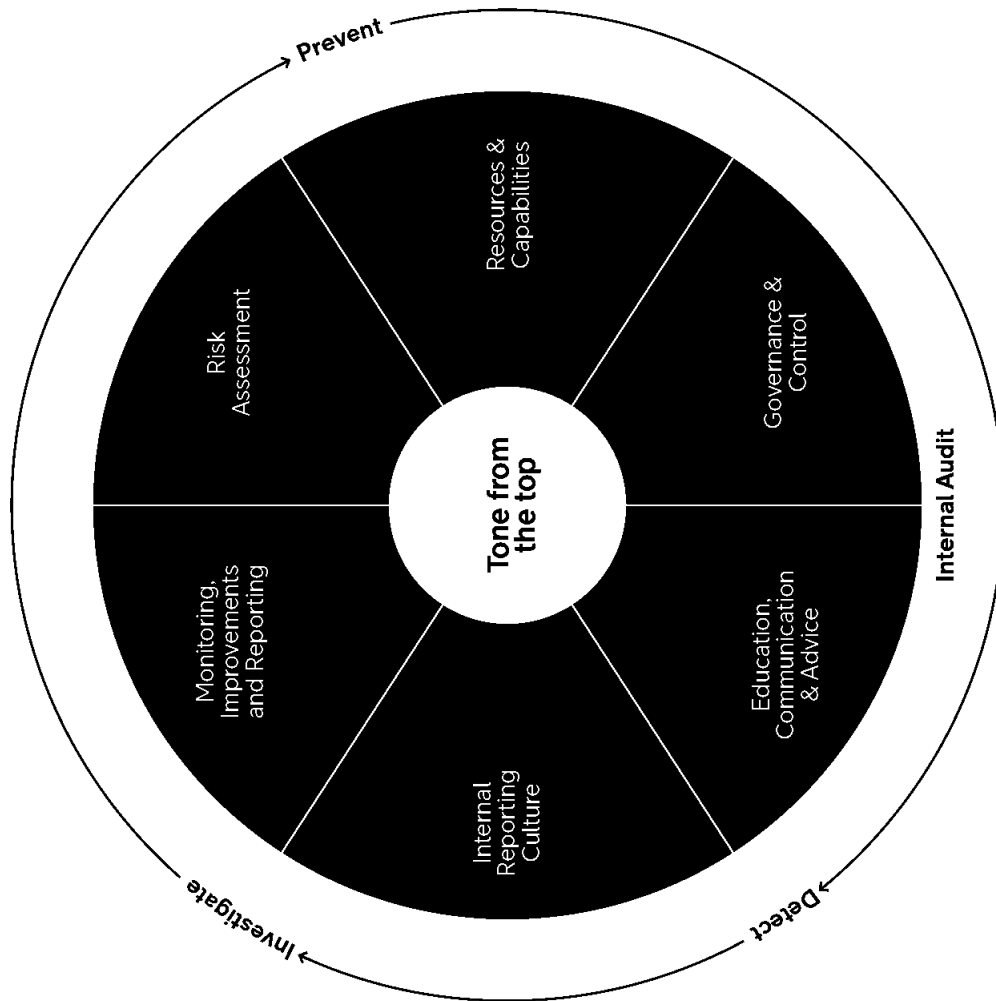
Telia Company has adopted an aligned assurance way of working where the Enterprise Risk Management, Ethics & Compliance and Group Internal Audit

communities align planning, executing assurance activities. Fundamental objectives of Aligned Assurance are to ensure that managed within the company's risk as provide holistic visibility and assurance Board, management, regulators and

Information gathered through the assurance activities are aligned and provided to the Audit Committee. The aligned assurance functions supports management decision making with comprehensive company's overall risks, current level effectiveness of mitigating activities

Assurance framework

A risk and compliance assurance framework developed to support an aligned and approach to assurance. The assurance consists of six elements that are founded and clear tone from the top. It is designed international standards and based of prevent, detect and investigate. The is used to establish assurance of the a management of key risks in our risk



Bi-yearly risk reporting

A risk report is consolidated on a bi-yearly basis and delivered to the Audit Committee and the Board, in alignment with the Board's annual work cycle. Risks are presented as group-wide, country or group perspectives within the following four categories:

- Strategic and emerging risks
- Financial risks
- Operational and societal risks
- Legal and regulatory risks

In addition, the Audit Committee quarterly receives a consolidated litigation report with short-form details of ongoing, pending and threatened major legal and administrative proceedings. Each case description also includes nominal and estimated financial impact when possible, and a probability grading. The Board receives a summary of major litigations.

Group-level enterprise risk management function (ERM)

The Chief Risk Officer (CRO) is Head of the GRC function and reports to the Chief External Affairs, Governance & Trust Officer and acts as the owner of the group-common ERM process to ensure a structured approach towards risk management, compliance and reporting within the group. Function responsibilities include:

- Own, govern, coordinate and monitor the ERM process to ensure a structured approach towards risk management, compliance and reporting in the group
- Own the group framework for ERM, policies and instructions within his/her areas of responsibility and to monitor compliance herewith and support group-wide implementation

- Oversee the operational effectiveness of processes across the group and provide for improvement
- Monitor the risk level as well as the specific risk matters across the group of that responsibility, the Head of collect and aggregate the respect countries and group functions in a CEO and the Board a consolidated view on the group's risk level and material risks
- Facilitate and organize the governance for risk management and compliance group level

Group Compliance function

The purpose of Telia Company's Group function is, inter alia, to promote a culture encourages ethical conduct and compliance as well as to assist, advise provide objective and reasonable advice the company manages Compliance appropriate way.

The Senior Compliance Officer reports of the GRC function and escalates to External Affairs, Governance and Trust secure independence the Senior Compliance also has an unconditional right to issue reports and/or escalate issues/queries matters that are deemed necessary, the Audit Committee, the CRO, Group Management members or group GRC

Governance, Risk, Ethics & Compliance (GREC) committee

The purpose of the Group GREC committee is to act as the primary governing body for risk management and compliance throughout Telia Company.

GREC committees are also established on a country level and in selected group functions and subsidiaries (Common Products and Service).

GREC meetings, on all levels, are held at least quarterly and provide a forum for management updates, discussion, decisions and follow-up on risk and control mitigation activities and initiatives within the different risk areas and sustainability focus areas.

On group level, the GREC meeting is chaired by the CEO and consists of Group Executive Management, the Head of GRC as well as the Head of Group Internal Audit. The purpose, agenda and participants of local GREC meetings mirror the group-level meetings.

Whistle-blowing and Speak-up line

2021 was the seventh year of operation of Telia Company's speak-up line, the whistle-blowing tool available in 11 languages, enabling employees and others to anonymously and confidentially report violations of proper accounting, reporting or internal controls, as well as non-compliance with local laws or breaches of Telia Company's Code of Responsible Business Conduct, group policies and group instructions. Telia Company has a group-wide standard for performing internal investigations. The

Internal controls over financial reporting

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board is responsible for internal controls over financial reporting. The Board continuously reviews the performance of internal controls and initiates activities to foster continuous improvement of internal controls.

Telia Company's risk management framework includes internal controls over financial reporting and is in line with the COSO framework for internal controls. It consists of inter-related areas, which are control environment, risk assessment, control activities, information and communication, and monitoring.

To establish a consistent approach to, and a group-common view of, risks related to incorrect financial reporting, group-wide risk catalogues have been implemented in all major entities in which Telia Company has management responsibility. The internal control function within Group Finance is responsible for developing and maintaining the IT-based tool for managing the risk catalogues.

Internal control is an integral part of Telia Company's corporate governance and enterprise risk management which involves the Board, Group Executive Management and employees on all organizational levels. It is a process that includes methods and processes to:

- Safeguard the group's assets
- Ensure the reliability and correctness of financial reporting
- Secure compliance with applicable legislation and guidelines

Control environment

The most essential elements of Telia Company's control environment are the group policies and related group instructions as well as directives. Management at all levels is responsible for ensuring that the organization complies with the Delegation of Obligations and Authority. The CEO, the financial governing body, and the reporting framework and other group policies.

Group Finance is responsible for monitoring and, if significant, communication of changes in legislation, listing requirements and reporting standards affecting financial instructions or directives.

Management in each entity is responsible for ensuring that the group complies with Telia Company's accounting policy and quarterly financial statements. Financial reports are delivered on a monthly and quarterly basis, as well as group risk catalogues, have been reviewed and are performed in accordance with Telia Company's risk management and reported

The financial shared services unit of Telia Company supports harmonized and standardized financial accounting processes and controls across large wholly-owned business units.

Risk assessment

Telia Company has a risk-based approach towards internal controls over financial reporting. Risk management related to financial reporting is incorporated in the group-common risk management framework as described in Enterprise Risk Management (ERM) framework. As such, assessment and management of risks that may result in inaccurate financial reporting is a natural part of the daily work, where the group risk catalogues are used as a baseline. Risk assessments are performed from both a top-down and a bottom-up perspective. The results of the risk assessments are documented in the group risk catalogues.

Control activities

All business processes across Telia Company include controls regarding the initiation, approval, recording and accounting of financial transactions. Major processes, including related risks and key controls, are described and documented in a common and structured way, based on the requirements set in the group risk catalogues. Controls are either automated or manual and designed to ensure that necessary actions are taken to either prevent or detect material misstatements and to safeguard the assets of the company. Controls for the recognition, measurement and

disclosure of financial information are included in the financial closing and reporting process, including controls for IT applications used for accounting and reporting.

Information and communication

Group policies, instructions and directives, the reporting framework guidelines and other requirements regarding accounting and reporting as well as performing internal controls are made accessible to all employees concerned, through the use of Telia Company's regular internal communication channels. Employees at group level continuously engage in internal training activities to ensure harmonization within important areas such as revenue recognition, distinction between capital and operating expenditure, etc.

Telia Company promotes an open, honest and transparent flow of information, especially regarding the performance of internal controls. Control performers are encouraged to disclose any issues concerning their controls in the reporting, so that a problem can be taken care of before it, possibly, causes misstatements.

Monitoring

Telia Company has implemented a structured process for performance monitoring of internal controls over financial reporting. This process includes countries and group functions and consists of self-assessments of the risk-mitigating activities. The internal controls function within Group Finance monitors the process on a monthly basis.

On behalf of Group Executive Management, the internal control function carries out an annual risk-based compliance review of key risks in order to evaluate the quality of self-assessments, risk mitigation and the overall internal control environment.

The results of the self-assessments and the compliance review are communicated to the management of all relevant entities and to the Audit Committee. The Committee also receives reports directly from both external and internal auditors. The reports are discussed, and follow-up observations are made by the Committee. Both the external and internal auditors are present at the Committee meetings.

At least once a year, the entire Board meets with the external auditors, in part without the presence of management.

Group internal audit

The Group Internal Audit function provides independent, and objective assurance and advisory services designed to add value and improve Telia Company's operations. Internal Audit assists Telia Company in accomplishing its objectives by bringing a systematic, disciplined and agile approach to evaluate and improve the effectiveness of the organization's governance, risk management and internal control.

The direction of the work of the internal audit function is stated in the audit plan. In order to reflect the overall business objectives and risks, the audit plan is aligned with the group strategy and business plans. The audit plan determines priorities and resource allocation. It is approved by the Audit Committee and presented to the external auditors on a regular basis. Quarterly, the audit assignments are discussed with the external auditors in order to share risk assessments and audit findings.

In 2021, audits were performed in group functions, as well as in the countries. Important audit themes were:

- Transformation
- Information and IT security
- Customer interfaces
- TV and Media

The Head of Group Internal Audit reports functionally to the Audit Committee and administratively to the Chief External Affairs, Governance and Trust Officer. The results from each specific audit assignment are reported to the line manager responsible for the audited area or unit, to relevant members of Group Executive Management, and to the external auditors. A summary of audit findings is reported to the Committee on a quarterly basis.

Auditors

Number of auditors and duties

According to its Articles of Association, Telia Company AB shall have no less than two and no more than three auditors and no more than the same number of deputy auditors. The Annual General Meeting can also appoint only one auditor if the auditor in question is a public accounting firm. The auditors' report to the shareholders at General Meetings.

The task of the external auditor is to examine Telia Company's annual accounts and consolidated accounts, as well as to review the Board and the CEO's administration of the company. The duties of the auditors include among others:

- Presenting the audit plan, scope and content of the annual audit to the Audit Committee,
- Review the interim report for the second quarter,
- Audit of the financial statements in accordance with international standards on auditing and generally accepted auditing standards in Sweden,
- Conducting a statutory examination of the Corporate Governance Statement, and
- Conducting an examination of the statutory **Sustainability Report**.

In addition, the auditors perform an annual limited assurance of the Telia Company **Sustainability Report**.

The auditors present the results of their audit in the Auditors Report, as well as provide an opinion on whether the guidelines for remuneration to senior executives have been complied with, which

is presented at the Annual General Meeting. Furthermore, the auditors, on a quarterly basis, report to the Audit Committee and the Management regarding the audits and observations made.

For further information on the content of the Board and the auditors, see sections 10 of Directors and Internal controls and reporting, respectively.

When the auditors are retained to provide other than audit services, it is done in accordance with rules decided by the Audit Committee to pre-approval of the nature of the services. The auditors present a non-audit fee schedule, the consideration paid and determining the auditors' independence. Committee on a quarterly basis.

Current auditors and fees

At the Annual General Meeting 2022, Peter Ekberg was elected as auditor until the end of the General Meeting 2022. Deputy AB is Peter Ekberg (born 1971), authorized Accountant, to serve as auditor in charge. AB is often engaged by Telia Company as shareholder, the Swedish State, for board advisory services. Peter Ekberg does not own shares in Telia Company.

For information on fees paid for audit and other services, see **Note C20** to the financial statements.

Board of Directors



Chair of the Board

Lars-Johan Jarnheimer

First elected at the EGM on November 26, 2019.

Born: 1960

Nationality: Swedish

Board Chair: Ingka Holding BV (IKEA),

Egmont International Holding AS, Arvid

Nordqvist HAB

Board Member: SAS AB, Point Properties AB, Elite Hotels and Millicom International Cellular S.A.

Work experience and other assignments:

Chair of the Board of Directors of Qliro Group,

BRIS and Eniro AB. Board member of MTG

Modern Times Group AB, Invik and Apoteket

AB. CEO of Tele2 (1999–2008), deputy CEO

and CEO of Comviq and various positions

within H&M

Education: MBA

Shares in Telia Company: 80,097



Vice-Chair of the Board

Ingrid Bonde

First elected at the AGM in 2020.

Born: 1959

Nationality: Swedish

Board Chair: Alecta, Apoteket AB and tbd30

Board Member: Husqvarna AB, Securitas AB

and Ersta Diakoni.

Work experience and other assignments:

Chief Financial Officer and deputy Chief

Executive Officer of Vattenfall. Chief

Executive Officer of AMF. Director General

of Finansinspektionen (Sweden's financial

supervisory authority). Deputy Director

General of the Swedish National Debt Office.

VP Finance of SAS.

Education: MBA

Shares in Telia Company: 10,000



Board member

Agneta Ahlström

Appointed as employee representative in 2007.

Born: 1960

Nationality: Swedish

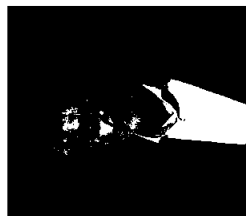
Board Chair: Local chapter of Unionen, the

largest white-collar trade union in the private

labour market, Telecommunications section

(Unionen-klubben).

Shares in Telia Company: 200



Board member

Stefan Carlsson

Appointed as employee representative in 2009.

Born: 1956.

Nationality: Swedish

Board Member: Deputy chair of the local

chapter of Unionen, the largest trade union

for white-collar workers in the private

labour market, Telecommunications section

(Unionen-klubben). The Unionen National

Executive Committee.

Work experience and other assignments:

Second deputy chair of SIF and Unionen.

Shares in Telia Company: 0



Board member

Luisa Deplazes De Andrade Delgado (Luisa Delgado)

First elected at the AGM in 2021.

Born: 1966

Nationality: Swiss

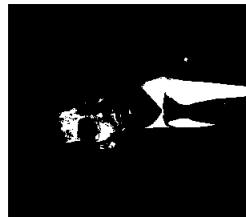
Board Chair: Schleich GmbH

Board Member: Barclays Bank Switzerland, a board member of DJA Group and Ingka Holding (IKEA) (supervisory board).

Work experience and other assignments: CEO of Safilo Group. Executive board member and Chief HR Officer SAP. CEO of Procter & Gamble for the Nordic region and previously VP for Human Resources Western Europe.

Education: Holds a Bachelor of Laws from the University of Geneva, a Master of Laws from King's College/University of London, a Postgraduate Diploma of European Studies from Universidade Lusiana in Lisbon and the FT Non-Executive Director Diploma.

Shares in Telia Company: 0



Board member

Rickard Gustafson

First elected at the AGM in 2019.

Born: 1964

Nationality: Swedish

Board Member: SKF AB and Confederation of Swedish Enterprise.

Work experience and other assignments: President and CEO of SKF since 2021. Previously President of SAS (2011-2021). Various executive positions in GE Capital in Europe and the US. President of Codan/Trygg-Hansa (2006-2011).

Education: Master of Science

Shares in Telia Company: 14,075



Board member

Jeanette Jäger

First elected at the AGM in 2020.

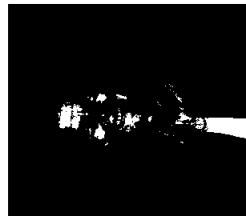
Born: 1969

Nationality: Swedish

Work experience and other assignments: CEO of Enento Group Plc from 1 January 2022. Previously CEO of Bankgirot. Several executive roles at Tieto and Product- and Marketing Director of TDC.

Education: Bachelor of Science in Business Administration and Economics with a major in Business Administration.

Shares in Telia Company: 4,000



Board member

Nina Linander

First elected at the AGM in 2013.

Born: 1959

Nationality: Swedish

Board Chair: Awa Holding AB and GreenIron H2 AB.

Board Member: Swedavia AB, Suominen Corporation and Asker Healthcare Group.

Work experience and other assignments: Partner at Stanton Chase International 2006-2012. SVP and Head of Treasury at Electrolux AB 2001-2005.

Education: Bachelor of Science in Economics and an MBA (IMD).

Shares in Telia Company: 5,700



Board member

Jimmy Maymann

First elected at the AGM in 2018.

Born: 1971

Nationality: Danish

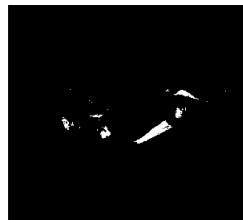
Board Chair: TV2 Denmark and The Museum for the United Nations - UN Live Online.

Work experience and other assignments:

Currently investor specializing in digital advertising, digital technology and new media strategy. Board member of Maternity Foundation and Pitzner Group. Previously Executive Vice President and President at AOL Content & Consumer Brands and as CEO of the Huffington Post.

Education: EMBA and a Master of Science.

Shares in Telia Company: 0



Board member

Martin Tivéus

First elected at the AGM in 2018.

Born: 1970

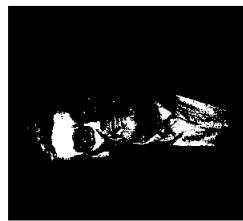
Nationality: Swedish

Work experience and other assignments:

Currently CEO of Attendo. Previously Chief Commercial Officer Nordics at Klarna, CEO of Avanza and Glocalnet.

Education: Bachelor of Science

Shares in Telia Company: 5,000



Board member

Rickard Wäst

Appointed as employee representative in 2021.

Born: 1964

Nationality: Swedish

Board Chair: Union of Service and Communication, local Telia chapter, Seko (Teliaklubben).

Shares in Telia Company: 0

Remuneration and attendance during 2021

Meeting attendance

Name	Elected year	Position	Board	Remuneration Committee	Attendance

Lars-Johan Jarnheimer	2019	Chair of the Board and Chair of the Remuneration Committee	11/11	3/3	

Ingrid Bonde	2020	Vice Chair of the Board	10/11		

Luisa Delgado	2021		8/11	2/3	

Rickard Gustafson	2019		9/11	3/3	

Jeanette Jäger	2020		11/11		

Nina Linander	2013	Chair of the Audit Committee	11/11		

Jimmy Maymann	2018		11/11		

Anna Settmann ²	2016		3/11		

Olof Swantee ³	2016		3/11		

Martin Tivéus	2018		10/11		

Agneta Ahlström	2007	Employee representative	10/11		

Stefan Carlsson	2009	Employee representative	10/11		

Rickard Wäst	2021	Employee representative	7/11		

1) See also Note C32 to the Consolidated financial statements.
2) 3) Left in April

All Board members elected by the Shareholders' General Meeting are considered to be independent in relation to the administration of the company and to major shareholders.

Group Executive Management



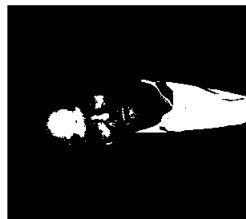
President and Chief Executive Officer

Allison Kirkby

Born 1967, Allison Kirkby took on the position as President and Chief Executive Officer in May 2020. Until October 2019, she was President and Group CEO of TDC Group. From 2014 to 2018 she held the positions of President and Group CEO (2015–2018) and Group CFO (2014–2015) at Tele2 AB. She has worked in the technology, media and telecom sector since 2010, initially joining Virgin Media and then as CFO of Shine Group, a division of 21st Century Fox. Between 1990–2010, she held various senior financial and operational positions at Procter & Gamble.

Allison Kirkby also serves as a Non-Executive Director on the board of BT Group plc, the UK's multinational provider of communication services. She is a Fellow of the Chartered Institute of Management Accountants.

Shares in Telia Company: 220,000



Senior Vice President,
Head of TV and Media

Casten Almquist

Born 1962, Head of TV and Media since December 2019. Before joining Telia Company Casten Almquist was CEO of Bonnier Broadcasting from 2013 and CEO of TV4 from 2011. Prior to that he was CEO and President of business areas Bonnier Business Press and business daily Dagens Industri. In addition Casten Almquist has extensive experience from various leading positions within the television industry. Casten Almquist holds a degree in journalism. Casten Almquist serves as Chairman of the Board at Bonnier Books. Casten Almquist serves as Chairman of the Board at Bonnier Books.

Shares in Telia Company: 20,000

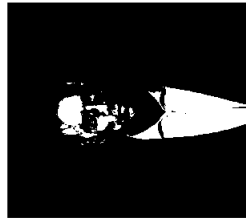


Senior Vice President,
Head of Brand

Per Carleö

Born 1976, Per Carleö took on the position Head of Brand in January 2021. Per Carleö has 25 years of experience within branding, marketing, communications, strategy, leadership and management in the automotive industry as well as from media and advertising agencies. The last 15 years he has held several senior global, regional and local positions at Volvo Car Group and most recently as Marketing Director of Volvo Car Sweden. Per Carleö holds a Master's degree in Business administration and Economics from Stockholm University.

Shares in Telia Company: 3,000



Senior Vice President,
Group Chief Operating Officer

Dr. Rainer Deutschmann

Born 1970, Dr. Rainer Deutschmann took on the position as Group Chief Operating Officer in September 2020. Rainer Deutschmann has built and led businesses across digital sectors, including Telecommunications, B2B & IT Services, TV and Media & Entertainment, FinTech & InsurTech in both mature and emerging markets. Previously he served as Group COO at Dialog Axiata, as Chief Product & Innovation Officer at Reliance Jio in India and senior executive leadership positions in Deutsche Telekom AG and McKinsey. From 2017–2020 he served as a Non-Executive Director at Rain (Pty) Ltd. He holds a PhD in Physics from the University of Technology in Munich.

Shares in Telia Company: 40,000



Interim Chief People Officer

Therese Torstensson

Born 1974, Therese Torstensson took on the position as Head of Talent, People Leadership and since October 2021 assumed the role of Interim Chief People Officer. Therese has more than 20 years of HR experience from a range of countries. Before joining Telia she has lived and worked in several countries. Before joining Telia she worked at Tele2, Ericsson, Deutsche Bank and Telia. Therese Torstensson holds a PhD in Science, Business Administration and Management from Lund University.

Shares in Telia Company: 0

* Maria Romborg Ewerth has been appointed Chief People Officer and will commence during the first quarter of 2022.

All shareholdings reported as per February 28, 2022. Shareholdings refer to any holdings of shares in Telia Company owned by the person or it's related natural or legal persons.

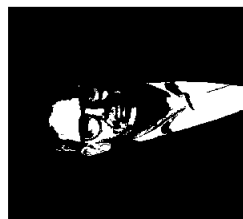


Senior Vice President,
Chief Strategy & Commercial Officer

Markus Messerer

Born 1981. Dr Markus Messerer took on the position as Chief Strategy & Commercial Officer in December 2020. Prior to joining Telia Company he was CEO of Alltrion AG, between 2013 to 2018 he was Head of Corporate Strategy at Swisscom AG and before that he was Head of Strategy at Telekom Austria AG from 2009 to 2013. Markus Messerer has worked within technology and digitalization since 2005 when he joined Accenture to support global corporations with strategic direction and growth. He holds a PhD in International Management and an Executive MBA. He is a CFA charterholder and an alumnus of Harvard Business School.

Shares in Telia Company: 10,000

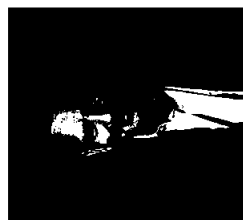


Executive Vice President,
Group Chief Financial Officer

Per Christian Mørland

Born 1979, Chief Financial Officer since August 2020. Per Christian Mørland was CFO of Telia Norway since October 2015 and previously Senior Financial Advisor for region Europe in Telia Company. Prior to that, he was CFO of Telenor Denmark and he has held several senior positions in Telenor in Malaysia, Thailand and Norway. Per Christian Mørland holds a Master of Science from Norges Handelshøyskole.

Shares in Telia Company: 9,389



Executive Vice President,
Head of Telia Sweden

Anders Olsson

Born 1969, Head of Telia Sweden since June 2018. Joined Telia Company in 2016 as COO and Head of Global Services & Operations. Prior to joining Telia Company, Anders Olsson spent 19 years at Tele2, including 14 years in the Group Executive Management. He had several managerial positions at Tele2 including Executive Vice President, CCO and Head of Region Central Europe and Benelux. He holds a Master of Science in Business Administration and Economics.

Shares in Telia Company: 205,000



Senior Vice President,
Head of Telia Finland

Heli Partanen

Born 1972. Heli Partanen was appointed Head of Telia Finland in April 2020. She has worked at Telia since 1998 in various leadership positions, most recently as Head of Consumer Business in Finland since 2016. Heli has since November 2019 been acting Vice CEO and head of daily operations of Telia Finland.

Heli Partanen holds an exam from Helsinki Business College.

Shares in Telia Company: 11,364



Senior Vice President, Chief
Governance and Trust Officer

Rachel Samrén

Born 1974, Chief External Affairs and Trust Officer. An experienced public affairs, communication, ethics, compliance, risk management and internal audit functions of Telia October 2020. Prior to joining she was Chief External Affairs at Millicom. Before that she was Intelligence at The Risk Advisory and held various corporate positions at Citigroup. Rachel Samrén has an International Relations from the University of Economics and Business in Madrid and an MLitt in Security Studies from the University of Edinburgh.

Shares in Telia Company: 3,000



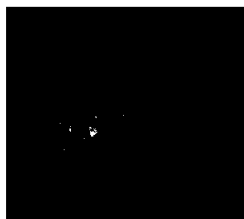
Senior Vice President,
Head of LED and CEO Telia Lithuania
Dan Strömberg

Born 1958. Senior Vice President, Head of LED (Lithuania, Estonia and Denmark) and CEO of Telia Lithuania since 2018. He was CEO of Telia Eesti 2016–2018, CEO of Omnitel in Lithuania 2013–2015 and CEO of Telia Denmark 2009–2012. Dan Strömberg has held several senior management positions in Telia Company since the late 1990s.

Shares in Telia Company: 51,606

General Counsel and Head of Corporate Affairs

Group General Counsel and Head of Corporate Affairs Jonas Bengtsson left Telia on December 10, 2021. Stefan Backman has been appointed General Counsel and Head of Corporate Affairs and will commence during the second quarter of 2022.



Senior Vice President,
Head of Telia Norway
Stein-Erik Vellan

Born 1965. Head of Telia Norway since December 2019, prior to that Head of Telia Finland 2017–2019. He has worked for Telenor Group from 2001 in various managerial positions in Norway and internationally, including as CEO of Telenor's operations in India, Serbia and Bulgaria. Stein-Erik Vellan is a marketing candidate.

Shares in Telia Company: 0

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Remuneration and other benefits during 2021, capital value of pension commitments

SEK thousand	Base salary	Other remuneration	Other benefits	Pension remuneration expense	Total remuneration and benefit
Allison Kirkby, CEO	18,000	602	75	7,069	25,746
Other members of Group Executive Management (11 members)	57,525	1,899	5,534	13,598	78,556

See also Note C32 to the Consolidated financial statements.

Sustainability

We reinvent better connected societies

Telia Company's sustainability agenda and ambitions are thoroughly integrated in the company's business strategy, as described in the beginning of this report (see **Our Strategy**). Our new corporate purpose reflects a commitment and willingness to contribute to more resilient and equitable societies. Simply put, by reinventing sustainably, we reinvent better connected societies and improve the lives of our customers in very concrete ways. In this section we present our most material impact areas, what we have achieved so far and challenges we face along the way.

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Overview of sustainability content:

How we prioritize
Sustainability governance
Progress towards goals
Climate and Circularity
Digital inclusion
Privacy and Security
Other material impact areas
Sustainability notes

How we prioritize

Telia's products and services are vital in creating more sustainable societies. The connectivity and digital solutions that we provide are catalysts for innovation and competitiveness. They pave the way for reducing inequalities and sustainable management of natural resources. When we put people and planet at the centre of this development, we can minimize risks and maximize contributions to the UN Sustainable Development Goals.

Telia regularly engages with stakeholders to understand impacts and external views to make sure that we capture both existing and emerging risks and opportunities.

Telia regularly engages with stakeholders to understand impacts and external views to make sure that we capture both existing and emerging risks and opportunities.

In January 2021, based on a deepened materiality assessment, we identified ten impact areas that create or protect value for us as a business and for our stakeholders. As illustrated to the right, we have selected three impact areas as our main focus, which reflect our core business: Climate and Circularity, Digital Inclusion and Privacy and Security. The remaining seven impact areas are essential building blocks of an ethical and rights-respecting culture. All impact areas are embedded in our **Business strategy**.

More information about stakeholder engagement and materiality determination is presented in **Sustainability note S3**.

Our material impact areas

Priority impact areas



Climate and
circularity



Digital
inclusion

Privacy
and
security

Other material impact areas

- Human rights
- Children's rights
- Freedom of expression and surveillance privacy
- Diversity, inclusion and equality opportunity
- Health and well-being
- Responsible sourcing
- Anti-bribery and corruption

What matters to our stakeholders

Topics considered relevant for our key stakeholder groups include those listed here (in alphabetical order).

Employees

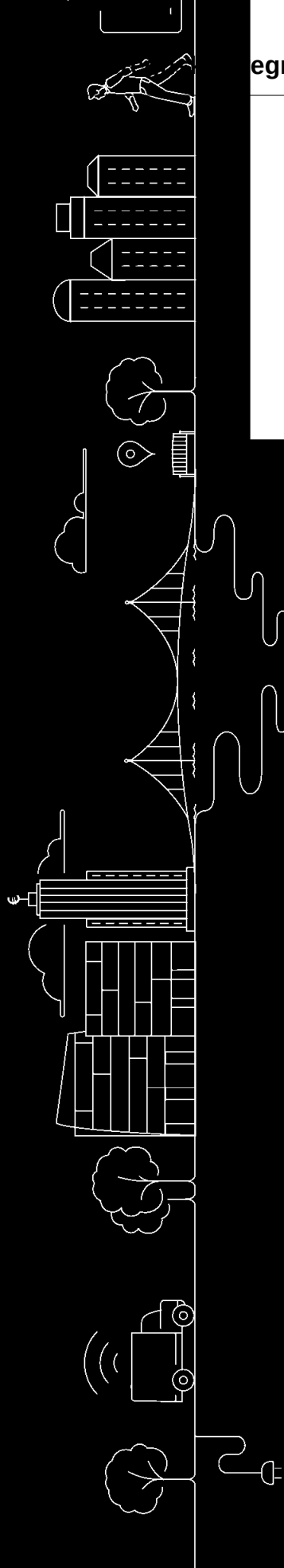
- Diversity and equal opportunity
- Health and well-being
- Non-discrimination

Business customers

- Anti-bribery and corruption
- Environmental responsibility
- Privacy and security
- Responsible sourcing
- Sustainable digital solutions

Consumers

- Children's safety online
- Privacy and security
- Recycling and re-use of materials
- Reliable connectivity
- Responsible sourcing



Policy makers

- AI ethics
- Climate and circularity
- Digital inclusion
- Diversity and equal opportunity
- Privacy and security
- Responsible sourcing
- Sustainable digital solutions

Shareholders and investors

- Anti-bribery and corruption
- Climate and circularity
- Digital inclusion
- Digital solutions for sustainability
- Privacy and security

Telia is committed to a number of international guidelines and standards, whose content affects what we prioritize and how we shape our specific programs. The most important ones include:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organization
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact and the UN Sustainable Development Goals
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

Read more in the Board of Director's Statement of Materiality

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Collaborations that shape our work

We have selected collaborative initiatives that enable us to better understand our impacts, learn from experts and affected parties and pool resources to maximize outcome and leverage. Partners we work with help us to determine what is material and select efficient approaches. Selected examples are presented here.

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GSMA



The global industry association for mobile operators is engaged in developing sustainability-related guidance for several areas, most notably human rights and climate. GSMA was the driving force behind the development of the telecommunications sector pathway for setting science-based targets, the first sector pathway that was aligned with a 1.5°C ambition. Together with Ericsson, Telia provided some of the underlying research for the sector pathway.

ETNO



The European telecommunications industry association, in which Telia is a board member, has taken a forward-leaning position in driving policy development related to the EU Green Deal. This includes areas such as developing telecommunications guidance in the EU taxonomy and feedback on various circularity initiatives. We also contribute to ETNO's workstreams and position papers related to other sustainability topics.



Nordic CEOs for a Sustainable Future

This initiative was founded in 2018 and consists of 13 of the largest Nordic companies. Through a personal commitment from their CEOs, the initiative aims to transform businesses to contribute to the UN SDGs while showcasing the experience and values of the Nordic region. Telia is actively engaged in implementing members' commitments in the areas of diversity and climate change.

GNI



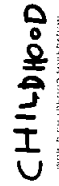
The Global Network Initiative is a multi-stakeholder organization that brings together ICT companies, human rights and freedom of press groups, academics, and investors to protect and advance global free expression and privacy in the ICT industry. Shared learnings and joint leverage when governments risk acting in violation of freedom of expression and privacy are at the core of its work. Telia is a member of the board.

EXPONENTIAL ROADMAP INITIATIVE

This is a cross-sector collaboration with the purpose of scaling initiatives to halve greenhouse gas emissions by 2030. Telia has been active in the creation of the 1.5°C Business Playbook, which provides a framework for companies when they adopt an exponential transition to halve their emissions by 2030.

1.5°C supply-chain leaders

This initiative was founded by Exponential Roadmap and business partners, including Telia, to advance work in global supply chains. In 2021, the SME Hub was launched with the purpose of enabling reductions by companies with less resources.



World Childhood Foundation

Childhood is an organization that works to end child sexual abuse and violence against children. Telia has partnered with Childhood to continue its strategy to combat child sexual abuse material. The organization also provides support in other areas.



Joint Audit Cooperation

The Joint Audit Cooperation is an association of telecommunications companies collaborating to verify, assess and develop the implementation of sustainability standards in supply chains. JAC members share resources and best practices to further progress.

Sustainability governance

Sustainability is integrated into several of our key processes, including strategy development, risk management and oversight mechanisms.

The ultimate responsibility for sustainability oversight lies with the Board which also decides on the overall sustainability direction and policy commitments. The Board receives updates on sustainability performance twice a year and more often if needed as part of the CEO's monthly updates to the Board. The Audit Committee of the Board receives risk reports from management twice a year, covering 13 principal risk areas that incorporate our sustainability impact areas, and decides on acceptable risk levels (further information is available in the section about **Telia Company's risk universe**).

Group Executive Management (GEM) and Governance, Risk, Ethics and Compliance (GREC) meetings are the primary decision-making forums at management level for sustainability-related topics. GEM adopts and follows up on Telia's sustainability goals, while GREC monitors sustainability-related risks via Telia's risk management model.

Within GEM and GREC, the Chief External Affairs, Governance and Trust Officer has the overall responsibility for sustainability-related topics.

The Group Head of Sustainability reports to the Chief External Affairs, Governance and Trust Officer and has the overall responsibility for proposing strategic content, goals, required actions and follow up of work that has been integrated across the organization.

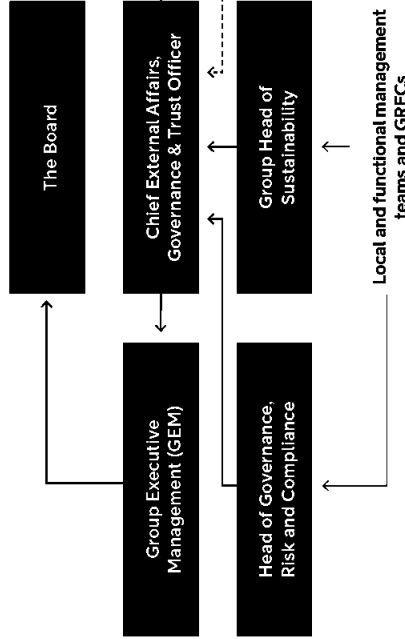
The Head of Governance, Risk and Compliance is in charge of the company's risk management model and has operational responsibility and oversight over the anti-bribery and corruption program.

The Special Investigations Officer manages the company's whistle-blowing system (the Speak Up Line) and carries out investigations together with other functions.

At the local level, local management teams and local GRECs have similar responsibilities as the GEM and Group GREC.

There are also specific coordination and decision-making forums related to the respective sustainability impact areas, as reported separately in each impact area chapter.

Read more in the **Enterprise Risk Management (ERM) and Compliance Framework** including information on **Whistle-blowing and Speak-up line**.

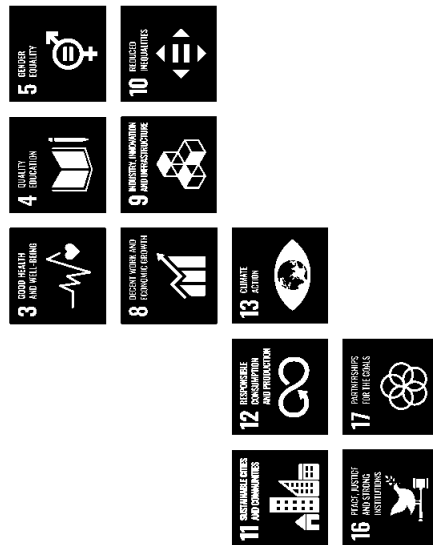


Code of Responsible Business Conduct

The Code of Responsible Business Conduct, issued by the Board, provides high-level guidance on the essence of the company's policies and instructions. It should therefore be seen as the company's ethical framework and training in the Code's content is mandatory. The Board approves underlying policies which can be further elaborated through instructions approved by the CEO or responsible GEM member. The Code applies to everyone at Telia – employees, members of the board, contractors, consultants, and free-lancers. By year end 2021, 88% of all employees completed the code training.

Overview of 2021 achievements

Here we provide an overview of our main achievements during the year and how our impact areas are contributing to the UN SDGs. On the following pages we provide more detailed information on each impact area with further data found in the **Sustainability notes**. For additional navigation, please use the **Sustainability index**.



Strategic pillar	Impact area	SDGs	2021 Achievements
Inspiring customers	Climate and circularity	7, 9, 11, 12, 13	- Achieved 78% GHG emissions reductions in own operations compared to 2019 - Suppliers representing 27% of supply chain emissions have set science-based targets 74% of waste in own and network operations reused or recycled
	Digital Inclusion	5, 9, 10	Reached 608,000 individuals with digital skills building initiatives targeting senior citizens, SMEs and others
Transform to digital	Privacy and security	16	Achieved top tier positions on privacy in 5 out of 6 markets, according to the Telia Consumer Privacy Index
Delivering sustainably	Human Rights	3-5, 8, 10-12, 16	Assessed human rights impacts associated with e.g. specific smart watches for COVID-19 pandemic effects on employees and 5G (ongoing)
	Children's rights	4, 16	Engaged with approximately 5,000 children via the Children's Advisory Panel on experiences with misinformation online
	Freedom of expression and surveillance privacy	16	Took measures to respect users' rights in relation to high-risk requests to ~20) from or local authorities
	Diversity, inclusion and equal opportunity	5, 8, 10	37% females in the Extended Leadership Team - Telia included in Bloomberg Gender Equality Index
	Health and well-being	3, 8	Extensive efforts to handle COVID-19 employee impacts
Responsible sourcing	Responsible sourcing	8, 12, 16	- All supplier non-conformities closed within due date - Extensive engagement activities related to forced labour risks in China
	Anti-bribery and corruption	16	Completed anti-bribery and corruption risk assessments and program maturity in all markets



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Goals

2021 progress

Science Based Targets¹ [2025] (baseline is 2018)

- Halve emission in own operations²
- Customer use, downstream³: Reduce emissions related to use of sold and leased products by 29%
- Supply-chain, upstream⁴: Engage with suppliers so that 72% of suppliers by emissions have set science-based targets.

- 100% renewable electricity use [2022]

- Reduce energy consumption/subscription equivalent by 5% [2022]

- 84% of materials from our own and network operations to be re-used or recycled [2025]

- Significantly increase sales of pre-owned/re-used mobile phones (B2B and B2C) [2023]

- Significantly increase sales of mobile phones provided as "Device as a Service" (B2B) [2023]

1) Approved by the Science Based Targets initiative

2) Scopes 1 and 2 (market-based)

3) Scope 3 categories 11, 13

4) Scope 3 categories 1, 2

5) Data updated compared to 2020 A&SR (data from Denmark included)

- 78% of GHG emissions reductions in own operations compared to 2018 (2020: 79%)
- 13% of emission reductions from the use of sold and leased products compared to 2018 (first time reported)
- Suppliers representing 27% of supply chain emissions have set science-based targets (2020: 16%)

- Achieved since 2020

- 4% achieved (2020: 1%)

- 74% achieved (first time reported)

- Pre-owned represented 3% of total mobile phone sales in B2C (2020: 2%)

- DaaS represents 21% of total mobile phone sales (2020: 17%⁵)

Our approach

To forcefully address the climate crisis and the unsustainable use of natural resources, Telia adopted two ambitious environmental goals in 2019: to achieve zero CO₂ emissions and zero waste by 2030.

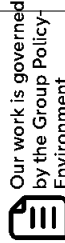
- The zero CO₂ ambition focuses on creating a climate-neutral value chain by 2030 while also enabling our customers to reduce their greenhouse gas (GHG) emissions. We are committed to at least halving absolute GHG emissions by 2030 and offset the rest while continuing to move towards net zero.
- The work toward zero waste focuses on our operations (including network construction and maintenance done by contractors), while enabling a circular economy through our products and services.

To make the 2030 goals more concrete, we have set more detailed goals to be reached by 2022 and 2023, as well as **science-based targets**, aligned with the 1.5° C pathway for the ICT industry, to be reached by 2025 (see table to the left).

Our approach is proactive and structured. Four out of six markets are covered by ISO 14001 certification (**Sustainability note S18**). Environmental impact assessments covering energy efficiency, waste and GHG emissions are conducted ahead of investment decisions which in turn affects e.g. product development. During the year, 800 employees

within functions such as product development and sourcing were trained in eco design.

We acknowledge that we cannot act alone. Therefore, we extensively collaborate with our suppliers, customers and partners to accelerate progress. During the year, we engaged with policy makers in various forums including in relation to the global climate summit COP26 in Glasgow, urging them to **adopting effective and financially sound pricing instruments**.



Our work is governed by the Group Policy - Environment.

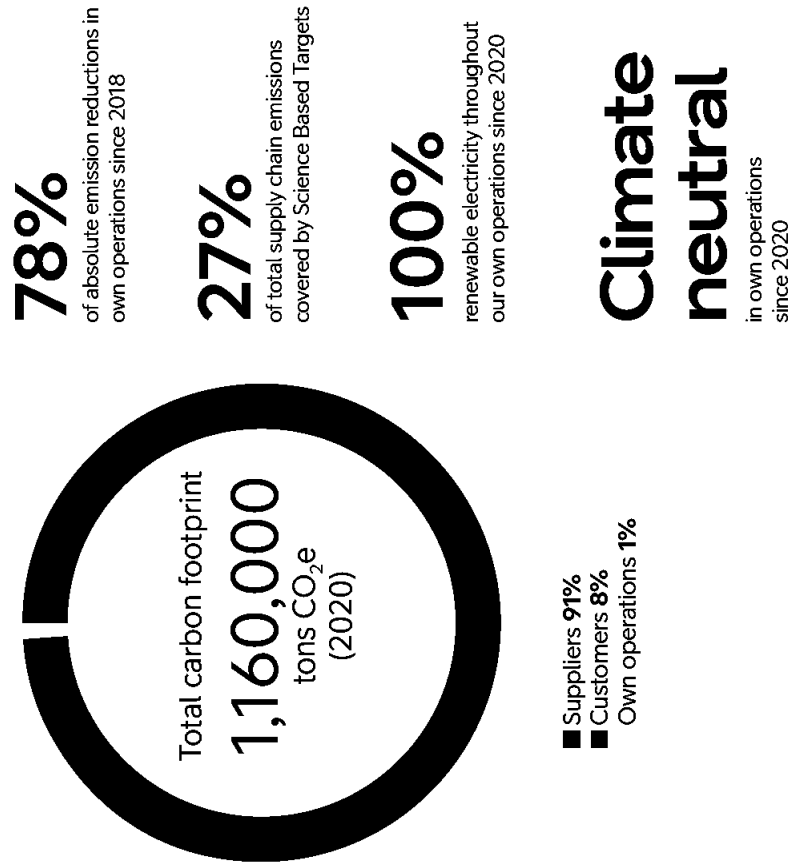
Work during the year

01. CLIMATE

► Creating a climate-neutral value chain

In the past few years, we have significantly reduced our GHG emissions from our own operations since 2018. We will, in the coming years, continue our efforts to reduce remaining emissions generated by diesel backup power, and business travel. Meanwhile, we are working to reduce remaining emissions through our carbon offsetting, resulting in us being **climate-neutral in our operations since 2020**.

Climate highlights



Additional climate data is presented in **Sustainability note S4**.

As illustrated to the left, most of our total value chain emissions – an estimated 91%– are generated in the supply chain, compared to only 1% generated in our own operations. Hence, working closely with suppliers to enable them to transition to a low-carbon reality is key to be able to at least halve emissions and achieve a climate-neutral value chain by 2030. In the procurement process we assess suppliers' climate maturity to reward the best ones and use our opportunity to influence them. In 2021, we continued to engage with suppliers, asking them to set science-based targets, and by year end, 27% of total supply chain emissions were covered by such targets. An additional 16% have committed to set such goals within two years. Reaching our goal – 72% by 2025 – will require accelerated collaboration within the industry as well as policy measures such as efficient carbon pricing mechanisms. For more information on what we request from suppliers, visit our **website**.

Our total value chain GHG emissions in 2020 amounted to 1,160 ktons of CO₂e (2018: 1,270 ktons). Reductions are mainly due to the shift to 100% renewable electricity in our own operations and reductions in supply chain emissions. To date, we largely depend on calculations based on spend, in combination with generic emission factors when calculating the supply chain emissions. Only a smaller part could be calculated based on supplier-specific data. Hence, steps taken by suppliers are still difficult to capture. In 2021, we therefore initiated collaboration with peers and our industry association, GSMA, to push for increased emissions data availability within the telco supplier base.

Collaboration to scale climate action

Telia is committed to align its business to a 1.5°C pathway and we are asking our suppliers to do the same. In 2020, we became one of the **1.5°C Supply Chain Leaders** where we are joining forces with Ericsson, IKEA, Unilever and others to create methods for transforming supply chains to low-carbon reality. The **Exponential 1.5°C Business Playbook** forms the point for the work – a useful tool that suppliers can quickly understand what they need to take. In 2021, the **1.5°C Engagement Guide** was developed as a collaborative platform with practical 1.5°C aligned targets and actions. Through collaboration, we also support the **Supplier Hub**, a one-stop-shop for small- and medium-sized suppliers to set climate goals and resources to facilitate progress.

Managing energy while digitalizing

Electricity consumption is one of our environmental aspects. During the year, we consumed approximately 1 TWh of electricity in our own operations. This represents 93% of our purchased energy while the remaining 7% is from district heating and district cooling of natural gas. Since 2020 we only use energy coming from renewable sources, covering 100% of our energy needs. Compared to Guarantees of Origins. Compared to the use per subscription equivalent.

Our strategy to manage our energy impacts and costs consist of several parts, including:

- Increasing energy efficiency through new network hardware and power saving features.
- Managing power consumption through decommissioning legacy networks and modernizing sites for example by placing relevant units outdoors to reduce the need of cooling.
- Using 100% renewable electricity when powering our operations and looking for alternatives to remaining fossil-based energy sources.

Additional energy data is provided in **Sustainability note S4**.

► Enabling other sectors to reduce emissions and energy

Several reports, such as the **Exponential Roadmap report**, show the potential of connectivity and digital solutions when it comes to improving resource efficiency and reducing GHG emissions in other industries. Opportunities include energy and fuel optimization in

Green bonds

As the first telco in the Nordics, Telia issued its first green bond in 2020 – one hybrid bond of EUR 500 million was issued, followed by a SEK 750 million senior bond. The proceeds have been used to finance more energy efficiency networks when we transform from copper to fiber in Sweden, and green digital solutions that enable customers to reduce emissions and save energy. Read more in **the green bond report**.

logistics, grids and buildings, and replacements of travel or physical products. Consciously applied, 5G will enable societies to further scale such effects.

Since 2020, we track “enablement effects” for some of our products and services: remote meetings and IoT for buildings, transports and utilities. Based on products and services delivered during and before 2021, we estimate that these categories enabled GHG emission reductions by approximately 590,000 tons in 2021, the equivalent of over 4.3 million return trips by air between Stockholm and Helsinki.

Many of the markets Telia operates in have domestic electricity production with a high share of renewables. Hence, for some applications the carbon enablement effect may be lower than in other geographies. However, electricity savings for such services is just as important to achieve, to enable the full phasing out of fossil fuels in the grid systems and limiting other types of environmental impacts. We estimate that in 2021 we enabled electricity savings of approximately 800 GWh through IoT solutions for smart buildings and utilities, equivalent to the annual consumption of 90,000 average Swedish households.

In addition to the above, the underlying connectivity we provide enables further reductions that are indirect or more distant and thus more difficult to capture. For example, as a connectivity provider we enable various digital solutions provided by other digital players, including new sharing economy business models that significantly reduces both GHG emissions and resource use.

Currently, no standards exist for enablement calculations. During the year, we therefore participated in the work of the **European Green Digital Coalition**, launched to advance reporting methodologies for ICT

Case Enabling smart transports

Transport represents almost a quarter of Europe’s greenhouse gas emissions and has not seen the same gradual emissions decline as several other sectors have. Since transport emissions remain a challenge in all Telia’s core markets, we have selected smart transport as one of our prioritized areas within IoT and crowd insights.

In 2021, we launched a new service to enable cities and municipalities to more forcefully bend the emission curve. **Telia Travel Emissions Insights** makes it possible for municipalities and regions to understand citizen’s

travel patterns and emissions from road transport. This in turn, city and community make better-informed about specific measures help reduce emissions years.

In essence, data driven can enable informed making to reduce emissions. One example is the eco-driving service by a Nordic public company, Nobina. Nobina’s measurement of this driving service in up to 150 fuel re-



technologies, aiming for standardization. Read more about our current enablement methodology and the results in **Sustainability note S4**.

02. CIRCULARITY

Today's take-make-waste approach together with a growing population and improving living standards are pushing the environmental limits of our planet. During the next decade, a shift from a linear to a circular economy will be critical if we are to tackle climate change and start existing within planetary boundaries that are safe for humanity. In a circular economy, natural resources are used consciously and efficiently, and digitalization can enable such a shift.

On the back of this reality, we are committed to reach zero waste in our own operations including network construction and maintenance by 2030. This means applying the principle of prevent, reduce, reuse and recycle (in that order) across all material streams, and scaling circular business models. We are equally committed to enable circularity through our offerings.

► **Embedding circularity in our own operations**
In total, 85,000 tons of waste were generated from our own operations and through network construction and maintenance. Out of the total, 74% was either reused or recycled during the year, 25% incinerated with energy recovery and 1% directed to landfill.

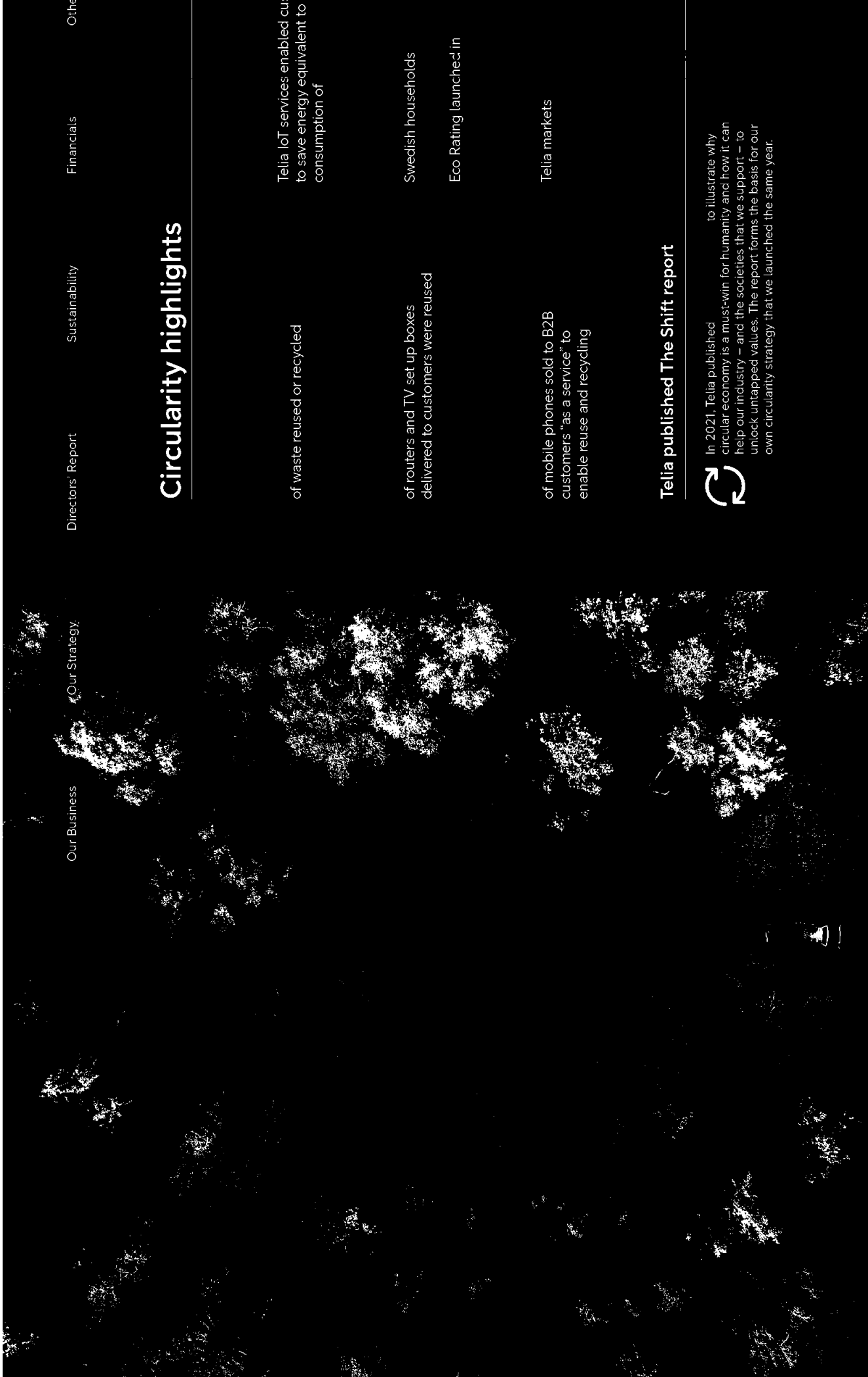
Recycling and reuse opportunities vary across our markets and across diverse waste types. The decommissioning of telephony poles generates a big share of the waste

sent to incineration, as these poles are impure and therefore classified as hazardous waste (this waste cannot be reused or recycled). However, within the next decade, the poles will disappear from our waste stream in the middle of this decade. Additional waste data is presented in **Sustainability note S4**.

► **Offering circular products and services**
During the year we scaled up our circular offerings as sales of pre-owned phones and phones-as-a-service, to extend the lifetime of electronic devices and reduce the environmental impact of consumer mindshifts but are increasingly moving towards offering new types of services for our customers and generate new types of value for Telia when we add value to customers' existing hardware support and services by delivering a product. In 2021, we also launched **mobile phones** to drive circularity in the mobile phone manufacturing industry (see page 86).

► **Enabling circularity in other sectors**
As demonstrated in the previous page, digitalization can accelerate the circular shift by enabling sectors to use energy, fuel, water and other resources in more efficient ways. As a company, we enable various circular business models, such as platforms, blockchain technologies for traceability, etc. In many cases, like cloud services, we enable dematerialization. These effects are some of the ways in which we aim to reduce our own but reflect the importance of our core business.

Circularity highlights and additional information is presented on the next page and in **Sustainability note S4**.

Our Business	Our Strategy	Directors' Report	Sustainability	Financials	Other
					
Circularity highlights					
		of waste reused or recycled		Telia IoT services enabled customers to save energy equivalent to consumption of	
		of routers and TV set up boxes delivered to customers were reused		Swedish households	
				Eco Rating launched in	
		of mobile phones sold to B2B customers "as a service" to enable reuse and recycling		Telia markets	
Telia published The Shift report					
				In 2021, Telia published a circular economy is a must-win for humanity and how it can help our industry – and the societies that we support – to unlock untapped values. The report forms the basis for our own circularity strategy that we launched the same year.	

Case

Eco Rating of mobile phones to drive circular change

Up until now it has been hard for consumers to understand the environmental performance of mobile phones. To change that, the Eco Rating initiative was launched in 2021 by five operators– Telia, Vodafone, Deutsche Telekom, Telefonica and Orange. The rating scheme, which is based on circular principles, drives transparency and comparability to help consumers identify the most environmentally sustainable mobile phones while encouraging suppliers to reduce the environmental impact of their devices already in the design phase. By year end, the rating had been launched in 28 markets either to private consumers or business customers, including five of Telia's markets; Sweden, Finland, Denmark, Estonia and Lithuania. Read more on **our website**.

- Reach 1 million individuals by digital inclusion initiatives [2025]

- 608,000 individuals reached (2020: 120,000 individuals)

Our approach

Telia is committed to connecting everyone to the most trusted, reliable, and efficient modern networks. Securing that everyone has access to reliable connectivity and the right digital skills are key to make sure that no one is left behind. Our work within this area focuses on contributing to equality and inclusion, to make sure that individuals and societies in the Nordics and Baltics capture the full potential of digitalization.

Digitalization is currently transforming societies – bringing both new opportunities and risks. Those who are digitally included can make the most of new opportunities, while those who are not risk being left behind when services such as healthcare, banking and education are digitalized, and many social arenas are moving online.

Work during the year

Reliable Access

At the end of 2021, Telia Company provided 4G coverage to between 95% to 99% of the population in all markets. During 2019 and 2020 we launched our commercial 5G services in all countries (Denmark, Finland, Estonia,

Norway and Sweden) except Lithuania, where we are still waiting for frequency allocation. At the end of 2021, 5G coverage was the highest in Finland and Norway with 65% and 45% of the population, respectively. The aim is to reach over 90% of the population with 5G coverage in all Nordic markets by 2023.

During 2021 we made significant efforts and investments in developing 5G and 4G networks and in transformation from copper-based to fiber access. In total, approximately 4.5 million homes across all markets now have fiber access. In areas where fiber access is not viable, we are providing Fixed Wireless Access (FWA) using the 4G and 5G networks.

We are committed to provide high-quality services to our customers. Stakeholder concerns in 2021 regarded differences in quality between urban and rural areas, and effects due to the shutdown of the copper network. Differences in quality between urban and rural areas exist but we have committed to improve network coverage across our markets. The shut-down of copper networks represents risks but is carefully managed in coordination with municipalities and relevant authorities to prevent negative effects on individuals or communities.

Access + Digital Skills Digital inclusion

We operate in highly digitalized countries with extensive access to connectivity technology. In our markets, “digital inclusion” is therefore less about having access to digital services and devices, and more about the quality of connectivity and securing digital skills.



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Securing access for all is also about making it possible for individuals with disabilities to use our service. In collaboration with the expert organization Axess Lab we trained 200 employees in Sweden and Finland about digital accessibility. An additional 100 employees were trained in role-specific accessibility topics. An internal Accessibility Center of Expertise was set up during the year with the aim to increase collaboration and information sharing around accessibility and ensure we test and align to accessibility requirements.

Building Digital Skills

Initiatives to build digital skills have existed in our local markets for several years, but in 2021 we decided to combine and further develop our efforts by making digital inclusion a prioritized group-wide impact area, embedded in our business strategy. This is because both risks and opportunities are increasing as societies digitalize, which was also highlighted in our stakeholder dialogues in 2020.

During the year, all countries analyzed local needs and digital exclusion aspects to shape the content of existing and new initiatives. We also analyzed where Telia could add value since some areas are already well-covered either by other parties or the state.

We aim to reach one million individuals through digital inclusion initiatives by 2025. At the end of 2021 we had reached 608,000 individuals in various target groups, primarily children, parents, and seniors.

More information on how we calculate "reach" and conduct impact assessments is available in **Sustainability note S5**. Examples of ongoing initiatives are presented here.

► Making digital lives safer

Mobile Driving License

In 2021 Telia Sweden launched a mobile driving license together with the child rights organization Axess. The aim of the driving license is to facilitate conversation about mobile phone use and online life, and to provide a secure start for youngsters wanting to explore digital life. The mobile driving license is intended for children aged 15 and older, and is offered to families across Sweden.

Digital Parenting Package

Telia Finland's collaboration with Save the Children resulted in the launch of a digital parenting package during the year. The package was used by more than 11,000 parents. The package aims to help parents support their children in the digital world.

► Improving the digital skills of seniors

Mer Digital

Launched in 2018, the "More digital" initiative helped approximately 10,000 senior citizens in municipalities in Sweden and Norway to improve their digital skills and confidence. The sessions, where you teach the elderly new skills, also enhance meeting needs in the digital world. In 2021 – in the midst of the pandemic – Sweden also launched printed guides and materials to help seniors build their digital skills. The material was shared with seniors across Sweden. Telia customers aged 75+.

► Empowering women and girls

Women Go Tech

Telia Lithuania has joined the Women Go Tech initiative "Discover Technology". It is a 7-week remote program organized to help women gain basic knowledge about the IT and engineering sector. The purpose of the initiative is to help them discover and plan the first clear steps for reskilling in the tech sector. In 2021, 3,263 women participated in the program and one third of them received economic support to join the program. From the 2020 survey, 92% of participants said they would recommend the program to others and one quarter of women who graduated from the program stated the training had a significant impact on their careers.

Unicorn Squad

In Estonia, Telia supported a technology program for girls, reaching 1,500 girls aged 7–14. The program is designed to inspire and encourage girls to explore and take an interest in technology, robotics, and science through practical assignments.

► Helping small businesses and startups to digitalize

One Hub webinars and trainings

Telia Finland recognized the need for SMEs to build digital skills and capabilities. In 2021 they reached 3,200 SMEs through training efforts to help them digitalize their businesses. Video trainings on various IT and technology topics are available for entrepreneurs at the **ONE Hub website**.

Startup Refugees Mentoring Program

In partnership with the Startup Refugees network, Telia Finland created a mentoring program to help refugees, asylum seekers and immigrants to gain employment in the IT industry. In 2021, as part of the mentoring program, we also piloted a webinar that introduced reskilling opportunities for immigrants who are interested in working in the tech sector in Finland and Sweden.

Digital Inclusion Benchmark

The World Benchmarking Alliance encourages greater action towards achieving the UN Sustainable Development Goals, through its Digital Inclusion Benchmark which assesses 150 global digital technology companies on actions to strengthen digital inclusion. In its second benchmark report released in December 2021, Telia ranked 11 out of

150 global companies, and number four among companies in Europe. The Digital Inclusion Benchmark tracks how companies are supporting and promoting a more inclusive digital economy and society by assessing companies' efforts in improving access, enhancing skills, building trust to foster beneficial use, and innovating openly, sustainably, and ethically. Main findings from 2021 are available on **our website**.



Case

Telia Gaming Center makes the gaming experience inclusive for everyone

In Sweden, over one million people regularly play different forms of computer and video games. What used to be an arena for already established gamers and e-sports players is now in demand by an increasing number of businesses, as an integrated solution for workplaces, sports halls, and community centers.

In 2021, Telia launched the Telia Gaming Center, a unique solution that can be hired and adapted to meet the needs and wishes of the business and offer customers or employees a gaming experience with the latest games. Telia Gaming Center can be offered with customized tools for people with disabilities, making the gaming experience inclusive for everyone and helping organizations that support people with disabilities to get started with gaming and e-sports, for example day centers for youth with disabilities.





Privacy and security

Goals		2021 progress				
Our Business		Our Strategy		Directors' Report	Sustainability	Financials
Continuous implementation of privacy and security by design approach		Achieved		Embedding data protection into our business including products, processes, and IT systems from the initial design-stage and then throughout their lifecycle		
Top-tier positions on customer privacy in all markets [2023]		Ranked 1st or 2nd (positions sometimes shared) by consumers in 5 out of 6 markets		Analyzing data protection parameters from the initial planning stages of a data processing operation by carrying out privacy screenings		
Preferred supplier, responsive to and proactively addressing customer needs [2023]		Several contract wins with elevated security requirements during the year		Conducting a Privacy Review and when needed a Data Protection Impact Assessment (DPIA) before carrying out data processing where the processing is likely to result in a high risk to the rights and freedoms of individuals.		
Our approach We are committed to respecting the privacy rights of our customers and keeping their information safe. This requires a proactive approach as well as providing transparent information to users to ensure that we are handling personal data on customers' terms. Today, societies and individuals depend on our network infrastructure to function. We put significant efforts into securing service continuity and protecting our systems from cyber-attacks. We also provide customers with knowledge and tools to protect themselves and their businesses against various forms of cyber threats. Our 2023 goal is to have top tier positions with regards to privacy in all markets and be a preferred supplier due to the measures we take regarding		01. PRIVACY Our processes Telia has adopted a "privacy by design" approach to ensure GDPR compliance and transparent management of personal data in all new products and services. The key components of our approach are:		Continuous testing of processes, routines, and controls We continuously review and update privacy documentation based on evolving best practices, applicable legislation, case law and government recommendations. Information on how we process customer data is provided through transparency notices available in all relevant languages. Responsibility for customer privacy is divided between a Privacy Legal Team and the Data Protection Officer's (DPO) Office. The Privacy Legal Team provides legal advice and pro-actively supports the business in the "privacy by design" work. The DPO Office has a special role due to GDPR requirements and is independent to avoid conflict of interest. The DPO Office carries out reviews and tests compliance with the GDPR and e-Privacy Directives, responds to individuals' requests in data protection cases and interacts with data protection authorities in customer privacy-related matters. The Group DPO reports regularly		
Securing the rights of users Individuals can exercise the GDPR rights of providing and withdrawing consent, certain processing purposes and the right to be forgotten. This can be achieved by turning to customer service, online customer self-service portals, or by accessing their accounts easily and directly. During 2021, we received 3,200 requests from customers who obtained a copy of their personal data, and why customers understand how and why		Strong privacy position Consumer studies conducted by SB I that privacy is among the top three subjects that consumers want us to focus on. Regularly track how consumers perceive work compared to competitors through survey conducted by Telia. By end of 2021, 6 markets were ranked first or second with shared positions. Going forward, we focus on continuously strengthening our processes, and continue to enhance transparency in customer data. The latter is important to increase customer awareness about how we use their data and rights they have (examples of provided rights).		Work during the year to the GREC management forum and Directors.		



their data, as well as to check that we are handling it in accordance with the law.

To secure safe handling of personal data, privacy training is conducted via an e-learning course which is mandatory for all employees. There are also specific courses for employees who handle personal data directly and have direct customer contact, such as customer care and retail staff as well as IT system owners.

Work to identify and prevent data breaches

Telia entities follow a common investigation and reporting process in all suspected personal data breach cases. We report all personal data breaches to supervisory authorities and notify individuals in a timely manner, when applicable. In 2021, we improved our process by making sure that when a data breach occurs, mitigating actions are shared and implemented across the group in all subsidiaries at risk of making similar breaches.

In 2021, we confirmed 743 personal data breaches across our markets. Most cases related to human errors or technical errors which caused personal data to be disclosed or accessed in an unauthorized way, for example if the customer data was accidentally sent to the incorrect customer.

Privacy risks related to state surveillance is reported under the **Freedom of expression and surveillance privacy** chapter.

02. SECURITY

Our processes

Increasing risks associated with cyberattacks are a challenge for our industry and society at large.

Our Business

To manage these risks, we take both proactive and reactive measures with focus on continuous improvements in constantly and rapidly changing security environments.

► **Proactive measures:** Our security framework is developed in alignment with ISO 27001 and other relevant standards. The management system is certified according to the ISO 27001 standard and includes key parts such as security governance and information security risk management processes, including their supporting systems, and specifies requirements on information security and related risk management across all Telia functions and local organizations. External audits are carried out annually to ensure that proper security measures are in place as well as to ensure continuous improvement of the management system related to the ISO 27001 certification.

We also carry out information security-specific audits on suppliers that manage customer and other business sensitive data. Read more about supplier management in **Responsible sourcing**.

Key proactive measures include implementing a "security by design" approach. This ensures that products, systems, and infrastructures are developed and implemented with security controls from the beginning to minimize potential cybersecurity risks. A security by design procedure is applied continuously for systems under the ISO 27001 certification scope and when new systems are developed.

The foundation of creating and maintaining a culture of security awareness is supported by our security e-learning course that is mandatory for all employees. The training provides hands-on information about topics including password

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management, security incident reporting, IT security and physical security.

► **Reactive measures:** Our Global Security Operations Centre (GSOC) is responsible for reactive measures, by monitoring and handling cybersecurity incidents around the clock. The GSOC is a member of the Forum of Incident Response and Security Teams (FIRST) and is a Trusted Introducer (TF-CSIRT).

The work is coordinated by the Group security function and implemented throughout the organization by local security leads. The Head of Group Security reports regularly to the Governance, Risk, Ethics and Compliance (GREC) and the Board of Directors.

Work during the year

Winning contracts with elevated security requirements

Our ambition is to stay close to customers' security needs and be a preferred supplier. In 2021, we won several government contracts with far-reaching security requirements, like WAN services for 100 Swedish and 30 Norwegian embassies, consulates and similar entities across the world, WAN services for the Government ICT Centre Valtori in Finland, and a contract with the State Infosystems Authority in Estonia.

ISO 27001 certification

Our ISO 27001 certification is an important part in continuously strengthening information security practices while meeting new customer demands. During the year, the scope was extended to include our Global Security Operations Center

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(GSOC) processes (Monitoring, Incident Vulnerability Scanning, Threat Mitigation end, the Group certification covered such as Information Security Governance Information Security Risk Management processes handling customer information Incident Management and Change Management SOC services, contact center services based communication services. In addition, Group ISO 27001 certificate, local certificates of the operations in Sweden, Estonia and Lithuania, each with a security were maintained, either as an integral part of the Group certificate or as local certificates. Information regarding management information available in **Sustainability note S18**.

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Work to secure business continuity As digitalization proceeds, our customers' needs as well as society increasingly depend on services we provide. Therefore, we focus on robustness and performance of the life cycle of our services. We take a customer-centric approach and have continuity and resilience plans in place to build resilience and prevent unexpected disruptions. Our Business Continuity Management framework is applied to critical services, functions, processes, and resources, important dependencies and risks, and an effective response to disruptive events drives implementation of continuity and solutions. The framework is aligned with ISO 22301 standard and our platform regulatory requirements in the market to operate.

Human rights

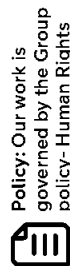
Goals

2021 progress

- Consolidation of human rights due diligence strategy [2021]
- Continuous application of Human Rights Impact Assessments in relevant business decisions
- Completed
- HRIAs associated with e.g. specific smart watches for children, COVID-19 pandemic effects on employees and 5G (ongoing)

Our approach

In line with the UN Guiding Principles for Business and Human Rights, Telia is committed to respect human rights throughout its value chain by applying human rights due diligence. Our products and services also enable the realization of certain human rights such as facilitating access to health care, education, and jobs. Research results from the **GSMAs Mobile Economy 2021 report** shows that connectivity and digitalization can accelerate progress in relation to all 17 UN Sustainable Development Goals.



Policy: Our work is governed by the Group policy- Human Rights

In 2021 we consolidated human rights practices into a human rights due diligence strategy

The most important human rights areas to address

Human rights are universal, indivisible, and interdependent. Therefore, human rights risks are difficult to rank and compare. Still, we try to continuously identify human rights issues that we believe are the most salient ones in our markets and value chain.

Area	Most salient issue
Children's rights	Availability of child sexual abuse material online
Customer privacy	Privacy compliance when using customer data for advanced business insights
Discrimination	Discrimination related to e.g. gender, gender expression, ethnicity, sexual orientation, disability or age in recruitment, promotion and redundancy processes
Freedom of expression and surveillance privacy	Government surveillance of individuals through direct access to Telia's networks and systems
Labor rights	Labor rights violations in parts of our supply chain, including forced and child labor
Media freedoms	Government restrictions on independent journalism and freedom of expression

In addition to the above listed issues, there are other areas with human rights implications such as corruption, environment, AI, supply chain issues including conflict minerals, and trade sanctions.

When furthering digital inclusion, we have the opportunity to enable the realization of a broad set of human rights. On the other hand, if the digital divide is deepening, our technologies can increase existing inequalities. For more information on how we define and determine salience, see **Sustainability note S7**.

Work during the year

Human rights due diligence

In 2021 we consolidated our human rights practices into a human rights' due diligence strategy. We strengthened governance and implementation processes by further clarifying division of roles within the organization and improving oversight mechanisms. Salient human rights risks are covered through some of the 13 principal risk areas of the new enterprise risk management framework, which was launched in the beginning of the year. See **Risk and uncertainties** section. During the year, we also rolled out a human rights training module that complements the Code of Conduct training.

We are committed to undertake more in-depth human rights impact assessments (HRIAs) on topics and areas identified in our continuous due diligence process. Throughout 2021 we performed the following impact assessments:

- A 5G HRIA produced by Ericsson and human rights experts at Shift was used as starting point for further analysis from a telco perspective (ongoing).
- A Children's Advisory Panel was conducted to assess young people's experiences of misinformation online to better understand impacts and coping strategies.

- Implications of specific smart watches used by children were assessed through Telia's Children's Rights Impact Assessment Tool (developed in partnership with BSR and World Childhood Foundation).

- Overall implications of the COVID-19 pandemic for employees, including issues related to vaccinations.

- Impact assessments are included in our day-to-day work on privacy and security-related risks (more information available in the **Privacy and security** chapter) and we also do risk analyses of varying depth ahead of mergers, acquisitions and divestments (more information in **Sustainability note S17**).

In 2022 we will further develop proactive assessments of human rights risks when developing products and services.

Grievance mechanism

Telia's Speak-Up Line, which serves as a grievance mechanism, is open for both employees and external stakeholders to raise concerns without fear of retaliation or reprisal and to provide fair investigation. Reports related to children's rights and freedom of expression and surveillance privacy are handled by human rights specialists. No such reports were filed in 2021. Reports related to employee matters such as harassment and fair employment are handled by the HR function. Read more about these cases in the **Diversity, inclusion and equal opportunity** chapter.

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AI/data ethics

In 2019, Telia developed **Guiding Principles on AI Ethics**, a document played an instrumental process of developing services (Telia Crowd Intelligence (AI) applied within the company to risk levels of additional cases, informed by the Commission draft Regulation harmonize ethical rules.

The vast majority is assessed with no or very limited. However, there are higher areas were identified – scoring, voice authentication, workplace analytics.

We plan to proceed our 2022 by e.g. developing detailed steps on how additional screening of existing processes, and developed governance



Children's rights

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Goals

2021 progress

• Continuous blocking of child sexual abuse material in our networks • Continuous detection of child sexual abuse material in own IT systems • Provide child safeguarding services to our customers • Engage with children through meaningful child participation	• Achieved for the year across all networks • Achieved for the year • Child safeguarding services available in all markets • Engaged with ~5,000 children via the Children's Advisory Panel on misinformation online

Our approach

Children and young people are active users of our services. We believe that internet access enriches children's lives and provides them with opportunities to improve their digital skills as well as to socialize, play and learn. However, children are particularly vulnerable to online threats such as cyber bullying and inappropriate content.

Keeping children safe online requires collaboration within and beyond our industry. Close collaboration with children's rights organizations enables us to better understand how we impact children – directly or indirectly – and inform our approaches. We have worked closely with World Childhood Foundation for many years to for example develop our work against the spread of Child Sexual Abuse Materials (CSAM) online.

We are a signatory to several industry initiatives such as the GSMA Mobile Alliance against Child Sexual Abuse Content, the ICT Coalition for Children Online and the Alliance to better protect minors online, where knowledge and best practices are exchanged.

We have adopted the UN's Children's Rights and Business Principles as guidance for our work, to integrate children's rights and children's perspectives into our operations and offerings. The work focuses on protecting children but also on empowering and listening to them as we shape our work.



Our work is governed by the Group policy – Human rights. Requirements related to child labor in the supply chain are governed by the Supplier Code of Conduct.

Signkap n

Freedom of expression and surveillance privacy

Goals

- Continuous implementation of policy and Global Network Initiative's (GNI's) principles and implementation guidelines
- Continuous transparency as to government requests

2021 progress

- Completed for the year - GNI's independent assessment process started
- Law Enforcement Disclosure Reports published

Our approach

The networks and services – provided by us as a telco and a TV and Media provider – give access to information and the exchange of ideas in a way that supports freedom of expression, openness, transparency, and democracy. At the same time policymakers introduce new surveillance measures to fight crime, terrorism, hate speech and more. These are measures that can potentially limit the freedom of expression and privacy of users and the trust in what we provide.

Telia is committed to respect the freedom of expression and right to privacy of users while meeting legal requirements in the countries where we operate. We have clear policy commitments in place and have shaped implementation processes based on input from the Global Network Initiative (GNI), a multi-stakeholder organization that brings together ICT companies, human rights and freedom of press groups, academics and investors to protect

and advance global free expression and privacy in the broadening ICT industry sector (see further next page). To ensure transparency and confirm compliance, our work is regularly reviewed through independent assessments.

States define the scope of surveillance and limitations to the free flow of information based on legislation and requests from authorities. We abide by such legislation but challenge requests that have no or unclear legal grounds. When there is a conflict between internationally recognized human rights and local legislation, we seek for ways to raise the issue with relevant authorities or inform consumers and other stakeholders about the issue through public communications.



Our work is governed by the Group policy – Freedom of expression and surveillance privacy.

Work during the year

Unconventional requests during the year
During 2021, we closed almost 20 unconventional requests or demands across our main markets. The requests were of various nature, including assessments, group-level experts fact checks, group-level experts fact checks, assessments and escalations. Requests were often for new legislation, blocking of services, mass surveillance, and requests for voluntary measures. In more than 80% of the cases, the requests were related to freedom of expression and surveillance. We mitigate risks in some ways, through comments to the lawmaker, transparency of court decision, or asking for the ruling to be overturned. We also have a voluntary application to act on a request, by local representatives of Group Executive

Promoting transparency

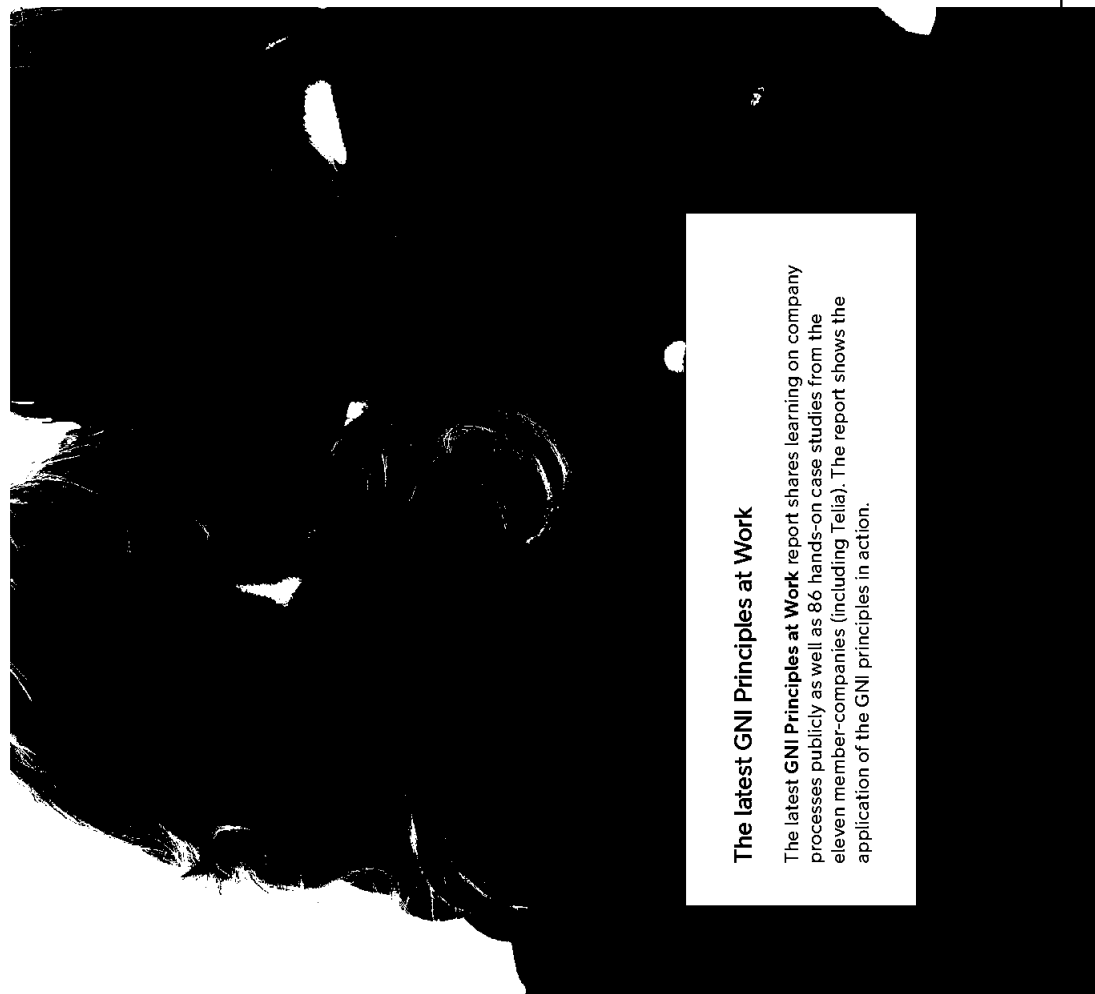
We believe that transparency on government surveillance and actions to limit free expression contribute to protecting human rights. Making such information more easily accessible to inform groups whose risk, including civil society groups who are affected by these rights. We therefore publish Law Enforcement Disclosure Reports (LEDREs) which include statistics on conventional requests, as well as a number of unconventional requests. We also refer to some of the most relevant laws in our reporting on our website. A main element in our reporting on our website is carried out through our Freedom of expression and surveillance database on Country Legal Frameworks.

Our processes

In our work we differ between two types of requests from governments/authorities:

- Conventional requests are day-to-day requests that are typically of lower risk, such as secret real-time wiretapping and monitoring by the police based on court orders. Such requests are received and handled by dedicated local teams.
- Unconventional requests are such which may have serious impacts on the freedom of expression and privacy of users. Examples include demands to shut down internet access, blocking of websites or requirements to retain data for surveillance when legislation is unclear.

Our group instruction sets out practical steps regarding assessments and escalation to be performed for unconventional requests. Such requests are to be assessed by the local company and escalated to group level for the final decision regarding which measures to take to mitigate human rights risks. We adhere to local legislation while also implementing measures that respect and support the rights of individuals. In addition, we aim to publicly share as much information as possible about unconventional requests. While our process is intended to identify and mitigate potential violations of individuals' rights, the actual outcome significantly depends on local legislation.



Further information about the 2021 LEDR report and the latest statistics are available in **Sustainability note S8**.

Participation in the Global Network Initiative

To understand our impacts and successfully mitigate risks, we depend on input from stakeholders and experts within this field. Therefore, Telia is an active member of the Global Network Initiative (GNI). Shared learnings and joint leverage when governments act in ways that risk violating freedom of expression and privacy, are at the core of its work. Telia is a member of the board and participates in various committees and task forces.

GNI's public advocacy work during the year included:

- **Defining 'direct access'**, calling for greater transparency and dialogue around mandatory, unmediated government access to data
- **Content regulation**, addressing what the global wave of content regulation means for human rights
- **Privacy and AI**, addressing risks and opportunities for privacy and other human rights

GNI independent assessment of our work

As part of our membership, we have committed to implement the GNI principles by putting concrete measures in place to promote and improve freedom of expression and the right to privacy. All GNI companies regularly undergo independent assessments of their implementation every two to three years. Results of these assessments are shared with the GNI's multi-stakeholder board which makes a final determination of the member companies' progress in implementing the GNI principles improving over time.

The first assessment of Telia's work was carried out in 2018/2019. Based on the assessor's report, the GNI Board in 2019 determined that Telia's good-faith efforts to implement the GNI principles with improvement over time. More information about the previous assessment and outcome can be found on **our website**. In 2021, a new assessment started, and a new outcome will be announced in the first half of 2022.

The most significant area for improvement identified in the independent assessor's report in 2021 was regarding implementing a formalized process to identify potential risks related to freedom of expression and privacy connected to new products and services. Privacy dimensions are currently included in our "privacy by design" process, but we are paying more attention to how we as a company collect and purge data. These measures are implemented to protect users' rights in the contexts of surveillance requests. Read more in the **Privacy and security** chapter. Our new **Management and security** model explicitly includes freedom of expression and surveillance privacy.



Diversity, inclusion and equal opportunity

Goals	2021 progress
• 50/50 gender balance in the Extended Leadership Team [2025]	• 37% female, 63% male (2020: 38% / 62%)
• Continuously decrease the raw gender pay gap¹	• Raw gender pay gap decreased by 2 percentage points, compared to 2020
• All managers trained in unconscious bias and inclusive recruitment practices [2023]	• 20% and 38% of managers trained, respectively
• Conduct a voluntary diversity, belonging and equality survey to understand a wider set of workforce diversity aspects and needed interventions [2024]	• Pilot diversity and inclusion survey performed. Disclosure of age, gender and region of birth for various target groups
• Increase diversity in Telia and in the tech sector through continuous partnerships focusing on digital and tech re- and up-skilling	• Virtual meet-up with immigrants to showcase job opportunities through vocational tech and IT-reskilling, together with external organizations specializing in reskilling
• Ensure that diversity and inclusion aspects permeate our TV and Media business, on and off-air	• Awareness raising seminars and workshops on biases for TV4 staff reached ~900 participants

1) The raw gender pay gap (also known as unadjusted pay gap) is defined as the difference between average earnings of men and women relative to average earnings of men.

Our approach

At Telia, we are committed to building a diverse and inclusive culture to encourage and enable everyone to be their best, most brilliant, and authentic selves, and ensure every talent is seen and every voice is heard. We strive to provide equal opportunities to ensure employee rights and that our employees reflect the diversity of the customers and societies we serve. No employee shall be discriminated or treated differently because of their gender, gender identity or expression, ethnicity, religion, age, disability, sexual orientation, social background and/or other characteristics protected by applicable law.

Our approach is built on three elements:

- **Employee and leadership engagement:** Increasing awareness and engagement through trainings and events for managers and employees and engaging with internal diversity network groups as sounding boards to constantly improve our work.
- **Processes:** Eliminating bias and discrimination and integrating diverse, inclusive, and equal opportunity perspectives into company processes.
- **Initiatives and partnerships:** Actively engaging and contributing to shared learnings in local Diversity Charters, our own Telia Diversity Talks and other relevant organizations/arenas.

Our work is governed by the Group Policy - People.

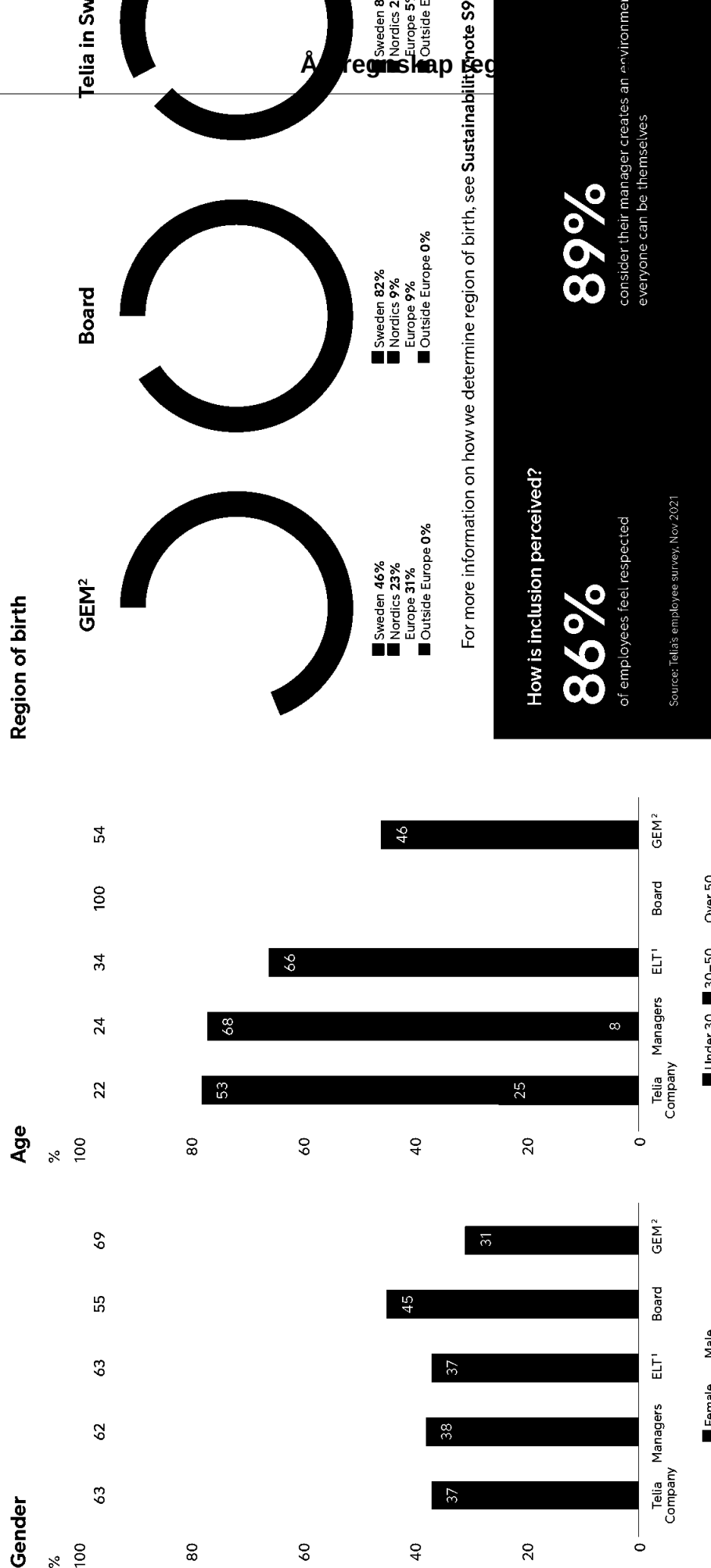
Work during the year

The diversity of Telia

For many years Telia has measured the barriers to understanding and addressing diversity. We regularly track gender employees. We explored new ways to measure those parameters, by collecting additional data during a pilot survey on diversity diversity perceived inclusion with a sample of employees within the company. This prepared us for upcoming, voluntary equality data survey will do across the whole company in 2022 years.

In many of our markets, we are not a majority in the region of birth of our employees. In Sweden we can get aggregated data on personal identity numbers to the Central Statistical Bureau (SCB) to identify the regional outcome is presented on the next page.

Diversity statistics



1) ELT - Extended Leadership Team (~130 individuals)

2) GEM - Group Executive Management

Statistics are based on headcount data as of December 31, 2021

Continuous improvements of HR processes

Key HR processes such as recruitment, performance evaluation, leadership, on- and off-boarding, talent management and compensation and benefits were refined in 2021 to better support diversity, gender equality and equal opportunity. One example is the team performance reviews at all levels of the company, where managers are provided with a data dashboard on the gender and age balance of their teams as well as eventual differences regarding performance scores between men and women, and employees of different age groups. Trained facilitators ask questions during the process to identify possible unconscious bias in ratings. In addition, all new managers undergo mandatory leadership training that includes diversity and inclusion modules. During 2021, the Leadership Framework which forms the basis of Telia's leadership culture was restructured, to incorporate inclusive leadership as one of the pillars. More information is available in the **People** section.

Training

In 2021, we had a strong focus on training in inclusive recruitment and unconscious bias.

- By the end of 2021, 20% of managers had been trained in unconscious bias and 38% had been trained in inclusive recruitment practices.
- All Telia recruitment specialists were trained in inclusive recruitment practices, to ensure bias free recruitment and advertising and to secure a diverse pipeline of talents into our company.

Efforts to reduce the gender pay gap

As part of refining our equal pay framework, that aims to have zero pay inequality, a pay gap and

gender parity analysis is carried out once a year in all markets. The 2021 results showed an overall raw gender gap decrease of 2 percentage points in comparison to 2020. Much of the remaining differences can be attributed to gender segregation of professions (for example more men in technology and more women in support functions) and an imbalance in vertical career development between male and female employees. To further reduce the pay gap, we are strengthening our initiatives to recruit, promote and retain female managers and decrease gender segregation within Tech, IT, and commercial roles by actively recruiting more women to such roles. Individual unexplainable pay inequalities for equal roles is handled according to a process with clear deadlines for corrections.

Activities to raise awareness

Through various internal and external initiatives, we discussed challenges and let a multitude of voices share their experiences and propose ways forward to reach our end goal. During the year we reached 4,250 people with events on topics such as Women in tech, Race and ethnicity, Disability and accessibility, LGBTQI+ rights and the importance of Allyship. As an example, we hosted the Diversity Charters Sweden's Signatory Event and the global virtual Business Pride, for the second year in a row.

We engage in particular activities to address inclusion in the tech sector. Examples from the year include:

- Participation in Women go Tech events in most countries, to engage women of all ages and backgrounds to join the tech industry. Several countries also have external sponsorships, as well as internal development, sponsor or mentorship

- Programs for female leaders and employees.
- Events to enable immigrants and refugees in the Nordics to reskill into tech by showcasing vocational reskilling opportunities as well as jobs available in tech and IT.
- Telia Sweden, Finland and Norway enabled unemployed immigrants with higher education to enter the tech job market by offering internships at Telia and mentorships by Telia employees. In total, 32 internships and 12 mentorships resulted in 13 offers of employment within Telia.
- Telia internal and external user experience design was updated according to the Web Content Accessibility Guidelines (WCAG), allowing all employees with disabilities to engage and use Telia's digital office environment on equal terms.
- Telia Lithuania offered a work shadowing program for seniors and Telia Sweden a leadership

External recognition

- Telia was included in the Bloomberg Gender Equality Index.
- Telia was ranked among the "Leaders in Diversity 2021" by Financial Times and Statista.
- Telia Estonia was awarded "Rainbow Hero" (most LGBTQI-friendly employer of the year) by Human Rights Center of Estonia.
- According to the Baltic Salary Survey, Telia Lithuania was announced as one of the top five companies in the Baltics that pay most equal remuneration to men and women.

Discrimination and harassment

We work to counter discrimination and harassment in place to handle breach clear position in this regard. During around 30 discrimination and/or harassment related reports were filed and subsequent investigations resulted in 15 minor actions and three terminations.

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Health and well-being

Goals	2021 progress
78% of employees state that they are able to successfully balance work and personal life¹ [2023] - All markets covered by ISO 45001 management system [2023]	73% (2020: 74%) 4 out of 6 markets covered by certification, other 2 have management systems based on the same principles
Our approach Health and well-being form the basis for a great employee experience. We strive to ensure employees' right to health and that employees can perform at their best in their everyday work. A healthy workplace, good work-life balance and flexible ways of working are key aspects to achieve this.  Our work is governed by the Group policy – People. Health and safety requirements for suppliers are outlined in the Supplier Code of Conduct. Our most significant health risks Our employees generally work in offices and retail environments where health risks relate mainly to mental well-being and ergonomics. Our biggest challenges relate to ensuring employees have a good work-life balance and sufficient recovery between intense work periods. Significant health and safety risks close to our core operations include working at heights or performing electrical work related to network construction and	Telia's health and well-being model Our internal health and well-being model is based on the following key elements: - A continuous improvement approach to occupational health and safety through the use of the ISO 45001 management system standard - Preventive actions such as risk assessments and employee surveys - Health and well-being included in regular performance check-ins between managers and employees - Health and well-being training for all managers Responsible sourcing chapter.

1) Measured in our internal employee engagement survey

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Work during the year

COVID-19 measures

To comply with the public health authorities' recommendations to limit the spread of COVID-19, many employees worked from home during much of the year. Efforts in relation to the pandemic focused on two main targets:

- Reduce spread of COVID-19**

Telia issued guidelines including when and how to use personal protective equipment and trainings for employees who had to be physically present at work and employees who returned to work at office facilities later in the year. In addition, office facilities were adapted to ensure social distancing.

- Promote good mental health**

We increased communication and availability to psychological health-support channels. In addition, digital employee engagement activities were offered to encourage employees to take regular breaks away from the computer.

Better connected working

As our countries and offices reopened after the lifting of COVID-19 restrictions, we launched our "better connected working" model, based on employee feedback. The model is built on an office first approach that enhances flexibility in the workplace, enabling employees to thrive together physically whilst leveraging the opportunities of working from home. Results from our employee engagement survey show an increase in employees that can perform their job in a good way with the better-connected working model, compared to full remote working.

Measuring health and well-being

Overall health and well-being are measured by the employee engagement survey. In 2020, 73% of respondents were able to achieve a good personal work-life balance, identified as having good overall well-being. Main challenges regarding health and well-being were increased stress, increased workload, and discomfort.

ISO 45001 certification

Telia views the ISO 45001 health and safety management system standard as a valuable tool to ensure systematic assessments and risk management. During the year, local companies in Norway, Estonia and Lithuania maintained their ISO 45001 certifications. At year end, all employees were covered by the ISO 45001 certification. Local companies in Sweden and Denmark are not ISO 45001 certified but have implemented management systems based on the same principles. Additional information on management systems is available on [note S18](#).

Incidents

During the year, no major injuries or cases were reported for our staff or contractors. For more information about health and safety data, see [Sustainability note S10](#).

For more information about health and safety data, see [Sustainability note S10](#).

Responsible sourcing

Goals

- All new and renewed supplier contracts screened according to the due diligence process [2022]
- Carry out at least 100 audits annually
- All supplier non-conformities closed within due date

2021 progress

- 95% of total spend were covered
- Carried out 126 audits based on risk assessment
- Achieved for the year

Please refer to [Sustainability note S19](#) for information about the scope of Telia's goals within this area.

Our approach

We rely on a global supply chain to deliver products and services to our customers. In our sourcing processes we look at various aspects, such as price, quality, the supplier's sustainability standards and ability to innovate, to assess the full value of their deliveries before we decide which supplier to select.

A dedicated due diligence process is in place to evaluate suppliers' sustainability performance. The responsible sourcing function is responsible for the supplier sustainability risk assessment, including due diligence and audits. Local or group level subject matter experts also lend support in auditing and dialogue meetings.

Due diligence coverage

- Anti-corruption
- Environment
- Human rights
- Labor rights
- Management
- Occupational health and safety
- Ownership
- Privacy
- Security
- Trade sanctions



Our supplier requirements are set out in the [Supplier Code of Conduct](#)

Responsible sourcing process

► Supplier requirements

Our suppliers shall align and comply with the requirements stated in our Supplier Code of Conduct. In addition, suppliers handling personal or sensitive data must comply with the security and privacy requirements stated in Telia's Supplier Security Directive. Suppliers are expected to apply these requirements throughout their own supply chain.

► Supplier due diligence

The objective of the due diligence process is to ensure that Telia only engages with suppliers who meet our standards and require the same from their own suppliers. The process has a risk-based approach that allows us to focus on those suppliers that could potentially expose individuals, the environment, and Telia to elevated risks. As part of the due diligence process, an up-front risk assessment is carried out to identify high-risk triggers. If risks are deemed high, the supplier undergoes an in-depth due diligence assessment consisting of a self-assessment against the Supplier Code of Conduct and other relevant requirements as well as screening covering, for example, ultimate beneficial ownership (UBO) and sanctions. Results from the in-depth due diligence assessment can result in high, medium and low risk grading. Potential high risks and serious violations identified in the due diligence process, for example those that relate to labor rights, or other human rights, could trigger a supplier audit. High-risk suppliers identified during the in-depth due diligence assessment and suppliers with critical non-conformities identified through audits are reported to the Group sourcing management

team for decision-making regarding selection and monitoring.

► Supplier audits

Supplier audits play a key role in supplier assessment and continuous development. Corrective Action Plans (CAPs) follow supplier dialogue. We take a risk-based approach when selecting which suppliers to audit. Audits are concluded in the first year. Reports with identified non-conformities are mutually agreed CAPs with due date for remediation. The process ends with the termination of the supplier relationship if the non-conformities are not considered.

In addition, to increase audit scope we collaborate with other telecom operators through the Joint Audit Cooperation (JAC) to assess sustainability practices in the supply chain. Members of the JAC use common requirements in five areas: Health and Safety, Environment, Ethics, Labor Rights, and Supplier Management Systems.

► Supplier Development and Engagement

As part of supplier management, we maintain a continuous dialog with suppliers to increase their awareness about our expectations, as well as challenges and opportunities. We raise awareness through joint approach meetings where top management engage to address topical issues. Selected engagement areas is presented on the next page.



Work during the year

Due diligence and audits

Supplier due diligence and audits contributed to deliver products and services to our customers. Here are some of the annual results:

- Around 2,000 suppliers went through the up-front risk assessment, covering 95% of the total spend with our suppliers. This resulted in 918 (46%)
- in-depth due diligence assessments.
- 2% of suppliers that underwent the in-depth due diligence assessment were associated with high risks and therefore subject to additional procedures (as described on the previous page).
- 126 audits were conducted by Telia and 482 non-conformities identified during supplier audits were closed in 2021.
- An additional 71 audits were conducted by JAC, reaching approximately 129,000 workers in total.

First tier audited suppliers scored relatively high in the areas of labor rights and human rights. The identified largest gap for the suppliers was enforcing Telia's Supplier Code of Conduct requirements in their own supply chains. Results from audits conducted by JAC in lower tiers showed working hours, and health and safety as the main challenges.

2021 engagement focus

Throughout the year, three topics were prioritized for engagement: forced labor, climate, and circularity.

- **Forced labor:** Media and research institutions have presented reports about links between the ICT industry and violation of the rights of the Uighur minority in China.

Telia takes these reports seriously and has therefore engaged with 25 suppliers mentioned in public reports to understand and evaluate their responses. We have also been in dialogue with human rights and China experts, responsible business initiatives in other sectors and policymakers to better understand our impact and steps to take for proper due diligence and mitigation. At the end of the year, we had received satisfactory responses from 18 suppliers and further engaged with the other 7 suppliers.

► **Climate:** In 2021 we continued assessing the maturity level of our suppliers in terms of climate action. We selected suppliers for engagement, to reach our goal of having 72% of our supply chain GHG emissions covered by science-based targets by 2025. By the end of the year, six out of the ten suppliers that emit the most carbon dioxide in our supply chain had set, or committed to set, science-based targets. This helps us make progress towards a climate-neutral value chain by 2030 (more information in the **Climate and circularity** chapter).

► **Circularity:** During the year we launched the Eco Rating initiative which measures the environmental performance of various mobile phone models. The rating guides consumers in their purchasing decisions but also works as a useful tool for engagement with manufacturers to drive circular principles in the production of mobile phones. More information about Eco Rating is available in the **Climate and circularity** chapter.

Work to counter supply disruptions

Global supply chains make companies vulnerable to supply disruptions. This became evident in 2021 as our industry experienced shortages of semiconductors, jeopardizing our 5G roll-out and the supply of various devices needed by our customers. At the end of 2021 we could conclude that we mitigated these risks well, thanks to intensive interactions with our suppliers. This experience, however, demonstrates the need to promote resilience in the supply chain. Disruptions may arise from various factors in the coming years – be it climate change effects, pandemics, or other reasons.

Today we try to build a resilient supply chain through the sustainability requirements for our suppliers, work to diversify our supplier base and by assessing critical suppliers' business continuity capabilities. We see that especially smaller suppliers will require more attention in the coming years and that the issue needs to be addressed already in our supplier selection phase. In the years ahead we will continue developing this work further to increase resilience and avoid disruptions of supply.

2021 Renewed Supplier of Conduct and Supplier Security Directive

We have renewed our Supplier of Conduct and Supplier Security Directive to best align with our commitment to accelerate action contribution to the UN Sustainable Development Goals. Requirements related to our impact areas, such as Climate and circularity, Digital inclusion, Human rights, and Privacy and Security, have been strengthened to reflect our ambition level. Expectations regarding these are outlined in the new version of the **Supplier Code of Conduct** and **Supplier Security Directive**.



Anti-bribery and corruption

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Goals

2021 progress

- Annual Anti-Bribery and Corruption risk assessments performed in all markets.
- Annual completion of Anti-Bribery and Corruption program maturity assessments in all markets along with plans to close maturity gaps
- Achieved for the year
- Achieved for the year

Our approach

We conduct business with zero tolerance for corruption. Corruption risk is treated as one of Telia's principal risk areas and an Anti-Bribery and Corruption (ABC) program is in place to mitigate this risk. The program provides a systematic way to effectively detect and prevent corruption and violations of anti-corruption laws. It is implemented and continuously developed using a risk-based approach through:

- Regular ABC risk assessments to identify and manage key risks
- Annual maturity assessments to follow up on progress and identify areas for improvement
- Training to ensure awareness of ABC risks
- Supply chain risk management by screening, monitoring, and auditing suppliers
- Mandatory Conflicts of Interest disclosure for the extended leadership team

Our exposure to corruption risks significantly decreased the past few years due to the divestments of subsidiaries in Eurasia and our global operations through Telia Carrier. Today, some of our markets are defined as low-risk markets by Transparency International Corruption Perceptions Index (Sweden, Finland, Norway, and Denmark) and some as medium risk markets (Estonia and Lithuania). Our supply chain, however, is global with suppliers operating within a wide risk spectrum. Hence, anti-bribery and corruption requirements are covered in our Supplier Code of Conduct and practices are monitored in the due diligence process and through auditing of high-risk suppliers. More information is available in the **Responsible sourcing** chapter.



Our work is governed by the Group policy – Anti-Bribery and Corruption

Ethics and compliance network

The ABC program is managed by the Group Governance, Risk and Compliance unit. It is responsible for the program design and for coordinating activities. Local Ethics and Compliance Officers are responsible for local implementation.

The Special Investigations Office (SIO), which is part of the Security Office, handles special investigations related to potential corruption, fraud, and other significant related risks such as retaliation. Read more about cases during the year in **Sustainability note S16**.

Work during the year

ABC program maturity

In 2019, Telia introduced a maturity assessment methodology to enable holistic and credible evaluation and follow-up of key risks. Since then, the methodology has been used to assess the maturity of the ABC program throughout the Group and the markets. 2021 results indicate an overall well-established program, which makes us well-equipped to identify and manage ABC risks.

ABC risk assessments

Throughout 2021, ABC risk assessments were implemented and performed in all countries. These risk assessments are used to identify focus areas and set plans for the ABC work in the coming years. The 2021 risk assessments did not identify any medium, high, or very high risks. The conclusion was that there is high awareness and attention to ABC both on country and Group level and the likelihood of overall ABC risk is low, but the

financial impact may potentially be high. Improvement have been identified in risk party management and plans are being to address this during 2022.

Training

All employees at Telia are required to e-learning on the Code of Conduct as a specific part on anti-corruption. In a 800 employees with risk exposure s working with sales, public officials, a completed ABC-specific awareness

Risk levels per market

	Low	Medium
Sweden		
Norway		
Finland		
Denmark		
Estonia		
Lithuania		

Source: Transparency International

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S1 General information

The Board of Directors' Report, section Sustainability together with the Sustainability notes constitute Telia Company's statutory sustainability report according to the requirements in the Swedish Annual Accounts Act. It also serves as Telia Company's and all subsidiaries' Global Compact Communication on Progress (CoP). In addition, sustainability content is also integrated into other sections of this report, e.g. in the description of Telia's business strategy, the underlying trends analysis and in the Corporate Governance section.

The report has been prepared according to Telia's Sustainability Reporting Framework which is based on various frameworks such as Global Reporting Initiative, Integrated Reporting Framework, Global Compact Communication on Progress, EU Non-Financial Reporting Directive, UN Guiding Principles Reporting Framework and Task Force on Climate-related Financial Disclosures, to facilitate comparability. Telia's Sustainability Reporting Framework contains reporting principles, content guidance, detailed information on basis for preparation of information, and definitions. It is available at www.teliacompany.com/sustainability/reporting. To facilitate reading and comparability, please refer to the Sustainability Index on pages 121 and 122.

Please note:

- This sustainability report shall not be considered prepared strictly in accordance with any of the supporting frameworks.
- The scope of information provided covers our operations in Denmark, Estonia, Finland, Lithuania, Norway, and Sweden. In addition, our associated company LMT in Latvia is included in our environmental reporting to align with the Greenhouse Gas Protocol accounting standard. Historical data for discontinued operations is included where relevant to present a complete picture of the company's historical performance.
- Material omissions or limited scope of information are explained in the respective note.

Deloitte has been engaged to provide limited assurance of the sustainability report, see **Auditors' Limited Assurance Report** in the Sustainability section for more information. All disclosures which constitute the sustainability report are covered by the limited assurance engagement.

Comments and feedback help us develop our sustainability work and reporting. You are welcome to contact us at sustainability-group@teliacompany.com.

S2 Sustainability governance

See **Sustainability Governance** in the Sustainability section. Additional information, including more information on the governance of the company's overall risk management process, is available in the **Corporate governance and Risk and uncertainties** section.

The Code of Responsible Business Conduct and other governing documents can be found at **Telia's website**. The **Statement of Materiality and Significant Audiences**, lists international frameworks that Telia has adhered to.

S3 Stakeholder engagement and materiality determination

Through our stakeholder-based approach, Telia continuously assesses stakeholder views to help us determine what is material to address and report on. In regular intervals we do materiality deep dives, for example during a business strategy review (like in 2020) or if there are other major business or societal changes around us. In between such deep dives we act on our "materiality maintenance plan" which includes monitoring of various research, industry, and media reports, as well as surveys or conversations with particular stakeholder groups on specific topics. Stakeholders are generally selected for engagement either because they represent the opinions of a stakeholder group as a whole (e.g. a consumer organization or a union) or because we consider them knowledgeable due to their expertise and/or experience.

Information on the final outcome is presented in sections about **How we prioritize** and **What matters to our stakeholders**, with more detailed information in each impact area section.

Main sources for determining materiality and reporting scope in 2021 included:

- Our own 2020 materiality deep dive based on desktop research validated through internal and external stakeholder dialogues. An AI-based global materiality check in 2021 to confirm 2020 analysis or identify changes.

- Ongoing telco materiality study conducted by Yale University in 2021 on behalf of industry association GSMA which also included stakeholder engagement to validate final outcome. To be published in 2022.
- SB Insight's 2021 consumer trend studies which identify how consumers in our markets think a telco should prioritize.
- Topics covered by ESG rating firms, including how topics are weighted.
- Engagement with collaborative partners (some of them listed on page 78) to get deeper understanding of theme-specific impacts and topic boundaries.
- Concerns raised by stakeholders.
- Continuous monitoring of policy development.

Information on determination of salient human rights issues are provided in **Sustainability note 57**.

S4 Climate and circularity

See the **Climate and circularity** chapter for more information. For more details on calculation methods, emission factors and more, see the **Telia's Sustainability Reporting Framework**.

Energy consumption

Total energy and emissions data is reported for continuing (current) operations and discontinued operations (i.e. divested operations outside the Nordics and Baltics). Discontinued operations are included in the tables below as they constituted a significant share of the group's historic total environmental footprint). The last company under discontinued operations was divested early 2020, hence the last reporting year is 2019.

Direct energy consumption (scope 1), GWh	2021	2020	2019
Continuing operations	22	21	26 ¹
Discontinued operations	-	-	2
Total	22	21	28

¹⁾ Improved data quality compared to the 2019 Annual and Sustainability Report

Direct energy consumption (table above) is based on non-renewable energy sources, of which approximately 80% is related to fossil fuel use for cars, and the remaining is related to the use of back-up diesel generators for emergency situations.

Indirect energy consumption (scope 2), GWh	2021
Continuing operations	1,14
Discontinued operations	-
Total	1,14

Around 93% of scope 2 energy consumption (table above) consist of electricity. 1% was renewable. The remaining 7% is renewable district heating.

Greenhouse gas (GHG) emissions

Telia has been climate neutral in own operations since 2020. This is achieved through emission reductions (mainly through 100 percent renewable electricity via of Origins) and carbon offsetting of emissions (scope 1, scope 2 market-scope 3 business travel).

To be able to track absolute emission scope 1 and 2 market-based emission in the following tables, excluding carbon. Our emission reporting is aligned with protocol. GHG emissions are reported CO₂e.

Direct and indirect GHG emissions - Scopes 1 and 2

Direct GHG emissions (scope 1), ktons CO ₂ e	2021	2020	2019
Continuing operations	7	7	7
Discontinued operations	-	-	0
Total	7	7	7

From 2020 and onwards, 100% of scope 1 emissions are offset through **carbon credits**.

In 2020, refrigerants were added to the scope 1 emissions reporting. The total amount of refilled refrigerants in 2021 was 840 kg of various types. Related emissions amounted to approximately 1 (2) ktons CO₂e, which constituted 15% of total scope 1 emissions.

Indirect GHG emissions (scope 2, market-based), ktons CO ₂ e	2021	2020	2019
Continuing operations	6	6	37 ¹
Discontinued operations	-	-	10
Total	6	6	47

¹) Improved data quality compared to the 2019 Annual and Sustainability Report

From 2020 and onwards, 100% renewable electricity was used. Remaining market-based scope 2 emissions are offset through carbon credits.

Our Business

Indirect GHG emissions (scope 2, location-based), ktons CO ₂ e	2021	2020	2019
Continuing operations ¹	110	132	125
Discontinued operations	-	-	10
Total	110	132	135

¹) Data updated after finding of error in external reporting tool

Other indirect GHG emissions – Scope 3

During 2020, we carried out a full value chain assessment using 2018 data, to further understand our total carbon footprint and to set Science Based Targets covering all scopes. The Corporate Value Chain (Scope 3) Standard was applied to calculate all 15 categories of scope 3 emissions. Full update of all categories is provided every second year.

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The most relevant categories are:

- Purchased goods and services (category 1) – OPEX including purchased mobile devices
- Capital goods (category 2) – CAPEX including network equipment
- Use of sold products and downstream leased assets (categories 11 and 13) – GHG emissions related to the use of sold or leased products, e.g. phones and routers

“Other material categories” includes the remaining nine categories considered material such as upstream transportation, fuel and energy related activities, employee commuting, leased cars and business travel, waste handling and end-of-life treatment of sold products, franchises, and investments.

Scope 3 data is presented in the table below.

Other indirect GHG emissions (scope 3) ¹	2020 ktons CO ₂ e	2019 ktons CO ₂ e	2018 ² ktons CO ₂ e	2020 vs. baseline year 2018 (%)
Purchased goods and services; capital goods (categories 1 and 2)	956	995	1,005	-5%
Use of sold products; downstream leased assets (categories 11 and 13)	88	102	100	-13%
Other material categories, total	107	-	100	+7%
Total	1,151	-	1,205	-5%

¹) Includes only continuing operations. Scope 3 emissions are reported with one year delay

²) The implementation of an improved methodology enabled a more granular calculation of the 2018 baseline (compared to the 2019 Annual and Sustainability Report)

Sustainability

**Business travel GHG emissions
(scope 3, category 6),
ktons CO₂e**

Total	20

From 2020 and onwards, 100% of business travel emissions, are offset through carbon credits.

Waste

Waste is a key environmental aspect, and our zero target we are committed to. Our total waste footprint from own operations, network construction and maintenance new targets, we have expanded waste management throughout 2020 and 2021. We work to improve data collection and quality, and waste management suppliers are providing us with Telia-specific data.

Waste tons	
Construction waste*	
Stone, gravel, asphalt	
Impregnated wooden poles	
Metals	
Cables	
Wooden material from construction	
Electronic waste*	
Batteries*	
Office waste	

* Includes hazardous waste fractions

Read more about recycling and re-use programs in the **Climate and Circular Economy**

The Group Head of Sustainability has strategic and operational responsibility and oversight of implementation across the organization related to climate-related risks and opportunities. The Group Head of Sustainability reports to the SVP, Chief External Affairs, Governance & Trust Officer who is a member of Group Executive Management (GEM). GEM is responsible for strategic business decisions, including goal setting. The Group Governance, Ethics & Compliance (GREC) forum - which all GEM members attend - receives updates about environmental risk management twice a year as part of the company's overall risk management process.

For more information see **Sustainability governance** in the sustainability section and the **Group-wide Governance Framework** section.

Strategy

Climate-related risks and opportunities identified
We continuously develop our processes to identify and manage climate-related risks as part of our enterprise risk management process and in our day-to-day work. In 2021, we updated our climate risk assessment including both transition and physical risks – see the **Climate Risk Assessment** table – using 2025 as timeframe for transition risks and longer timeframes for physical risks. Further information below.

► **Transition risks:** Transition risks are continuously assessed as part of our monitoring of e.g. policy and technological development (legal, policy and technological risks), the development of the energy market and customer trends (market risks), and stakeholder and media discussions (reputational risks). No scenario analyses have been conducted yet.

During 2021 we experienced increased legislative activity related to climate (e.g. the Taxonomy Regulation and preparations for mandatory environmental due diligence legislation coming from the EU) as well as growing investor expectations and interest in our climate work both related to reductions of our negative carbon footprint and our ability to enable customers to reduce emissions through digitalization. Results from the annual SB Insights B2C study and interactions with business customers showed high attention to climate-related topics and demands for sustainable products, with certain differences between the Nordic and Baltic markets (Nordic customers having the highest expectations on climate performance). In some of our markets, such as Sweden and Finland, circular business models became more common within consumer-facing industries, including electronics. We experienced increasing demands for services driving efficiencies and enablement effects, such as IoT, as business customers try to reduce both GHG emissions, energy use and costs through digitalization and Industry 4.0 is emerging. We expect these transitional trends to intensify up until 2025 (our timeframe for current transitional analysis). The ongoing trends confirm the importance of Telia's climate and circularity goals and workstreams described in the **Climate and circularity** chapter.

► **Physical risks:** During 2021 we carried out physical climate risk assessments in all our markets based on analysis provided by the Swedish Meteorological and Hydrological Institute (SMHI). The analysis involved climate modelling of three RCP (Representative Concentration Pathways) by the UN Intergovernmental Panel on Climate Change

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(IPCC) through three reference periods (2011-2040, 2041-2070 and 2071-2100). The selected scenarios (RCP2.6, RCP4.5 and RCP8.5) cover a wide range of variations regarding future concentrations of GHG in the atmosphere and its effect on indicators such as annual average temperature and heatwaves, annual maximum wind speed, annual average precipitation and daily maximum precipitation.

The analysis shows differences among the various reference periods and scenarios for the indicators analyzed. A few conclusions:

- The yearly average temperature is rising globally and will increase all over the Nordic/Baltic region, especially in northern Sweden. Warmer yearly average temperatures will also increase the frequency, duration and intensity of heatwaves in the summer. Generally, the northern regions are projected to warm more than the southern regions, and inland regions are projected to heat more than coastal regions. The results consistently show a higher temperature increase for the later time periods.
- Annual maximum wind speed is affected by a complex set of variables that control the storms' paths, strength and frequency, resulting in greater uncertainty in comparison to other climate indicators.
- Changes in precipitation are expected to be small in the earlier timeframes with increasing risks in the later one.

Potential implications of the changes outlined above are in most cases related to disruptions (power outages and connection losses). The findings confirm the importance of further integrating climate risks into our ongoing Business Continuity Management work, complementing these high-level

Both risks and opportunities have been taken into the new business strategy, affecting aspects of our business such as product development, selection of suppliers, and day-to-day operations.

- **Supply chain management:** The incoming supply chain plays a significant role in our commitment to reach climate neutral

analyses with continuous local monitoring, deepened region- or site-specific and mitigation activities.

An overview of transition and physical risks mentioned above, including mitigation presented in the **Climate Risk Assessment**, which we revise on a regular basis to evaluate our focus and the effectiveness of mitigations.

Impact on strategy and financial planning
As mentioned before, the climate analysis is thoroughly integrated in Telia's business strategy. The overarching climate goal selected as one out of three prioritized to inform and support the execution strategy. The overarching climate goal is a climate-neutral value chain by 2030 that we have committed to at least half GHG emissions by 2030 and offset continuing to move towards net zero goal of zero waste by 2030. Telia has an ambition to move towards net zero climate change but will enable Telia emissions when applying circular principles in business models such as extending lifetime of devices and network equipment re-use.

Both risks and opportunities have been taken into the new business strategy, affecting aspects of our business such as product development, selection of suppliers, and day-to-day operations.

- **Supply chain management:** The incoming supply chain plays a significant role in our commitment to reach climate neutral

Hence, engaging with suppliers and assessing suppliers' climate performance is critical in the supplier selection process.

- *Product development:* In our pursue to reduce climate impact, a range of offered products and services are low-carbon and/or enable our customers to reduce GHG emissions. In 2021, the carbon enablement effect for selected products and services that we offer was calculated for the second consecutive year, to enable business to better understand and describe environmental benefits to customers.
- *Investments:* Investment decisions are preceded by environmental screening covering impact on emissions, energy, and waste.
- *Day-to-day operations:* Significant progress within our own operations has been made using 100% renewable electricity (emissions reductions of 78% achieved since 2018). We strive to further reduce absolute emissions and our overall environmental impacts from our own operations.

See further in the **Climate and circularity** chapter.

Financial planning is affected by initiatives to reduce GHG emissions and the development of new products and offerings. Examples include extra costs for renewable energy and carbon offsetting that must be factored into budgeting. Contrarily, on the product development and offering side cost reductions or new revenue streams are emerging through e.g. circular business models like re-used devices and Device as a Service (DaaS). Similarly, investments into IoT offerings that are generating enablement effects add value to our connectivity offerings and support our ambition to be a digital partner of choice for our customers. Moreover,

climate aspects affect work to continuously identify CAPEX that meets the requirements of our Green Bond Framework used to assess opportunities for issuing green bonds.

Risk management

Processes for identifying and assessing climate-related risks, and integration in overall risk management

In 2018/19 we conducted a materiality assessment that preceded the adoption of our 2030 climate and circularity goals. In 2020 and 2021, we further mapped and calculated our climate and waste impacts to better understand risks and opportunities and to be able to set more detailed environmental goals for 2023 and 2025.

An environmental steering committee is in place to regularly review progress towards goals, risks and opportunities, consisting of four members of the General Executive Management team, Group Head of Strategy and Group Head of Sustainability. This steering committee gives guidance to Head of Group Sustainability and makes additional proposals to the full GEM when needed.

Climate risks are included in the overall **Enterprise Risk Management (ERM) Framework**, used to regularly identify, analyse, assess, and report business, financial, ethical and sustainability risks and uncertainties. From a selected risk universe, Environment has been chosen as one of 13 principal risks, where both transitional and physical climate risks are covered. Based on the ERM work, a risk report is delivered on a half-yearly basis to the Audit Committee and the Board, in alignment with the Board's annual work cycle. Risks are presented as

group-wide, country or group specific.

Processes for managing climate-related risks
Transition risks are managed through Telia's comprehensive environmental program and ongoing initiatives to integrate environmental and climate perspectives into key processes such as Enterprise Risk Management, sourcing and product development. Regular mapping of our environmental footprint enables us to prioritize actions. Stakeholder engagement enables us to understand changes in expectations and emerging trends.

Physical risks are managed as part of business continuity management (BCM) processes, with input from the scenario analysis mentioned earlier. The scenario analysis showed that financial implications of physical risks are in most cases related to disruptions (power outages and connection losses). In most of the climate scenarios (e.g., for heatwave, precipitation and storms) the risk for power outages is pointed out. We also note that cooling needs are expected to increase. Although the Nordic and Baltic countries share similar overall risks, such as rising temperature and increasing precipitation, the analysis shows that some regions are expected to be more affected which may require extra attention and certain local adaptations to the risk management approach. The conducted analysis enables us to better prioritize actions the coming years based on the assumptions that extreme weather events will increase in number and intensity.

Current mitigation activities for each transition and physical risk area are listed in the **Climate Risk Assessment** table.

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In the coming years we will both expand our work to identify and manage transition physical climate risks by e.g. increasing of risk identification, looking into scenarios for transitional risks, further understanding financial impacts of identified risks and going deeper into management climate risks locally.

Metrics and targets

Metrics used to assess climate-related risks and opportunities in line with strategy management

Telia has set short-, medium- and long-term related goals, including KPIs such as Targets. In addition, we use external such as the Sustainable Brand Index to track how we are assessed and by external stakeholders. In 2022, we will set net zero goal based on standards la

Scope 1, 2 and 3 GHG emissions
See previous pages in this report.

Targets and performance
See the **Climate and circularity** chapter

Climate-related performance in remuneration
In 2021, performance evaluation and models for the extended leadership under review. Please note that GEM excluded from any variable pay scheme

Climate Risk Assessment

Most material risks and potential impacts					Ongoing mitigating activities		
Transition risks							
Policy and legal							
Higher taxes and fees on fossil energy and carbon-intensive products and services – may lead to increased costs					Continuous implementation of measure for energy efficiency and GHG emissions reduction in own operations and supply chain		
Unclear EU Taxonomy technical screening criteria – may lead to different interpretations in our industry and hence complicate investor efforts to evaluate our work. Moreover, networks are not covered					Proactive engagement with peers and industry efforts to create alignment and include networks		
Technology							
Regulation on energy efficiency and circularity of hardware - may require technology replacement					Environmental criteria included in relevant procurement processes		
Lack of low-carbon and circular alternatives for products and services that drives GHG emissions - may impact our ability to reach our environmental goals					Continuous dialogue with current and potential suppliers to spur innovation Industry collaboration to influence the environmental performance and offerings of hardware suppliers, eg. through Eco Rating for mobile phones and GSMA for network equipment		
Market							
Increasing costs for energy due to changing dynamics regarding supply and demand					Group-wide energy projects and coordination initiatives to optimize energy use, reduce costs and facilitate strategic decisions		
Increasing overall demand of renewable energy – may lead to increasing costs of purchasing Guarantees of Origin							
Increasing customer expectations and demands to provide low-carbon products and services, and products and services to reduce customers' own emissions – may lead to loss of current business or increasing/new revenue streams					Continuous market research and customer engagement Innovation, research and development of products and services with a clear environmental focus Participation in The European Green Digital Coalition to create joint methods for calculating carbon enablement effect		
Reputation							
Increasing stakeholder expectations and demands on reducing GHG emissions - may lead to loss of business, weaker brand perception and reduced access to capital					Implementation of Science Based Targets Climate neutrality reached in own operations in 2020 through significant emissions reductions Renewable electricity and offsetting remaining emissions Supplier requirements, engagement and collaborative initiatives in place to influence our supply chain		
Incorrect information or perception of the ICT industry's actual energy and GHG emissions footprint - may lead to unfavorable views of ICT's actual environmental footprint and "greening of" potential					Participation in academic and industry research, proactive engagement with key stakeholders and policy makers		
Physical risks							
Annual average temperature increase (chronic) and heatwaves (acute)					Include climate risks into new data center and technical site design (cooling, ventilation, emergency power), increase risk level on critical sites, evaluate new back-up battery solutions		
Annual maximum wind speed increase (acute)					Continuous risk assessments for critical infrastructure and continuity planning to minimize consequences following a disruption. Secure emergency power at core sites		
Annual average precipitation increase (chronic)					Continuous risk assessments for critical infrastructure and continuity planning to minimize consequences following a disruption		
Daily maximum precipitation increase (acute)					Continuous risk assessments for critical infrastructure and continuity planning to minimize consequences following a disruption. Secure emergency power at core sites, estimate water pumps for core sites		

S5 Digital inclusion

See the **Digital inclusion** chapter for more information.

The key pillars of Telia's Digital inclusion strategy are

- 1) Providing reliable access to connectivity and
- 2) Building digital skills.

Providing access

We operate in highly digitalized countries with extensive access to connectivity and technology. "Digital inclusion" is therefore less about having access to basic digital services and devices, and more about the quality of connectivity and proper digital skills. Progress with regard to ensuring access is measured through KPIs for population coverage. We also work to increase access to our services for individuals with disabilities.

Building digital skills

Our goal is to reach one million individuals through digital inclusion initiatives by 2025. Reach refers to the number of individuals that we have reached via our digital inclusion initiatives or products. Individuals calculated are those who risk being digitally excluded, vulnerable or disadvantaged (for example seniors, children, immigrants or persons with disabilities). The initiative in question builds digital skills, empowers or breaks the isolation of the individual.

In addition, we have conducted impact assessments for three initiatives, More Digital in Sweden (2018, with university partner), Greatest Courage in Estonia (2021, with a consultancy specializing in social impact measurement) and Women Go Tech in Lithuania (2021, by WGT itself), to better understand impact and evaluate the initiatives in question. We will look further into such opportunities in 2022.

S6 Privacy and security

See the **Privacy and security** chapter for more information.

Personal data and *Personal data breach* are defined as per Article 4 GDPR, data breach notification obligations are outlined in Article 33.

Right of access request refers to Article 15 GDPR.

As the processes from some business units (TV4, C More and MTV Oy) differ from Group processes (regarding e.g. right of access requests and personal data breaches), such reported statistics do not include cases from these units.

S7 Human rights

See the **Human rights** chapter for more information.

Salient human rights issues – listed in the Human rights chapter of this report – are defined as per the UN Guiding Principles Reporting Framework as "the issue at risk of the most severe negative impact through the company's activities and business relationships." Identification of the most salient issues focuses on risk to people based on likelihood and severity. The latter is defined by:

- Scale (gravity of human rights impact)
- Scope (number of people who have or could be impacted)
- Remediability (can the impact be put to right or not)

Salience is reviewed as part of our broader process to determine materiality (see **Sustainability note S3**) and further analysis conducted by Telia's Human Rights Core Team, which includes internal experts on various human rights areas. These experts regularly consult and receive input from external partners and networks we participate in. Examples include:

- Child rights organizations such as Childhood Foundation (for topics children's rights including the spread of sexual abuse materials)
- The Global Network Initiative (on expression and privacy)
- Union representatives (on labour risks for discrimination)
- Audit results through Joint Audit (on labour rights in supply chains including and child labour)
- Continuous interactions with other parties needed, including authorities, protection boards on privacy matters
- The global non-profit organization Amnesty International on sustainability expertise



S8 Freedom of expression and surveillance privacy

See the **Freedom of expression and surveillance privacy** chapter for more information. Definitions of the authority request categories are available in **Telia's Sustainability Reporting Framework**.

In our Law Enforcement Disclosure Reports (LEDR), we publish detailed statistics on conventional requests as well as the approximate number of unconventional requests. The March 2022 LEDR report includes statistics regarding conventional requests from 2019, 2020 and 2021. A summary of the findings is presented below as part of the external assurance.

Figures both below and in the LEDR show the number of day-to-day conventional requests from authorities, not the number of individuals to whom they relate. Comparisons between markets should be avoided due to differences in market shares as well as working methods of both authorities and Telia locally. For more information about definitions, data sources and main challenges, see Appendix 2 in the LEDR. For statistics before 2019, please see our **resource page** for Law Enforcement Disclosure Reports.

Authority requests

NB: Direct access is not included in the statistics.

Denmark

	2021	2020	2019
Lawful interception	4,310	5,871	8,457
Historical data	1,745	1,947	2,229
Subscription data	7,386	8,924	12,895
Challenged/ rejected requests	0	0	0

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Estonia

Lawful interception¹

	2021	2020
Historical data	8,835	19,261
Subscription data ²	695,335	1,078,671
Challenged/ rejected requests	20	2

1) Telia Estonia is not able to provide statistical information to the number of Lawful Interception requests because intercepted numbers as requests are encrypted as mandated by the Electronic Communication Act.

2) The category 'Subscription data' includes all requests for Subscription data. For other countries the corresponding figure covers only requests by authorized personnel, as well as automated requests that refer to criminal cases.

Finland

Lawful interception³

	2021	2020
Historical data	6,414	5,211
Subscription data	4,885	3,233
Challenged/ rejected requests ⁴	10,023	10,644

3) In Finland the system for logging of lawful intercept requests has been changed. Until March 2021 one individual Lawful Interception request, even if it included many types of surveillance measures upon a person. With the system change, the number of requests counted as one request. This leads to an increased number in the statistics.

4) Note that 'Challenged/rejected requests' are in most cases related to erroneous target information from the Police.

Lithuania⁵

Lawful interception⁶

	2021	2020
Historical data	110,138	110,138
Subscription data	96,688	96,688
Challenged/ rejected requests	141	141

5) Telia Company and Telia Lithuania had not, until H2 2020, been granted permission to publish statistics as to any of the categories regarding interception requests received in Lithuania.

6) Telia Company and Telia Lithuania have not been granted permission to compile and publish our own statistics regarding interception requests in Lithuania for the Lawful interception category. See page 10 in the full LEDR report for further information.

Norway⁷

	2021	2020	2019
Lawful interception	1,067	1,603	1,239
Historical data	9,444 ⁸	6,282	5,051
Subscription data	9,419	9,496	10,426
Challenged/ rejected requests ⁹	14	31	37

7) Telia Norway acquired the operator Get in 2018. Get is included in the statistics since July 2020.

8) Telia Norway from H2 / 2021 onwards includes manual emergency positioning requests, in accordance with the applicable definition of 'Historical data'. Numbers might therefore be slightly higher than before.

9) As to the 'Challenged/rejected requests' category, these are invalid requests due to administrative form errors.

Sweden

	2021	2020	2019
Lawful interception	3,258	3,695	3,658
Historical data	7,142	7,137	5,308
Subscription data	3,074	2,599	1,736
Challenged/ rejected requests	190	212	361

Unconventional requests and demands

Information reported about unconventional requests in the **Freedom of expression and surveillance privacy** chapter is also externally assessed.

S9 Diversity, inclusion and equal opportunity

See the **Diversity, inclusion and equal opportunity** chapter for more information. Complementary information is available in the **People** section of the Board of Directors' Report.

Region of birth, as defined by the Sweden's Central Bureau of Statistics (SCB), is determined by the

individuals' place of birth and the parents place of birth. This defines Swedish background as an individual born in Sweden with one or two parents born in Sweden, and Non-Swedish background as an individual born outside of Sweden or born in Sweden with two foreign born parents.

Data for Telia in Sweden is represented according to the definition provided by SCB. Notice that data for GEM and Board, only considers where the individual was born.

S10 Health and well-being

See the **Health and well-being** chapter for more information.

As a result of different HR systems, sickness absence figures are not available for Lithuania. For information about calculation methods and definitions, see **Telia's Sustainability Reporting**.

Sickness absence

The sickness absence figure represents the percentage ratio of absence days related to sickness per days of total contractual work time.

Sickness absence rate (%)	2021	2020
Denmark	2.8	2.6
Estonia	1.8	1.4
Finland	2.4	2.1
Norway	4.7	4.2
Sweden	2.4	2.6
Other countries ¹	N/A	0.9
Weighted average, all countries	2.6	2.5

1) Telia Carrier operations outside the above countries.

Lost-time injuries

The lost-time injury frequency figure represents the number of injuries resulting in an absence per million theoretical work hours.

Lost-time injury frequency	
Denmark	
Estonia	
Finland	
Lithuania	
Norway	
Sweden	
Other countries ¹	
All countries	

S11 Legal compliance

For information about legal cases and proceedings, see **Note C30** in the Consolidated financial statements. This includes significant legal cases and proceedings relating also to for example business ethics, environmental and socio-economic compliance if such cases exist.

S12 Child, forced and compulsory labor

Supplier requirements regarding child, forced and compulsory labor are included in the Supplier Code of Conduct and a mandatory part of the supplier risk assessment process. Suppliers are expected to enforce and verify compliance with Telia's requirements within their own operations and through their supply chain.

Independent human rights impact assessments carried out for one of our operations in the Nordics (Telia Sweden) and one in the Baltics (Telia Lithuania) in 2017 indicated a high likelihood of child, forced and compulsory labor related to our own geographical contexts.

Continuous supplier risk assessments carried out by Telia and the Joint Audit Committee indicate child labor issues are rare. In 2021, Telia had 6 minor findings in audits, which were closed accordingly, and JAC had 4 findings (the respective JAC members sponsoring the audits are responsible for following up and closing such non-conformities).

During 2020 and 2021, reports linked our industry and some of Telia's suppliers to forced labor (see the **Responsible sourcing** chapter).

Up until the completion of the divestment of Telia Carrier on June 1st, 2021, Telia had operational presence in the UK through a Telia Carrier subsidiary. A general statement regarding the UK Modern Slavery Act is available at **Telia's website**. The statement provided on the website is not part of the sustainability report and has not been subject to limited assurance.

S13 Responsible tax practices

Transparent, fair, and ethical tax practices form part of Telia's basis for business operations. Telia works according to internal control procedures, such as our Group tax instruction, and complies with local legislation and internationally accepted principles, to pay the amount of taxes legally due in any territory.

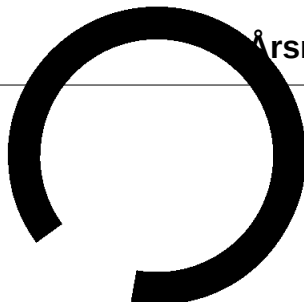
In addition to corporate income tax payments, Telia generates billions of SEK in other tax payments throughout its footprint. The total tax contribution in 2021, including both taxes borne and taxes collected, amounted to SEK 19,3 billion (19,1).

Corporate income taxes paid				
SEK million	2021	2020	2019	
Denmark	-7	2	-15	
Estonia	49	67	79	
Finland	30	15	23	
Latvia	7	1	1	
Lithuania	68	62	79	
Norway	585	496	250	
Russia	2	5	4	
Sweden	1,211	743	415	
Turkey	1	1	10	
Other countries	0	-18	28	
Total, continuing operations	1,946	1,374	875	
Other countries	0	0	36	
Total, discontinued operations	0	0	36	
Total	1,946	1,374	911	

■ Net VAT paid 58% ²
 ■ Employee taxes paid 20%
 ■ Employer taxes paid 12%
 ■ Corporate income taxes paid 10%

¹ If a Telia entity was in a recovery position regarding taxes, this would reduce the total amount of net VAT or the total tax contribution as such. Taxes not captured

Total tax contribution



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S14 Electromagnetic fields (EMF)

When we build our mobile networks, the health and safety of the general public, employees, and contractors come first. Our work is governed by the Group policy - Electromagnetic fields (EMF). We adhere to local norms issued by authorities based on the World Health Organization (WHO), and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines when constructing radio networks and for the mobile devices we sell.

In the current 5G deployment across the Nordics and Baltics, we follow the ICNIRP guidelines which were updated in 2020 to include 5G frequencies, also called 5G spectrum. 5G technology is to a large extent built on the same infrastructure as previous generations of mobile networks, such as 3G and 4G, and the equipment used adheres to the same strict EMF requirements and exposure limits. During network planning, we ensure that equipment is placed in such a way that we meet applicable regulations on exposure limits. If needed, we carry out on-site measurements to verify that regulations are met.

We continuously engage with key stakeholders such as local and national authorities, on our own and through industry organizations, to clarify concerns or questions from the general public and make sure authorities have relevant information about how we build our networks according to EMF guidelines. More information on EMF is provided on local websites and **Telia Company's website**.

S15 Sponsorships, donations and disaster relief

Sponsorships

To ensure sponsorships and donations are conducted in an ethical and compliant manner, these are governed by our Group Instruction – Sponsorships and donations. As sponsorships and donations can be used to facilitate corrupt practices, the Instruction includes strict requirements: all sponsorships and donations must be documented to reflect their purpose and recipients undergo documented due diligence. Political donations are strictly forbidden. The general principle is to sponsor or partner with organizations to support long-term activities, linked to digitalization and our geographical presence.

Donations

Telia provides short-term philanthropic donations such as financial or in-kind support for disaster relief or other extraordinary circumstances. In addition, long-term sponsorships and donations are granted for institutions contributing and adding to Telia's sustainability work. Substantial financial donations during the year included donations to Swedish children's rights organizations Bris and World Childhood Foundation. Read more in the **Children's rights** chapter.

Disaster relief

Telia and local companies are constantly prepared to support in disaster relief or crisis support, primarily through the use of our networks, products and services. Common measures are zero-rating traffic or supporting with additional network capacity.

S16 Whistle-blowing cases

For more information about the whistle-blowing process and channel, see the **Whistle-blowing and Speak-up line** chapter in the Enterprise Risk Management (ERM) and Compliance Framework section.

During the year, 103 (96) reports were recorded in the whistle-blowing channel Speak-up line, of which 60 (55)% were filed non-anonymously. The most common reported issues related to allegations of poor leadership, harassment and fraud. Reports were received through the Speak-up line portal or e-mail address (which are available to both employees and third parties), through direct contact with group or local ethics and compliance officers and via line managers.

Consolidated case reports were presented to the Audit Committee throughout the year. The reports included allegations of certain significance, progress, and the final results of the investigations.

A summary of cases is provided below. The TV and Media business unit uses a different provider for whistle-blowing reports in order to protect the dividing line between editorial work and Telia as a media owner. Reporting and investigations within the TV and Media unit are carried out in line with Telia's defined whistle-blowing process but Telia does not have any insight into the conducted investigations. All whistle-blowing reports from the TV and Media business unit are however included in the below statistics.

Number of whistle-blowing case reports	Target
Business ethics-related (e.g. fraud, corruption), handled by the Special Investigations Office	80
Human resources-related (e.g. harassment, poor leadership), handled by Group or local Human Resources investigators	
Other or incorrectly reported (e.g. customer or supplier complaints), sent to be handled by the relevant function	
Total	
Reporting channel (%)	
Speak-up line portal	
Sent to the Speak-up line e-mail address	
Direct contact with ethics and compliance officers at Group or local level	
Line managers	
Internal investigation KPI (%)	
Whistle-blowing cases closed within eight weeks*	
* Investigations are considered closed when a final report is delivered by the case manager or lead investigator to compliance officers or the Group Special Investigations management (determined on a case-by-case basis).	

S17 Mergers and acquisitions

Mergers and acquisitions (M&As) are guided by the M&A Instruction and by the M&A handbook, which describes the M&A process in majority transactions, both acquisitions and divestments. The handbook includes general guidance on ethics and compliance related topics.

Significant divestments during the year

► *Telia Carrier* - Signed and announced 2020, closed in 2021

Telia divested its 100% ownership of Telia Carrier to Swedish Polhem Infra. Standard KYC due diligence was carried out, as risks were considered low. As part of a handover meeting with Polhem Infra, the new owner was provided a briefing on Telia's policy framework and ongoing work related to for example third party due diligence and human rights-related projects. Since Telia plans to use Telia Carrier as a supplier, it will be subject to the same supplier due diligence as other suppliers going forward. The transaction was closed on June 1st, 2021.

► *Telia Towers* – Norway and Finland – Signed, announced and closed in 2021

Telia divested 49% of its ownership of Telia Towers Norway and Finland to a consortium of Canadian Brookfield (80%) and Swedish Alecta (20%). Standard KYC due diligence was carried out, as counterparties were reputable firms regulated by financial supervisory authorities in low-risk jurisdictions, although complemented with interviews of potential investors to assure that they share Telia's view on how to run the business. Telia Towers Norway and Finland will continue being subsidiaries to Telia and its group policies will be fully applicable also in the future. Since Telia will continue using Telia Towers as a supplier, it will be subject to the same supplier due diligence as other suppliers according to an agreement between Telia and Telia Towers.

No significant acquisitions were made during 2021.

S18 Management systems

The Telia Management System is developed in accordance with several international standards, primarily for Quality, Sustainability, Information Security and Occupational Health and Safety. The management system is certified according to several

ISO standards; however, certificates according to market requirements. Below following certificates were available on Telia. More information is provided on Telia

	ISO9001 (Quality)	ISO14001 (Environment)	ISO45001 (Occupational Health & Safety)	ISO27001 (Information Security)
Telia Company AB	✓	✓		✓
Telia Denmark				
Telia Estonia	✓	✓	✓	✓
Telia Finland	✓	✓	✓	✓
Telia Lithuania	✓	✓	✓	✓
Telia Norway			✓	
Telia Sweden	✓	✓		✓

S19 Responsible sourcing

The process described in the chapter about Responsible sourcing covers parts of our TV and Media unit. Purchases connected to editorial operations are however managed by the TV and Media unit, process, in order to protect the dividing line between editorial work and Telia as a media owner.

Telia's sustainability index

To facilitate comparability and robust reporting, communicated information in this report is based on **Telia's Sustainability Reporting Framework**. The index below provides an overview of sustainability reporting areas with references to specific content in the report.

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Financials

Consolidated statements of comprehensive income

SEK in millions	Note	Jan-Dec 2021	Jan-Dec 2020 ¹⁾
Continuing operations			
Net sales	C5, C6	88,343	89,191
Cost of sales	C7	-58,311	-57,138
Gross profit		30,031	32,053
Selling and marketing expenses	C7	-13,985	-15,051
Administrative expenses	C7	-6,500	-6,353
Research and development expenses	C7	-359	-298
Other operating income	C8	7,471	1,080
Other operating expenses	C8	-1,531	-9,202
Income from associated companies and joint ventures	C15	104	-20,080
Operating income	C5	15,232	-17,850
Finance income	C9	283	275
Finance costs	C9	-2,916	-3,593
Income after financial items		12,598	-21,168
Income taxes	C10	-937	-1,390
Net income from continuing operations		11,661	-22,558
Discontinued operations			
Net income from discontinued operations	C35	176	-279
Total net income		11,836	-22,837

SEK in millions, except per share data	Note	Jan-Dec 2021
Items that may be reclassified to net income:		
Foreign currency translation differences from continuing operations	C11	3,111
Foreign currency translation differences from discontinued operations	C11, C35	1,111
Other comprehensive income from associated companies	C11, C15	1,111
Cash flow hedges	C11	1,111
Cost of hedging	C11	1,111
Debt instruments at fair value through OCI	C11	1,111
Income taxes relating to items that may be reclassified	C10, C11	1,111
Items that will not be reclassified to net income:		
Equity instruments at fair value through OCI	C11	1,111
Remeasurements of defined benefit pension plans	C11, C22, C6, C11	1,111
Income tax relating to items that will not be reclassified	C10, C11	1,111
Associates' remeasurements of defined benefit pension plans	C11, C15	1,111
Other comprehensive income		8,111
Total comprehensive income		20,111
Net income attributable to:		
Owners of the parent		11,111
Non-controlling interests	C20	1,111
Total comprehensive income attributable to:		
Owners of the parent		20,111
Non-controlling interests		
Earnings per share (SEK), basic and diluted, total	C20	2,111
Earnings per share (SEK), basic and diluted, continuing operations		2,111
Earnings per share (SEK), basic and diluted, discontinued operations	C35	1,111

¹⁾ Restated, see Note C1.



Telia Company

Our Business

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Consolidated statements of financial position

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020 ¹⁾	Jan 1, 2020 ¹⁾
Assets				
Goodwill	C12	66,302	63,313	75,696
Other intangible assets	C12	23,641	22,629	25,751
Property, plant and equipment	C13	72,741	70,893	78,163
Film and program rights, non-current	C14	1,416	1,312	1,063
Right-of-use assets	C28	15,485	14,814	15,640
Investments in associated companies and joint ventures	C15	971	950	10,153
Deferred tax assets	C10	1,302	1,449	1,849
Pension obligation assets	C22	1,347	158	2,234
Long-term interest-bearing receivables	C16	9,244	11,233	10,869
Other non-current assets	C16	2,431	2,338	2,168
Total non-current assets		194,879	189,088	223,585
Film and program rights, current	C14	3,005	2,706	1,990
Inventories	C17	2,040	1,918	1,966
Trade and other current receivables and assets	C18	13,764	13,722	16,648
Current tax receivables		137	92	90
Interest-bearing receivables	C19	8,841	5,486	12,300
Cash and cash equivalents	C19	14,358	8,133	6,116
Assets classified as held for sale	C35	–	4,957	875
Total current assets		42,146	37,014	39,984
Total assets		237,025	226,103	263,568

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020
Equity and liabilities			
Equity attributable to owners of the parent		80,731	62,
of which capital		26,328	26,
of which reserves and retained earnings		54,403	36,
Equity attributable to non-controlling interests	C20	2,812	1
Total equity		83,544	63,
Long-term borrowings	C21	91,637	100,
Deferred tax liabilities	C10	10,183	9,
Provisions for pensions and employment contracts	C22	2,687	7,
Other long-term provisions	C23	4,314	4,
Other long-term liabilities	C24	1,917	
Total non-current liabilities		110,736	122,
Short-term borrowings	C21	10,017	8,
Short-term provisions	C23	316	
Current tax payables		766	
Trade payables and other current liabilities	C25	31,652	26,
Liabilities directly associated with assets classified as held for sale	C35	–	3,
Total current liabilities		42,745	40
Total equity and liabilities		237,025	226,

1) Restated, see Note C1.

Årsregnskap regnskapet 2021 for 981929055



Consolidated statements of cash flows

SEK in millions	Note	Jan-Dec 2021	Jan-Dec 2020 ¹
Net income		11,836	-22,837
Adjustments for:			
Amortization, depreciation and impairment losses		20,023	27,744
Amortization and impairment losses for film and program right assets		4,977	4,057
Capital gains/losses on sales/disposals of non-current assets and operations		-6,614	400
Income from associated companies and joint ventures, net of dividends received	C15	48	20,298
Pensions and other provisions		-1,353	-1,235
Compensation from the pension fund		1,300	500
Financial items		94	615
Income taxes		-1,008	16
Miscellaneous non-cash items		30	-70
Cash flow before change in working capital		29,333	29,488
Increase (-)/Decrease (+) in film and program right assets		-388	-1,021
Increase (+)/Decrease (-) in film and program right liabilities		698	-127
Increase (-)/Decrease (+) in operating receivables		259	2,909
Increase (-)/Decrease (+) in inventories		-92	4
Increase (+)/Decrease (-) in operating liabilities		2,544	1,409
Change in working capital		3,020	3,173
Adjustment for amortization and impairment losses for film and program rights		-4,977	-4,057
Cash flow from operating activities		27,376	28,604
<i>of which from discontinued operations</i>		-131	22
Intangible assets and property, plant and equipment acquired		-15,647	-13,490
Intangible assets and property, plant and equipment divested		117	20
Business combinations and other equity instruments acquired	C34	-394	-717
Operations and other equity instruments divested		9,353	5,285
Loans granted and other similar investments		-12,731	-3,704
Repayment of loans granted and other similar investments		11,584	2,739
Net change in short-term investments		-3,191	6,620
Cash flow from investing activities		-10,908	-3,247
<i>of which from discontinued operations</i>		-	-5

1) Restated, see Note C1.
For more information on cash flow, see Note C31.

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Consolidated statements of changes in equity

SEK in millions	Note	Share capital	Other contributed capital	Hedging reserve	Cost of hedging reserve	Fair value reserve	Foreign currency translation reserve	Revaluation reserve	Inflation reserve	Equity transactions in associates	Retained earnings	Total owners of the parent	Other
Closing balance, December 31, 2019		13,856	13,025	-175	123	1,380	-5,330	266	3,099	-2,943	67,745	91,047	
Change in accounting principles in associated companies		-	-	-	-	-	-	-	-	-	-12	-12	
Change in accounting principles ¹⁾	C1	-	-	-	-	-	-	-	-	-	-388	-388	
Reclassification from Revaluation reserve to Retained earnings		-	-	-	-	-	-	-266	-	-	266	-	
Adjusted opening balance, January 1, 2020		13,856	13,025	-175	123	1,380	-5,330	-	3,099	-2,943	67,611	90,646	
Dividends	C20	-	-	-	-	-	-	-	-	-	-10,020	-10,020	
Share-based payments	C32	-	16	-	-	-	-	-	-	-	-	16	
Acquisition and transfer of treasury shares	C20	-	-956	-	-	-	-	-	-	-	-	-956	
Cancellation of treasury shares		-395	395	-	-	-	-	-	-	-	-	-	
Bonus issue		395	-	-	-	-	-	-	-	-	-395	-	
Reclassification of Inflation reserve		-	-	-	-	-	-	-	-3,099	-	3,099	-	
<i>Total transactions with owners</i>		-	-545	-	-	-	-	-	-3,099	-	-7,315	-10,959	
Net income ¹⁾	C20	-	-	-	-	-	-	-	-	-	-22,993	-22,993	
Other comprehensive income ¹⁾	C11, C20	-	-	-8	-160	89	11,487	-	-	-	-5,720	5,648	
<i>Total comprehensive income</i>		-	-	-8	-160	89	11,487	-	-	-	-28,713	-17,337	
Effect of Turkcell's acquisition of treasury shares	C15	-	-	-	-	-	-	-	-	-2	-	-	
Closing balance, December 31, 2020		13,856	12,480	-183	-37	1,469	6,157	-	-	-2,945	31,582	62,330	
Dividends	C20	-	-	-	-	-	-	-	-	-	-8,179	-8,179	
Share-based payments	C32	-	13	-	-	-	-	-	-	-	-	-	
Repurchased treasury shares	C20	-	-21	-	-	-	-	-	-	-	-	-	
Change in non-controlling interests	C20	-	-	-	-	-	-	-	-	-	6,219	6,219	
<i>Total transactions with owners</i>		-	-8	-	-	-	-	-	-	-	-1,960	-1,960	
Net income	C20	-	-	-	-	-	-	-	-	-	11,680	11,680	
Other comprehensive income	C11, C20	-	-	48	114	95	3,090	-	-	-	5,294	8,641	
<i>Total comprehensive income</i>		-	-	48	114	95	3,090	-	-	-	16,974	20,324	
Closing balance, December 31, 2021		13,856	12,472	-134	76	1,564	9,247	-	-	-2,945	46,595	80,719	

1) Restated, see Note C1.

Notes to consolidated financial statements

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C1. Basis of preparation

General

The annual report and consolidated financial statements have been approved for issue by the Board of Directors on March 9, 2022. The income statement and the balance sheet of the parent company and the statement of comprehensive income and the statement of financial position of the group are subject to adoption by the Annual General Meeting on April 6, 2022.

Telia Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). In addition, concerning purely Swedish circumstances, the Swedish Financial Reporting Board has issued standard RFR 1 "Supplementary Accounting Rules for Groups" and other statements. The standard is applicable to Swedish legal entities whose securities are listed on a Swedish stock exchange or authorized equity marketplace at the end of the reporting period and specifies supplementary rules and disclosures in addition to IFRS requirements, caused by provisions in the Swedish Annual Accounts Act.

Measurement bases and accounting policies

The consolidated financial statements have been prepared mainly under the historical cost convention. Other measurement bases used, and applied accounting policies are described in Note C3.

Amounts and dates

Unless otherwise specified, all amounts are in millions of Swedish kronor (SEK) or other currency specified and are based on the twelve-month period January 1 to December 31 for items related

to comprehensive income and cash flows, and as of December 31 for items related to financial position. Rounding differences may occur.

Changes in estimates

Accelerated depreciations

In the fourth quarter 2020 Telia Company entered into strategic partnership agreements with Ericsson and Nokia related to radio access network technology (RAN) to base stations in order to modernize Telia Company's 4G networks and upgrade them to 5G in Sweden, Finland, Lithuania, and Estonia. In connection with this modernization existing RAN assets will be replaced during the years 2021-2025. Telia Company has therefore changed the estimate of the depreciation period for the existing RAN assets in order to correspond with the time plan for the replacements. The change led to increased depreciations for existing assets of approximately SEK 700 million in 2021 and for 2022 they are estimated to be approximately SEK 350 million. The change is expected to result in lower depreciations of existing assets during the years 2023 to 2030.

Reclassification of liquidity portfolio

Telia Company's business model for the liquidity portfolio of long- and short-term bonds and short-term debt instruments has in the past been assessed to be both to collect contractual cash flows and sell financial assets (i.e. the "mixed model"). Consequently, the portfolio has been measured at fair value through other comprehensive income (OCI).

From January 1, 2021 this liquidity portfolio has been reclassified to be measured at fair value through profit and loss (income statement). The

reclassification is based on a reassessment of the business model for the portfolio following the major changes of Telia Company (divestment of Eurasia, settlement with the US and Dutch authorities, acquisition of GET/TDC and Bonnier Broadcasting and new senior management) which have had an impact on portfolio management. A new ambition for total liquidity has been implemented and since the volatility in liquidity of the group has decreased there is more focus on generating yield on the long-term liquidity back-up. The liquidity management has shifted focus from preserving cash at a low cost to optimizing the size of the portfolio and maximizing yield given the decided risk appetite.

The carrying value of the reclassified portfolio amounted to SEK 7,707 million as of January 1, 2021, whereof SEK 5,086 million was recognized as long-term interest-bearing receivables, SEK 2,235 million as short-term interest-bearing receivables and SEK 385 million as cash equivalents. The amount was categorized in the fair value hierarchy as SEK 6,457 million in level 1 and SEK 1,250 million in level 2. As a consequence of the change in business model for the portfolio, the cumulative gain of SEK 35 million that was previously recognized in the fair value reserve was reclassified to the income statement and reported in the finance net for the first quarter 2021. The reclassified gain and negative fair value changes of the portfolio of SEK 51 million resulted in a total negative impact of SEK 16 million on finance net in the first quarter 2021. The negative fair value changes in the remaining 2021 of total SEK 30 million was partly offset by derivatives hedging the liquidity portfolio from the second quarter.

Denmark balance sheet adjustment
Following a balance sheet review in reassessment has been made of certain liabilities which resulted in increased 186 million in the fourth quarter 2021. 111 million mainly related to changes in amounts for accounts receivables, in accounts payables and SEK 75 million impairment of property, plant and equipment assets. The major part of originates from previous years. The are classified as adjustment items, see Report section Adjustment items.

Change in accounting principles

Cloud computing costs

In April 2021, International Financial Interpretations Committee published a decision on accounting for cloud computing. The new guidance addresses configuration costs on a supplier's cloud arrangement. The guidance is applied retrospectively and applies the on facts and circumstances. Some costs are recognized as operating expenses when is performed. Telia Company has applied guidance from the fourth quarter 2021 concluded that some of the related costs periods have been recognized as assets and the comparative figures have been restated. The restatement effect twelve-month period ended December 31, 2021, and first time previously published figures are presented in the restatement table.

Restatement effects on Consolidated statements of comprehensive income¹⁾

SEK in millions, except per share data	Jan-Dec 2020			Jan-Mar 2021			Apr-Jun 2021			Jan-Jun 2021			Jul-Sep 2021			Jan
	Reported	Cloud computing cost	Restated	Reported	Cloud computing cost	Restated	Reported	Cloud computing cost	Restated	Reported	Cloud computing cost	Restated	Reported	Cloud computing cost	Restated	Reported
Continuing operations																
Net sales	89,191	-	89,191	21,814	-	21,814	21,877	-	21,877	43,691	-	43,691	21,271	-	21,271	64,962
Cost of sales	-57,035	-103	-57,138	-14,455	-26	-14,481	-13,944	-36	-13,980	-28,399	-62	-28,461	-13,834	-27	-13,861	-42,233
Gross profit	32,156	-103	32,053	7,359	-26	7,333	7,933	-36	7,897	15,292	-62	15,230	7,437	-27	7,410	22,729
Selling, admin. and R&D expenses	-21,701	-	-21,701	-5,261	-	-5,261	-5,468	-	-5,468	-10,729	-	-10,729	-4,640	-	-4,640	-15,369
Other operating income and expenses, net	-8,122	-	-8,122	-300	-	-300	6,578	-	6,578	6,278	-	6,278	-165	-	-165	6,113
Income from associated companies and joint ventures	-20,080	-	-20,080	24	-	24	23	-	23	47	-	47	29	-	29	76
Operating income	-17,747	-103	-17,850	1,821	-26	1,795	9,067	-36	9,031	10,888	-62	10,826	2,661	-27	2,634	15,549
Finance costs/ income, net	-3,318	-	-3,318	-688	-	-688	-678	-	-678	-1,366	-	-1,366	-677	-	-677	-2,043
Income after financial items	-21,065	-103	-21,168	1,133	-26	1,107	8,389	-36	8,353	9,522	-62	9,460	1,984	-27	1,957	13,506
Income taxes	-1,412	22	-1,390	-159	6	-154	-460	8	-453	-619	13	-606	-341	6	-335	-960
Net income from continuing operations	-22,477	-81	-22,558	974	-21	953	7,929	-28	7,900	8,903	-49	8,854	1,643	-21	1,622	10,546
Discontinued operations																
Net income from discontinued operations	-279	-	-279	-	-	-	176	-	176	176	-	176	-	-	-	176
Total net income	-22,756	-81	-22,837	974	-21	953	8,104	-28	8,076	9,078	-49	9,029	1,643	-21	1,622	10,722
Other comprehensive income	5,422	11	5,433	5,646	-3	5,643	-453	-3	-456	5,193	-6	5,187	578	-3	575	15,771

1) The new guidance was applied from the fourth quarter 2021. Oct-Dec and full year 2021 is therefore not restated.

Cont. Restatement effects on Consolidated statements of comprehensive income¹⁾

SEK in millions, except per share data	Jan-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jan-Jun 2021	Jul-Sep 2021	Jan
	Reported	Cloud computing cost	Restated	Reported	Cloud computing cost	Restated
Continuing operations						
Of which foreign currency translation differences from continuing operations	10,936	11	10,947	2,619	-3	2,616
Total comprehensive income	-17,335	-70	-17,405	6,620	-24	6,596
Total net income attributable to:						
Owners of the parent	-22,912	-81	-22,993	965	-21	944
Non-controlling interests	156	-	156	9	-	9
Total comprehensive income attributable to:						
Owners of the parent	-17,237	-70	-17,307	6,589	-24	6,565
Non-controlling interests	-99	-	-99	31	-	31
Earnings per share (SEK), basic and diluted	-5.60	-0.02	-5.62	0.24	-0.01	0.23
Of which from continuing operations, basic and diluted	-5.53	-0.02	-5.55	0.24	-0.01	0.23
EBITDA from continuing operations	30,194	-220	29,974	6,845	-67	6,778
Adjusted EBITDA from continuing operations	30,702	-220	30,482	7,245	-67	7,179
Depreciation, amortization and impairment losses	-27,861	117	-27,744	-5,047	40	-5,007
Adjusted Operating income from continuing operations	11,560	-103	11,457	2,222	-26	2,195

1) The new guidance was applied from the fourth quarter 2021. Oct-Dec and full year 2021 is therefore not restated.

Restatement effects on Consolidated statements of financial position

SEK in millions	Change in accounting principles in companies associated with cloud computing effects			
	Dec 31, 2019 Reported	Jan 1, 2020 Restated	Dec 31, 2020 Reported	Dec 31, 2020 computing effects Restated
Assets				
Goodwill	75,696	–	63,313	–
Other intangible assets	26,242	–	23,208	–580
Investments in associated companies and joint ventures	10,165	–	950	–
Other non-current assets	111,985	–	102,198	–
Total non-current assets	224,088	-12	189,668	-580
Total current assets	39,984	–	37,014	–
Total assets	264,072	-12	226,683	-580
Equity and liabilities				
Equity attributable to owners of the parent	91,047	–	62,836	–458
Equity attributable to non-controlling interests	1,409	–	1,118	–
Total equity	92,455	-12	63,954	-458
Deferred tax liabilities	11,647	–	9,845	–122
Other non-current liabilities	109,683	–	112,782	–
Total non-current liabilities	121,330	–	122,627	-122
Total current liabilities	50,287	–	40,101	–
Total equity and liabilities	264,072	-12	226,683	-580

Restatement effects on Consolidated statements of cash flow²

SEK in millions	Jan-Dec 2020			Jan-Mar 2021			Apr-Jun 2021			Jan-Jun 2021			Jul-Sep 2021			Jan
	Reported	Restated	Cloud computing cost	Reported	Restated	Cloud computing cost	Reported	Restated	Cloud computing cost	Reported	Restated	Cloud computing cost	Reported	Restated	Cloud computing cost	
Net income	-22,756	-81	-22,837	974	953	-21	8,104	953	-28	8,076	9,078	-49	1,643	-21	1,622	10,722
Adjustments for amortization, depreciation and impairment losses	27,861	-117	27,744	5,047	5,007	-40	5,039	4,999	-40	4,999	10,087	-81	10,006	-41	4,871	14,998
Income tax	37	-22	16	-584	-589	-6	-40	-48	-8	-48	-624	-13	-637	-6	119	-499
Other adjustments	24,565	-	24,565	1,439	1,439	-	-6,280	-6,280	-	-6,280	-4,841	-	-4,841	-	1,090	-3,751
Cash flow before change in working capital	29,707	-220	29,488	6,877	6,810	-67	6,824	6,747	-76	6,747	13,700	-143	13,557	-68	7,702	21,470
Change in working capital	3,173	-	3,173	1,736	1,736	-	387	387	-	387	2,123	-	2,123	-	-74	2,049
Adjustment for amortization and impairment losses for film and program rights	-4,057	-	-4,057	-1,072	-1,072	-	-966	-966	-	-966	-2,038	-	-2,038	-	-1,030	-3,068
Cash flow from operating activities	28,824	-220	28,604	7,540	7,474	-67	6,245	6,168	-76	6,168	13,785	-143	13,642	-68	6,598	20,450
<i>of which from continuing operations</i>	<i>28,802</i>	<i>-220</i>	<i>28,583</i>	<i>7,540</i>	<i>7,474</i>	<i>-67</i>	<i>6,376</i>	<i>6,299</i>	<i>-76</i>	<i>6,299</i>	<i>13,916</i>	<i>-143</i>	<i>13,773</i>	<i>-68</i>	<i>6,598</i>	<i>20,582</i>
Cash CAPEX ¹	-13,710	220	-13,490	-3,691	-3,625	67	-3,476	-3,400	76	-3,400	-7,167	143	-7,024	68	-3,141	-10,376
Free cash flow	15,114	-	15,114	3,849	3,849	-	2,769	2,769	-	2,769	6,618	-	6,618	-	3,457	10,074
Cash flow from other investing activities	10,243	-	10,243	-1,984	-1,984	-	7,612	7,612	-	7,612	5,627	-	5,627	-1,640	-1,640	13,987
Total cash flow from investing activities	-3,466	220	-3,247	-5,676	-5,609	67	4,136	4,212	76	4,212	-1,540	143	-1,397	68	-4,781	1,389
<i>of which from continuing operations</i>	<i>-3,462</i>	<i>220</i>	<i>-3,242</i>	<i>-5,676</i>	<i>-5,609</i>	<i>67</i>	<i>4,136</i>	<i>4,212</i>	<i>76</i>	<i>4,212</i>	<i>-1,540</i>	<i>143</i>	<i>-1,397</i>	<i>68</i>	<i>-4,781</i>	<i>1,389</i>
Cash flow from financing activities	-23,098	-	-23,098	-1,552	-1,552	-	-6,116	-6,116	-	-6,116	-7,668	-	-7,668	-	-906	1,574
Cash flow for the period	2,259	-	2,259	313	313	-	4,265	4,265	-	4,265	4,577	-	4,577	-	911	5,488

1) For Cloud computing costs restatement of Cash CAPEX is equal to CAPEX. 2) The new guidance was applied from the fourth quarter 2021. Oct-Dec and full year 2021 is therefore not restated.

Other restatements of financial and operational data

As a result of various organizational changes, Net sales, CAPEX excl. fees for licenses and spectrum and right-of-use assets, employees and operating assets and liabilities have been restated for comparability as presented in the table below.

In addition, prior periods have been restated to reflect certain errors related to segment liabilities between Sweden and Other operations. Furthermore, disaggregation of revenue has been restated for comparability for segment Sweden, Norway and

Lithuania between the lines, leaving the total service revenues unchanged. Restatements relating to Cloud computing costs are not included in the below section.

2020

Amounts in SEK millions except employees	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Eliminations	Group
CAPEX excluding fees for licenses, spectrum and right-of-use assets	-	-	-	-	15	8	-22	-	-	-
Employees, Dec 31, 2020	4	95	-	-	16	-104	-57	46	-	-
Internal Net Sales										
Reorganization Sweden-Other operations	-8	-	-	-	-	-	-	-	8	-
Reorganization Finland-Estonia	-	-	-	-	-	-45	-	-	45	-
Disaggregation of revenues										
Business solutions	-61	-	-	-	0	-	-	-	-	-61
Other fixed service revenue	61	-	0	-	-	-	-	-	-	61
Fixed telephony	-	-	-	-	-15	-	-	-	-	-15
Broadband	-	-	0	-	2	-	-	-	-	2
TV	-	-	-	-	13	-	-	-	-	13
Total Fixed Service Revenues	-	-	-	-	-	-	-	-	-	-
Segment assets, Dec 31, 2020	-	-	-	-	34	3	-37	-	-	-
Segment liabilities, Dec 31, 2020	396	31	132	11	-	-	-355	-215	-	-

Recently issued accounting standards and new and amended standards and interpretations effective in 2021

As of January 1, 2021, the following standards and interpretations became applicable to Telia Company:

- Amendments to IFRS 4 – deferral of the effective date of the amendments to IFRS 9, IAS 39, IFRS 17 and IFRS 16
- Interest Rate Benchmark Reform – amendments to IFRS 16
- Amendments to IFRS 16 “COVID-19 related concessions beyond 30 June 2021 from April 1, 2021)

The amended standards and interpretations have had no or very limited impact on the financial statements of Telia Company.

New or revised/amended standards and interpretations effective on or after January 1, 2022

Telia Company has not previously adopted or revised/amended standards effective January 1, 2022.

IFRS 17 “Insurance contracts”, a new standard covering recognition and measurement and disclosure of insurance contracts, supplemented by a simplified approach for certain types of contracts, will be applied from January 1, 2023. The standard replaces IFRS 4, which applied to insurance contracts, regardless of the type of entity that issues them. A few scope exceptions will apply to certain types of contracts, which will be applied from January 1, 2023. The standard provides a general model for valuing insurance contracts, supplemented by a simplified approach for certain types of contracts, and some specific adaptations. The valuation of insurance contracts is the sum of future expected cash flows, discounted at a risk-adjusted rate, plus an explicit risk adjustment for non-financial risk.

contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The cash flows will be remeasured each reporting period. Telia Company has currently limited insurance operations and is assessing the potential effects of IFRS 17.

The following amendments, which will be applicable for Telia Company, are expected to have no or very limited impact on Telia Company's financial statements when they are applied for the first time:

- Amendments to IFRS 3, effective January 1, 2022
- Amendments to IAS 16, effective January 1, 2022
- Amendments to IAS 37, effective January 1, 2022
- Annual improvements 2018-2020, effective January 1, 2022
- Amendments to IAS 1 "Classification of liabilities as current or non current", effective January 1, 2023
- Amendments to IAS 1 and IFRS Practice Statement 2, effective January 1, 2023
- Amendments to IAS 8, "Definition of accounting estimates", effective January 1, 2023
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction", effective January 1, 2023
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information", effective January 1, 2023

Other issued amendments are deemed not applicable for Telia Company.

EU endorsement status

As of the beginning of March 2022, amendments to standards and interpretations mentioned above had been adopted by the EU, except for amendments to IAS 1, amendments to IAS 1 and IFRS Practice Statement 2, amendments to IAS 8, amendments to IAS 12 and amendments to IFRS 17.

C2. Judgments and key sources of estimation uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, significantly impacting Telia Company's earnings and financial position.

Management believes that the following areas comprise the most difficult, subjective or complex judgments it has to make in the preparation of the financial statements.

For information on accounting policies applied, see the respective sections of Note C3.

Revenue recognition

For a telecom operator, if and when revenues should be recognized requires management judgment in a number of cases.

Principal or agent – gross versus net presentation

When the group acts as a principal, income and payments to suppliers are reported on a gross basis in revenues and operating costs. If the group sells goods or services as an agent (for example insurance in some countries) revenues and payments to suppliers are recorded in revenues on a net basis,

representing the margin/commission earned.

Whether the group is considered to be principal or agent in a transaction depends on analysis by management of both the legal form and substance of the agreement between the group and its business partners; such judgments impact the amount of reported revenues and operating expenses but do not impact net income or cash flows.

Features indicating that the group is acting as a principal include: it has the primary responsibility for fulfilling the promise to provide the goods or services, it bears the inventory risk, and the group has latitude in establishing prices or provides additional goods and services. If the group does not have control of the goods or services before they are transferred to the customer, it acts as an agent. For insurance services, the key judgement is based on whether Telia Company bears the insurance risk or not. Telia Company is deemed to be acting as an agent if it does not bear the insurance risk. For other types of digital value added services the key judgement is related to assessment of whether Telia Company has the primary responsibility for fulfilling the promise to provide the service. In this assessment the terms of the contract, the way the service is sold, the level of interaction with the customer before, during and after delivering the service and the technical delivery of the service are considered among other things.

Bundling of products and services

In bundling of products and services, identifying performance obligations and determining the stand-alone selling prices requires management judgment. Revenues are allocated between the goods and ser-

vices identified as a separate performance obligation based on their relative stand-alone selling price. The stand-alone selling price determination or services may impact the timing of recognition of revenue. Determining the stand-alone selling price of each performance obligation is a complex task. Determining the stand-alone selling price estimates if those are not directly observable. The group's estimation of stand-alone selling prices that are not directly observable is based on expected cost, plus a margin for profit.

Leases

Definition of a lease

A contract is, or contains, a lease if the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. Significant management judgement is required to determine whether the contract is a lease. To determine if a contract is a lease, the customer has both the right to substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Especially for contracts related to assets (technical specifications and terms of the contract) where the contract is related to a larger asset this assessment is significant. The assessment of the asset is significant and analysis of the facts and circumstances such as the technological aspects of the asset.

Lease term

Determining the lease term requires judgement as the estimated lease term

non-cancellable period of the lease together with both periods covered by extension options, if the lessee is reasonably certain to exercise that option, and periods covered by termination options if the lessee is reasonably certain not to exercise that option. The threshold for reasonably certain is deemed to be higher than "more likely than not", but lower than "virtually certain" in IAS 37 "Provisions, contingent liabilities and contingent assets". Extension and termination options are included in a number of Telia Company's lease contracts throughout all asset classes across the group. When determining the lease term, Telia Company considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Example of factors that are considered are; strategic plans, assessment of future technology changes, the importance of the underlying asset to Telia Company's operations and/or costs associated with not extending or not terminating the lease. Approximately 45 percent of Telia Company's lease liability relates to extension periods.

Discount rate

The future lease payments are discounted using either the interest rate implicit in the contract, if that rate can be readily determined, or the lessee's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most contracts, Telia Company has discounted the future lease payments using the incremental borrowing rate. Determining the incremental borrowing rate requires management judgement. The incremental

borrowing rate is based on Telia Company's external funding rate by currency and by duration of the estimated lease term. The rate is also adjusted for geographical risks and credit risks for the subsidiaries. For additional information on leases and carrying values, see Note C28.

Income taxes

Significant management judgment is required in determining current tax liabilities and assets as well as provisions for deferred tax liabilities and assets, in particular as regards valuation of deferred tax assets. As part of this process, income taxes have to be estimated in each of the jurisdictions in which Telia Company operates. The process involves estimating the actual current tax exposure together with assessing temporary differences resulting from the different valuation of certain assets and liabilities in the financial statements and in the tax returns. Management must also assess the probability that the deferred tax assets will be recovered from future taxable income.

Actual results may differ from these estimates due to, among other factors, future changes in business environment, currently unknown changes in income tax legislation, or results from the final review of tax returns by tax authorities or by courts of law. For additional information on deferred tax assets and liabilities and their carrying values as of the end of the reporting period, see Note C10.

Valuation of intangible and other non-current assets

Intangible assets, property, plant and equipment, right of use assets, film and program rights and cost to obtain a contract represent a significant part of Telia Company's total assets.

Useful lives

Determination of the useful lives of asset classes involves taking into account historical trends and making assumptions related to future socio-economic and technological development and expected changes in market behavior.

In 2021 and 2020, amortization, depreciation and impairment losses for intangible assets, plant and equipment and right of use assets were SEK 20,023 million and SEK 27,744 million, respectively. Amortization and impairment losses for property, plant and equipment and program rights and cost to obtain a contract were SEK 1,192 million and SEK 1,192 million, respectively.

Currently, the following amortization and depreciation rates are applied.

Trade names	Individual evaluation, minimum 10 percent, except names with indefinite useful lives
Telecom and frequency licenses, numbering rights	Remaining license period, minimum 5 percent
Interconnect and roaming agreements	Agreement term, based on the remaining useful license
Customer relationships	Individual evaluation, based on history and projections
Capitalized development expenses	20 percent or individual evaluation
Other intangible assets	20–33 percent or individual evaluation
Buildings	2–10 percent
Land improvements	2 percent
Capitalized improvements on leased premises	Remaining term of corresponding lease
Mobile networks (base stations and other installations)	14.5–20 percent
Fixed networks	
Switching systems and transmission systems	10–20 percent
Transmission media (cable)	5–10 percent
Equipment for special networks	10 percent
Usufruct agreements of limited duration	Agreement term or time corresponding to the usufruct
Other installations	2–33 percent
Customer premises equipment under service arrangements	33 percent, or agreement term if longer
Film and program rights	20–100 percent
Cost to obtain a contract	Straight line, based on historic and projected cash flows
Right-of-use assets	Expected lease term, 3–50 percent

were SEK 4,977 million (4,057) and SEK 1,215 million (1,257), respectively. For additional information on intangible and tangible assets, right of use assets, film and program rights and costs to obtain a contract subject to amortization and depreciation and their carrying values as of the end of the reporting period, see Notes C6, C7, C12, C13, C14 and C28, respectively.

Impairment testing

A number of significant assumptions and estimates are involved when measuring value in use and fair value less costs of disposal based on the expected future discounted cash flows attributable to an asset, for example with respect to factors such as market growth rates, revenue volumes, market prices for telecommunication services, costs to maintain and develop communication networks and working capital requirements. Forecasts of future cash flows are based on the best estimates of future revenues and operating expenses using historical trends, general market conditions, industry trends and forecasts and other available information. These assumptions are prepared by management and subject to review by the Audit and Responsible Business Committee of the Board of Directors. Potential significant climate change risks (as well as other types of risks in Telia Company's Risk Universe) and the group's ongoing and future mitigating activities are considered in the forecasts. Transition risks are considered through for example the sales forecasts which include offerings based on circular business models (e.g. pre-owned phones, Device as a Service and buy back initiatives to enable reuse and recycling) and products and services that enable our customers to reduce GHG emissions and energy use (e.g. IoT and other data-driven services). The group-wide re-use and recycling pro-

gram for network equipment is also part of the forecasts. Further the forecasts include impacts of higher energy prices and Telia Company's activities to manage the energy impacts and costs.

For more information on climate risks, goals and activities, see Directors' Report section Risks and uncertainties/Environment and Sustainability report section Climate and circularity including the TCFD report in Note S4.

The cash flow forecasts are discounted at the weighted average cost of capital for the relevant cash-generating unit. For Denmark, Norway and Finland the sales growth and EBITDA margin development in the forecasts are deviating from historical trends and for TV and Media the EBITDA margin development is deviating from historical trends. This is due to that Telia Company for the forecast period has clear and committed plans for revenue growth initiatives and net cost reductions supported by digital transformation investments. For additional information on goodwill and its carrying value as of the end of the reporting period, see Note C12.

Provisions for pensions and employment contracts

The most significant assumptions that management has to make in connection with the actuarial calculation of pension obligations and pension expenses affects the discount rate, the inflation, and the longevity. Changes in any of these key assumptions may have a significant impact on the projected benefit obligations, funding requirements and periodic pension cost.

For additional information on assumptions made, sensitivity analysis related to change in assumptions and pension obligations and their present values as of the end of the reporting period, see Note C22.

Provisions for restructuring activities, contingent liabilities and litigation

Telia Company has engaged, and may in the future need to engage, in restructuring activities, which require management to make significant estimates related to expenses for severance and other employee termination costs, lease cancellation, site dismantling and other exit costs and to realizable values of assets made redundant or obsolete (see section "Valuation of intangible and other non-current assets" above). Should the actual amounts differ from these estimates, future results could be materially impacted.

Determination of the treatment of contingent assets and liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. Management consults with legal counsel on matters related to litigation and other experts both within and outside the company with respect to matters in the ordinary course of business.

For additional information on restructuring provisions, including their carrying values as of the end of the reporting period, and on contingencies and litigation, see Notes C23 and C30, respectively.

Classification as held for sale and discontinued operations

Non-current assets and disposal groups are classified as held-for-sale if their carrying value will be recovered principally through a sales transaction rather than through continuing use. The determination if and when non-current assets and disposal groups should be classified as held-for-sale requires management judgment considering all facts and circumstances relating to the transaction, the parties and the market and entities can come to different conclusions under IFRS. One of the conditions that must be satisfied for

classification as held for sale is that the sale is probable within one year. One criterion to qualify as highly probable is that the level of management must be committed to sell the assets or disposal group in the condition. In the telecom industry account require regulatory approval. If the buyer operator in the same market entities agree to a number of remedies to get the buyer is expected to be a telecom in the same market and significant remedies a sale is usually not regarded as highly probable consequently the assets are not classified as held for sale, until the remedies upon and accepted by management.

Accounts payables under vendor financing arrangements

Telia Company has arrangements with vendors under which the banks offer Telia Company the option to receive earlier payments of its accounts payables. Vendor financing arrangements pay credit for Telia Company does not pay any credit fee. Telia Company does not provide any collateral to the bank. Based on Telia Company's management the liabilities under the vendor financing arrangements are closely related to operating activities and the financing arrangements lead to any significant change in the classification of the liabilities. These liabilities are classified as accounts payable with current maturities in the notes. The credit period is 12 months and the accounts payable are not discounted. Account payables under financing arrangements were SEK 11,000 million (SEK 11,000) as of December 31, 2021 (8,535) (see Note

COVID-19 impact

Due to the COVID-19 pandemic roaming revenues were around SEK 300 million lower for the first half of 2021 compared to the corresponding period last year. In the second half there was no adverse impact from COVID-19 on roaming revenues compared to the corresponding period last year, however, the uncertainty surrounding COVID-19 implies a risk also going forward. This, as well as mitigating activities, are reflected in the outlook 2022.

Financial markets are now in a normal state after a strong rebound and with support from central banks from lows during the COVID-19 shock in the second quarter 2020. Telia Company's financial risk management is in all material aspects unchanged. Also, the debt capital market has recovered to pre COVID-19 spread levels for the Telia Company credit. The general credit risk increase in 2020 has decreased and there has been no need for any significant increases in Telia Company's allowances for expected credit losses in 2021. For more information on risks related to the outbreak of COVID-19, see "Risks and uncertainties".

C3. Significant accounting policies

Consolidated financial statements

General – Subsidiaries

The consolidated financial statements comprise the parent company Telia Company AB and all entities over which Telia Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled or not. Telia Company is assumed to have control if the group owns the majority of shares and the shares have equal voting rights attached, and a proportionate entitlement to a share of the returns of the entity and decisions about relevant activities are determined by majority votes. Telia Company is also assumed to have control if Telia Company selects the majority of the board contractually even if not holding the majority of the shares, see Notes C4 and C20, respectively.

Acquisitions are accounted for using the acquisition method which measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the amount of any non-controlling interest in the acquiree recognized in the transaction; plus if the business combination is achieved in stages, the fair value of the previously held equity interest in the acquiree; less the net recognized amount of the identifiable assets acquired

and liabilities assumed. When the difference is negative, a bargain purchase gain would be recognized in net income. Costs related to the acquisition are expensed as incurred.

Any contingent consideration payable would be recognized at fair value at the acquisition date. If the contingent consideration would be classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in net income. Acquisition of additional shares in a subsidiary after obtaining control as well as a partial disposal of shares in a subsidiary while retaining control are accounted for as equity transactions with owners. See section "Non-controlling interests" below.

Assets (including any goodwill and fair value adjustments) and liabilities for entities acquired or divested during the year are included in the consolidated financial statements from the date on which control is obtained and excluded from the date on which control is lost.

Intra-group sales and other transactions have been eliminated in the consolidated financial statements. Profits and losses resulting from intra-group transactions are eliminated unless a loss indicates impairment.

Non-controlling interests

Transactions with non-controlling interests are treated as equity transactions, including any transaction-related costs. Gains or losses on disposals as well as any excess or deficit of consideration paid

over the carrying amount of non-controlling interests when acquiring additional shares are recognized in retained earnings. A call option or other similar financial instrument held by the group that gives the holder the right to acquire additional shares of cash or another financial asset is recognized as a liability.

Commitments to purchase non-controlling interests are considered financial liabilities if the commitments are recognized in the value recognized in the consolidated financial statements. Operating income/expenses for each combination the group elects to measure separately in the consolidated financial statements. A subsidiary's equity (goodwill recognized on non-controlling interest) only at the proportionate share of the net assets (goodwill recognized only interest).

Joint arrangements

Joint arrangements are entities over which the group has joint control by virtue of contractual arrangements. Joint arrangements are either joint operations or joint ventures. Joint operations are arrangements whereby Telia Company and the other parties to the arrangement have the right to the assets and obligations of the arrangement and share of the expenses and revenues and expenses of the arrangement. The joint operations are primarily providing output to the shareholders. Joint ventures on the other hand are arrangements where Telia Company has right

assets of the arrangement and the investment is accounted for under the equity method (similar to associated companies - see section below). Joint arrangements acquired or divested during the year are included in the consolidated financial statements from the date on which joint control is obtained and excluded from the date on which joint control is lost.

Associated companies

Associated companies are entities over which the group has significant influence but not control. If the group holds, directly or indirectly (e.g. through subsidiaries), 20 percent or more of the voting power of the investee, it is presumed that the group has significant influence, unless it can be clearly demonstrated that this is not the case. Holdings in associated companies are accounted for using the equity method and are initially recognized at cost, including any transaction costs. The group's share of net income in associated companies is included in operating income because the operations of these companies are related to telecommunications and it is the group's strategy to capitalize on industry know-how by means of investing in partly owned operations. The share of net income is based on the entity's most recent accounts, adjusted for any discrepancies in accounting policies, and with estimated adjustments for significant events and transactions up to Telia Company's close of books.

The line item Income from associated companies and joint ventures also includes amortization of fair value adjustments and other consolidation adjustments made upon the acquisition of associated companies as well as any subsequent impairment losses on goodwill and other intangible assets, and capital gains and losses on disposals of stakes in such companies. Telia Company's share of any gains

or losses resulting from transactions with associated companies is eliminated.

Dividend received reduces the carrying amount of an investment. Negative equity participations in associated companies are recognized only to the extent contractual obligations to contribute additional capital exist and are then recorded as Other provisions.

The group's share of associated entities equity transactions such as the acquisition or sale of treasury shares from third parties are recognized directly in equity.

Cash flow reporting

Cash flows from operating activities are reported using the indirect method and include dividends received from associated companies and other equity instruments, interest paid or received (except for paid interest capitalized as part of the acquisition or construction of non-current assets and therefore included in cash flows from investing activities), provisions, compensation from or contributions to the Swedish pension fund and taxes paid or refunded. Changes in non-interest bearing receivables and liabilities are reported in working capital. Terminal financing receivables are also included in working capital. Cash flow from operating activities also includes cash flows from film and program rights.

Cash flows from investing activities include CAPEX, payments to acquire or receipts from the sale of joint ventures, associates, subsidiaries (obtaining or losing control) net of cash and cash equivalents acquired or disposed of and other equity instruments. Further, cash flows from investing activities include payments related to lease receivables, as well as other investments with maturities over 3 months.

Cash flows from financing activities include dividends paid to owners of the parent and to holders of non-controlling interests, payments and receipts from changes in ownership of non-controlling interest and cash flows from settlement of foreign exchange derivative contracts used for economic hedges of cash-pool balances including any payments or receipts from CSA (Credit Support Annex).

Proceeds from and repayment of borrowings include cash flows from derivatives hedging such borrowings. Further, cash flow from financing activities also includes repayments of lease liabilities.

Cash and cash equivalents include cash at hand, bank deposits and highly-liquid short-term investments with maturities up to and including 3 months.

Cash flows of a foreign entity are translated at the average exchange rate for the reporting period, except for certain transactions like dividends from associates, dividends paid to holders of non-controlling interests, acquisitions or disposals of subsidiaries and associated companies, and other major non-recurring transactions which are translated at the rate prevailing on the transaction day.

Segment reporting

The group's businesses are managed and reported by the seven operating segments: Sweden, Finland, Norway, Denmark, Lithuania, Estonia and TV and Media. Operating segments that are not individually reportable: Latvia, the Telia Carrier operations (up until the disposal), Telia Company's shareholding in the associate Turkish Turkcell (up until disposal) as well as Group functions are combined into Other operations. The former segment region Eurasia was classified as held for sale and discontinued operations since December 31, 2015, and was therefore not included in the segment information. For addi-

tional information, see Note C5. Segments are consolidated based on the same accounting as for the group as a whole except for leases which are treated as operating significant operations are transferred to segments, comparative period figures are

Foreign currency translation and inflation adjustments

Currency translation is based on market information from major market providers fixed daily.

Separate financial statements of a company are presented in the entity's functional currency being the currency of the primary economic environment in which the entity operates, local currency. In preparing the financial statements, foreign currency transactions are translated at the exchange rates prevailing on the date of the transaction. At the end of each reporting period, assets and liabilities denominated in foreign currencies are translated at the closing rate. Exchange rate differences arising from receivables or liabilities are recognized in income, while differences attributable to assets or liabilities are recognized in equity. Exchange rate differences on equity measured at fair value through other income and on cash flow hedges are recognized in other comprehensive income.

The consolidated financial statements are presented in Swedish krona (SEK), which is the functional currency of the parent company for consolidation purposes, income and expenses of subsidiaries, joint venture companies, and branch offices) at the average exchange rate for the period or the p

However, for items related to dividends, gains or losses on disposal of operations or other major transactions or if exchange rates fluctuated significantly during the period, the exchange rates at the date of the transactions are used. Assets and liabilities, including goodwill and fair value adjustments arising on acquisition of foreign operations, are translated at closing rates at the end of the reporting period except for equity components, which are translated at historical rates. Translation differences are recognized in other comprehensive income and accumulated in equity attributable to owners of the parent or to non-controlling interests, as appropriate.

When a foreign operation is disposed, any related cumulative exchange rate difference is recycled to net income as part of the gain or loss on the disposal, except for accumulated exchange rate differences related to non-controlling interests which are derecognized but not recycled to net income. However, if Telia Company would dispose a non-controlling interest in a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the functional currency for a foreign operation is the currency of a hyperinflationary economy, prior to translating the financial statements, the reported non-monetary assets and liabilities, and equity are restated in terms of the measuring unit current at the end of the reporting period.

Revenue recognition

Revenues principally consist of mobile service revenues including subscription, interconnect and roaming and fixed service revenues including telephony, broadband, TV, installation fees, advertising revenue and business solutions, as well as revenues from

equipment sales and leases. There are both revenues from products and services sold separately and from products and services sold as a bundle.

Revenues are recognized based on a single principle based five-step model which is applied to all contracts with customers. Revenues are allocated to performance obligations (equipment and services) in proportion to stand-alone selling prices of the individual items. Revenue is recognized when (at a point in time) or as (over a period of time) the performance obligations are satisfied, which is determined by the manner in which control passes to the customer.

Revenues are measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. For variable consideration accumulated experience is used to estimate and provide for the variable consideration, and revenues are only recognized to the extent that it is highly probable that a significant reversal will not occur.

Service revenues

Service revenues are recognized over time, in the period in which the service is performed, based on actual traffic or over the contract term, as applicable. Revenues from voice and data services are recognized when the services are used by the customer. Subscription fees are recognized as revenues over the subscription period. Sales relating to prepaid phone cards, primarily mobile, are deferred as a contract liability and recognized as revenues based on the actual usage of the cards.

Revenues from interconnect traffic with other telecom operators are recognized at the time of transit across Telia Company's network.

Installation services are in many cases considered separate performance obligations and revenue is recognized when or as the obligation is satisfied, depending on the type of installation service and how and when the control is transferred to the customer.

For open access fiber installed at customer's premises, non-refundable customer fees and related installation costs, including planning, trenching, cabling, splicing, mounting, connection, cross-connect equipment and media converter, are recognized when the installation is finalized. Connection fees are separately recognized at completion of connection, if the fees do not include any amount for subsequent servicing but only cover the connection costs. Amounts for subsequent servicing are deferred.

To corporate customers, Telia Company offers complex, long-term functional service agreements which could include telecom and datacom subscription services, installation services related to telecom or datacom and other customized services. Typically, telecom and datacom services are considered separate performance obligations. Revenue for each separate performance obligation is recognized over the period of time that the subscription service is provided, and the performance obligation is satisfied. Since the subscription services in a functional agreement are performed on a monthly basis over the same period, these services are in practice accounted for in the same way as if they had been one performance obligation.

Installation services in functional agreements are in most cases considered separate performance obligations and revenue is recognized when or as the obligation is satisfied, depending on the type of installation service and how and when control is transferred to the customer. For many of the installation services the control is transferred, and rev-

enue is recognized upon completion of installation. Functional agreements often include separate performance obligations, and there are often also variable usage and add on services. Each one of them are considered separate performance obligations. Revenue for usage-based services is recognized over the period the service is used or as the obligation is satisfied, depending on the type of add on service and how and when the control is transferred to the customer.

Invoices for mobile subscriptions, fixed telephony and other services are issued monthly, over the contract period.

Equipment revenues

Revenues from equipment sales are recognized at the point in time when control is transferred to the customer, which normally is on delivery. Revenues from equipment sales accepted by the customer, the customer's right to return the equipment, the amount of add on services and other services recognized are adjusted for expected returns based on historical data. Revenues are recognized over time when paid for upfront or over time when the customer provides the customer with financing.

Functional agreements with corporate customers often include equipment sales as sales of for example terminals (phone, tablet, LAN equipment etc.). The equipment is sold as a separate performance obligation from sale of equipment is recognized at the time when the performance obligation is satisfied and control has been transferred (when the equipment has been delivered to the customer, the lease is transferred to the customer, the lease is

as a finance lease and the finance lease revenue is recognized in accordance with IFRS 16.

Advertising revenues

The performance obligation for advertising is satisfied when the advertisement is actually shown, published or displayed and the revenues are recognized at that time. The revenues are reduced for rebates.

Bundled services and products

Telia Company may bundle services and products into one customer offering. Offerings may involve the delivery or performance of multiple products, services, or rights to use assets (multiple deliveries). Telia Company accounts for each individual product and service separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. When the transaction price is determined for bundles that includes services (e.g. a mobile subscription), the minimum non-cancellable contract term is considered. When applicable, the transaction price is adjusted for financing components and expected returns. There are usually no or few other variable components in the transaction price. The transaction price is allocated to each equipment and service accounted for as a separate performance obligation, based on their relative stand-alone selling price. For most performance obligations, the stand-alone selling prices are directly observable. If stand-alone selling prices are not directly observable, they are estimated based on expected cost plus margin. In some cases, the offerings include non-refundable upfront fees such as activation fees. Payments for such fees are included in the transaction price, and, if not related to the satisfaction of a performance obligation, allo-

cated to other performance obligations identified in the contract.

Some bundled offerings include lease components, e.g. TV boxes, as well as non-lease components, e.g. subscription. In those arrangements, the transaction price is allocated to both the lease components and non-lease components identified as separate performance obligations. The lease components are then accounted for as either an operating lease or a finance lease depending on the lease classification (see also section "lease agreements, Telia Company as a lessor" below). Revenues for the non-lease components are recognized when or as the performance obligations are satisfied.

Equipment that can be used only in connection with services provided by Telia Company and that have no other significant function for the customer than delivering the service, e.g. routers, is not accounted for as a separate performance obligation. In such arrangements, the transaction price is allocated to the performance obligations identified, i.e. no part of the transaction price is allocated to the equipment. Any consideration received upfront, when the equipment is delivered, is recognized as a contract liability and recognized as revenues when or as the identified performance obligations are satisfied.

If a contract with a customer includes a license that is distinct, the promise to grant a license is classified as either a "right to access" or a "right to use" Telia Company's intellectual property. A license is classified as a "right to access" if Telia Company will undertake activities that significantly affects the intellectual property, that do not result in the transfer of a separate performance obligation to the customer, and, the customer is directly exposed to any positive or negative effects of those activities. When the promise to grant a li-

ense is classified as a "right to access", revenues are recognized over time. When the promise to grant a license is classified as a "right to use", revenues are recognized at the point in time when control is transferred to the customer.

Principal or agent

Sometimes a third party is engaged in delivering goods or services to Telia Company's customers, e.g. Telia Company offers several value-added services (VAS) to the customers in bundled offers.

In arrangements where Telia Company acts as a principle, revenue is recognized on a gross basis. When Telia Company acts as an agent and arranges goods or services to be provided by another party, revenues are recognized as the net amount of consideration that Telia Company retains after paying that other party. When invoicing end-customers for third-party content services, amounts collected on behalf of the principal are excluded from revenues. For more information see to Note C2.

Other revenue related transactions

Under customer loyalty programs, customers are entitled to certain discounts (award credits) relating to services and goods provided by Telia Company. The loyalty program provides the customers with a material right which is accounted for as a separate performance obligation. The transaction prices are allocated between the services and goods provided, and the award credits based on relative stand-alone selling prices. The stand-alone selling price for the award credits is estimated based on the discount granted when the award credit is redeemed and the likelihood of redemption, which is based on past practice. A contract liability is recognized until the award credits are redeemed or expire.

Some contracts contain a financial component because the timing of payments provided to the customer or Telia Company with a benefit. When determining the transaction price, Telia Company adjusts for the effect of the time value of money. Telia Company uses an expedient to not calculate and account for a significant financing component if the period of transfer of a good or service to a customer is 12 months or less.

Telia Company distinguishes between assets and receivables based on when the consideration is conditional or other than passage of time. Contracts primarily relate to transactions where Telia Company satisfies a performance obligation by providing equipment that is part of a bundle of services, but the right to pay for the bundle is dependent on Telia Company's satisfaction of a performance obligation in the contract. For example, a mobile subscription, where the contract is transferred to receivables when the contract is unconditional, i.e. when only the passage of time is required before payment is considered. Contract liabilities primarily relate to receivables from customers such as prepaid subscriptions, loyalty programs and other considerations.

If expected to be recovered, sales and equipment subsidies granted to customers in exchange for Telia Company obtaining a specific contract are capitalized over the period when the subsidies are expected to provide services to the customer (included in balance sheet as intangible assets) is amortized on a straight-line basis. Amortization is classified as an operating expense.

	personnel expenses. For equity-settled share-based payments to employees, such as Telia Company's Performance Share Programs, cost, being the fair value at the allotment date of the equity instruments allotted, is recognized as personnel expenses allocated over the vesting period and with a corresponding increase in equity. Cost is based on the best available estimate of the number of equity instruments to vest. If necessary, the estimate is revised during the vesting period and finally revised at the end of the vesting period.		
	Other operating income and expenses Other operating income and other operating expenses include gains and losses, respectively, on disposal of shares or operations in subsidiaries (see section "Associated companies" above) and on disposal or retirement of intangible assets or property, plant and equipment. Also included in other operating income and expenses are impairment losses of goodwill, government grants, exchange rate differences on operating transactions, results from court-settled disputes with other operators regarding historical interconnect and roaming fees, restructuring costs and other similar items. Government grants are initially measured at fair value and recognized as income over the periods necessary to match them with the related costs. Exchange rate differences from operating transactions also include effects from economic hedges and value changes in derivatives hedging operational transaction exposure (see section "Derivatives and hedge accounting" below).		
	Finance costs and other financial items Interest income and expenses are recognized as incurred, using the effective interest rate method,		
(within EBITDA) in the income statement. Telia Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset is one year or less.	Operating expenses Telia Company presents its analysis of expenses using a classification based on function. Cost of sales comprises all costs for services and products sold as well as for installation, maintenance, service, and support. Selling and marketing expenses comprise all costs for selling and marketing services and products and includes expenses for advertising, PR, publicists, commission fees, credit information, debt collection, etc. Credit losses as well as allowance for credit losses are also included. Recovery of receivables written-off in prior years is included in Other operating income. Research and development expenses (R&D) include expenses for developing new or substantially improving already existing services, products, processes or systems. Maintenance and minor adjustments to already existing services, products, processes or systems are not included in R&D. Expenses that are related to specific customer orders (customization) are included in Cost of sales. Amortization, depreciation and impairment losses are included in each function to the extent referring to intangible assets, property, plant and equipment or right-of-use assets used for that function. Amortization of film and program rights is included in the function Cost of sales. Amortization of cost to obtain a contract is included in the function Selling and marketing expenses. Advertising and other marketing costs are expensed as incurred. All pension benefit costs except for the interest component are recognized as	Incomes taxes comprise current and deferred income taxes Current and deferred income taxes in net income or in other comprehensive income relating to items recognized in comprehensive income. Deferred income tax liabilities are provided in full, using the balance sheet method, on temporary differences arising from the tax bases of assets and liabilities recognizing values in the consolidated financial statements and on unused tax deductions or on unutilized tax losses A subsidiary has a history of tax losses recognizes a deferred tax asset only if it can be shown that the subsidiary has sufficient taxable income in future periods so that the deferred tax asset will be realized On initial recognition of assets and liabilities, deferred taxes are not recognized on differences in transactions that are combinations. Deferred tax liabilities are recognized on differences in investments in subsidiaries joint venture companies are not recognized retained earnings can be withdrawn dividends and the company's can be tax consequences. However some provisions impose withholding tax on distributions, a deferred tax liability is recognized by applying the respective rate on undistributed earnings. In cases where income tax is not levied on profits, bonus paid or declared. In those cases, since deferred taxes should be recognized on undistributed earnings, not deferred when dividend tax is recognized and current tax is declared when dividends are declared.	Income taxes Incomes taxes comprise current and deferred income taxes Current and deferred income taxes in net income or in other comprehensive income relating to items recognized in comprehensive income. Deferred income tax liabilities are provided in full, using the balance sheet method, on temporary differences arising from the tax bases of assets and liabilities recognizing values in the consolidated financial statements and on unused tax deductions or on unutilized tax losses A subsidiary has a history of tax losses recognizes a deferred tax asset only if it can be shown that the subsidiary has sufficient taxable income in future periods so that the deferred tax asset will be realized On initial recognition of assets and liabilities, deferred taxes are not recognized on differences in transactions that are combinations. Deferred tax liabilities are recognized on differences in investments in subsidiaries joint venture companies are not recognized retained earnings can be withdrawn dividends and the company's can be tax consequences. However some provisions impose withholding tax on distributions, a deferred tax liability is recognized by applying the respective rate on undistributed earnings. In cases where income tax is not levied on profits, bonus paid or declared. In those cases, since deferred taxes should be recognized on undistributed earnings, not deferred when dividend tax is recognized and current tax is declared when dividends are declared.

Current and deferred income tax is determined using tax rates and tax legislation that have been enacted or substantively enacted at the end of the reporting period and in the case of deferred tax that are expected to apply when the related deferred income tax asset or liability is settled. Effects of changes in tax rates are recognized in the period when the change is substantively enacted. Deferred tax assets are recognized to the extent that the ability of utilizing the tax asset is probable. Deferred tax assets and liabilities are offset when a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interest on current tax payable or refundable calculated by tax authorities is classified as Interest expenses and Other interest income, respectively.

Intangible assets, and property, plant and equipment

Measurement bases

Goodwill is measured, after initial recognition, at cost, less any accumulated impairment losses. Goodwill is not amortized but tested for impairment at least annually. Impairment losses are not reversed. Based on management analysis, goodwill arising from a business combination is for impairment testing purposes allocated to the groups of cash-generating units that are expected to benefit from the synergies of the combination. Each group represents the lowest level at which goodwill is monitored for internal management purposes and it is never larger than an operating segment.

Other intangible assets are measured at cost, including directly attributable borrowing costs, less accumulated amortization and any impairment loss-

es. Direct external and internal development expenses for new or substantially improved products and processes are capitalized, provided that future economic benefits are probable, costs can be measured reliably and the product and process is technically and commercially feasible. Activities in projects at the feasibility study stage as well as maintenance and training activities are expensed as incurred.

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are measured on the same basis as intangible assets acquired separately. Fair values of intangible assets acquired in a business combination are determined as follows. Patents and trademarks are valued based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. Customer relationships are valued using the multi-period excess earnings method. For other intangible assets, income, market and cost approaches are considered in a comprehensive valuation analysis, by which the nature of the intangible asset, any legal and contractual circumstances and the availability of data will determine which approach(es) ultimately to be utilized to derive each asset's fair value.

Property, plant and equipment are measured at cost, including directly attributable borrowing costs, less accumulated depreciation and any impairment losses. Software used in the production process is considered to be an integral part of the related hardware and is capitalized as plant and machinery. Property and plant under construction are valued

at the expense already incurred, including interest during the installation period. To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated costs of dismantling and removing the asset and restoring the site. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying value of the item if it is probable that the future economic benefits embodied within the item will flow to Telia Company and the cost of the item can be measured reliably. All other replacement costs are expensed as incurred. A change in estimated expenditures for dismantling, removal and restoration is added to and/or deducted from the carrying value of the related asset. To the extent that the change would result in a negative carrying value, this effect is recognized in net income. The change in depreciation charge is recognized prospectively.

Fair values for property, plant and equipment acquired in a business combination are determined as follows. Commercial real estate is normally valued using an income or market approach, while technical buildings, plant and equipment are normally valued using a cost approach, in which the fair value is derived based on depreciated replacement cost for the asset.

Capitalized interest is calculated, based on the group's estimated average cost of borrowing. However, actual borrowing costs are capitalized if individually identifiable, such as interest paid on construction loans for buildings.

Government grants received as compensation for the cost of an asset are initially measured at fair value, normally being the consideration received. A government grant reduces the carrying value of the related asset and the depreciation charge recognized over the asset's useful life.

Amortization and depreciation
Amortization of intangible assets (other than goodwill and trade names with indefinite life) and depreciation on property, plant and equipment is based on cost, less residual values, and account the estimated useful lives of the classes or individual assets. Land is accounted for as individual assets. Land is For assets acquired during a year, amortization and depreciation is calculated from the date of acquisition on a straight-line basis.

Mobile and fixed telecommunication networks are operated as specific networks and are recognized to the network and amortization does not commence until the related network is ready for use. Amortization of network-infrastructure assets use specific radio frequencies (specific spectrum) when the related frequency block is used. License fees based on future service are recognized on the basis of the performance of the network and capitalized but expensed as incurred.

Impairment testing

Goodwill and other intangible assets not subject to amortization are tested for impairment whenever there is an indication that the assets may be impaired. Intangible assets with a finite useful life are tested for impairment at least annually. Impairment losses are not reversed. Events or changes in circumstances that may affect the carrying value of an asset are taken into account when it is not possible to estimate the amount of an individual asset, the amount of the cash-generating unit or the amount of the cash-generating unit asset belongs is tested for impairment. Indicators that the carrying value is higher than the recoverable amount, which is the highest

value less costs to sell and value in use, an impairment loss is recognized for the amount by which the carrying amounts exceed the recoverable amount.

Value in use is measured based on the expected future discounted cash flows (DCF model) attributable to the asset.

Film and program rights

Film and program right assets and related liabilities are recognized in the statement of financial position when the license period begins, the cost can be measured reliably, the content has been accepted by the group in accordance with the license agreement and the film or program is available for its first showing/broadcasting. The assets are presented in separate line items for non-current and current film and program rights in the consolidated statement of financial position. Film and program rights are recognized at cost less accumulated amortization and any impairments. Future payment commitments for contractual film and program rights not recognized in the statement of financial position are disclosed as contractual commitments. Film and program rights are amortized over the useful life which is based on the license period or number of showings. Amortization of film and program rights is included in the function Cost of sales and is classified as operating expenses within EBITDA. Cash flows relating to program rights are classified within operating activities.

Financial instruments

Classification of financial assets

A financial asset is for measurement purposes initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics

of the asset's contractual cash flows. The measurement categories for financial assets are as follows:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at amortized cost

A financial asset is measured at amortized cost (AC) if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to realize the cash flows from the financial assets by holding the financial assets and collecting its contractual cash flows over the life of the assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at Fair Value through Other Comprehensive Income (FVTOCI) if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to realize the cash flows from the financial assets both by collecting the contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at Fair Value through Profit or Loss (FVTPL) unless it is measured at amortized cost or at fair value through other comprehensive income.

Equity instruments and derivative instruments do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are therefore measured at fair value through profit or loss. However, for equity instruments that are not held-for-trading, there is an irrevocable option that can be made on initial recognition to present changes in the fair value in other comprehensive income. This is made on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

Telia Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice
- How the performance of the portfolio is evaluated and reported to management of Telia Company
- The risks that affect the performance of the business model and how those risks are managed
- How managers of the business are compensated
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transaction costs

Financial assets and financial liabilities are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. However,

transaction costs related to assets or liabilities for trading are expensed as incurred.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a financial liability) is derecognized when Telia Company transfers its rights to receive cash and has transferred substantially all the risks and rewards of the asset, or has transferred control of the asset. A financial liability is derecognized when the obligation under the liability is canceled or expires. When an existing liability is replaced by another from a substantially different terms, or there is a substantial modification of the existing liability, the modification is treated as an exchange or modification of the original liability and the recognition of the original liability and the recognition of the new liability, and the difference between the carrying amounts is recognized in net income.

Impairment

A loss allowance is recognized for financial assets measured at amortized cost and, financial assets measured at fair value through other income and for contract assets. The loss allowance is measured at an amount equal to lifetime expected credit losses, except for the following:

- Financial assets that are determined to have low credit risk at the reporting date
- Financial assets for which the credit risk has not increased significantly since initial recognition

 The loss allowance for trade receivables and contract assets is always measured at an amount equal to lifetime expected credit losses.

Financial assets that are determined to have low credit risk at the reporting date are those for which the credit risk has not increased significantly since initial recognition.

The loss allowance for trade receivables and contract assets is always measured at an amount equal to lifetime expected credit losses.

Fair value hierarchy levels

The carrying values of classes of financial assets and liabilities measured at fair value are determined based on a three-level fair value hierarchy, as follows.

Level	Fair value determination	Comprises
1	Quoted (unadjusted) prices in active markets for identical assets or liabilities	Primarily quoted equity instruments measured at fair value through other comprehensive income or at fair value through profit or loss
2	Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)	Derivatives designated as hedging instruments or measured at fair value through income statement and borrowings in fair value hedge relationships
3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)	Unquoted equity instruments measured at fair value through other comprehensive income or at fair value through profit or loss

Inputs for fair value measurements disclosed for assets and liabilities that are not carried at fair value are categorized to fair value level hierarchy 2.

to lifetime expected losses applying the simplified approach in IFRS 9. The general model is applied for all other financial assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the group considers reasonable and supportable information that is relevant and available without undue cost or effort.

Expected credit losses are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive.

Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. For financial assets, the current bid price is used. The fair values of financial instruments that are not traded in active markets are determined by using valuation techniques. Management uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows (DCF analyses), are used to determine fair value for the remaining financial instruments.

DCF analyses are performed using the applicable yield curve for the duration of the instruments for non-optimal derivatives, and option pricing models for optional derivatives. Forward exchange contracts are measured using quoted forward exchange rates and yield- curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows, estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The carrying value less impairment provision of trade receivables and the carrying values of payables are assumed for disclosure purposes to approximate their fair values. The fair value of financial liabilities is for disclosure purposes estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments with adjustment for credit purposes based on known credit spreads from exchange traded Telia Company bonds. The fair value of loans and receivables is for disclosure purposes estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments with adjustment for credit purposes based on known credit spreads from exchange traded Telia Company bonds. The fair value of loans and receivables is for disclosure purposes estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments with adjustment for credit purposes based on known credit spreads from exchange traded Telia Company bonds. The fair value of loans and receivables is for disclosure purposes estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments with adjustment for credit purposes based on known credit spreads from exchange traded Telia Company bonds.

available, individual estimates.

Current/non-current distinction, offsetting

Financial assets and liabilities maturing more than one year from the end of the reporting period are considered to be non-current. Other financial assets and liabilities are recognized as current.

Financial assets are recognized and derecognized applying settlement date accounting. Financial liabilities are recognized when Telia Company

receives payment from the counterparty derecognized when the obligation is discharged or cancelled or when the contract is discharged or cancelled.

Financial assets and liabilities are recognized when there is an enforceable legal right to receive cash or another financial asset on a net basis, or to realize the asset and liabilities simultaneously.

Financial assets – measurement

Equity instruments are measured at fair value. Realized gains and losses arising from changes in fair value up to the date of sale are recognized in other comprehensive income and a fair value reserve. Quoted equity instruments are valued at quoted market prices. Primary valuation techniques for unquoted equity instruments are based on the most reliable information for the specific company if such information has been recently done. Adjustments to fair value are made to reflect significant circumstances since the transaction date. Company assesses that the change in fair value has a material impact on the fair value. The value for material unquoted equity instruments is verified by applying other valuation techniques, such as discounted cash flows, to form of valuation multiples from peer companies and operational metrics.

Holdings in venture capital entities are measured at fair value with changes in fair value recognized in net income. Bonds are measured at fair value (quoted market prices) with changes in fair value recognized through other comprehensive income. Receivables are recognized at fair value, except for short-term receivables where the interest effect is immaterial and are measured at amortized cost, using the effective interest rate.

recycled to net income on disposal of the foreign operation. Changes in the fair value of derivative instruments that do not meet the criteria for hedge accounting are recognized in net income.

When the forward element of a forward contract or the foreign currency basis spread is excluded from the hedging relationship, the change in fair value of the excluded portion is accounted for as a cost of hedging. The change in fair value of the excluded portion is recognized in other comprehensive income and accumulated in a separate component of equity.

Repurchase agreements

Repurchase agreements, means that the parties have agreed on sale and repurchase of a certain security, at a predetermined price and point in time. Since the group remains exposed to the risk and rewards of the asset during the transaction period, securities remain accounted for in the balance sheet as financial assets. Received cash is accounted for as financial liabilities. Sold securities are also disclosed as pledged assets.

Inventories

Inventories are carried at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Obsolescence is assessed with reference to the age and rate of turnover of the items. The entire difference between the opening and closing balance of the obsolescence allowance is charged to cost

of sales. The fair value of inventories acquired in a business combination is determined based on the estimated selling price less the estimated cost of sale and a reasonable profit margin.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. An asset held for sale is measured at the lower of its previous carrying value and fair value less costs to sell.

One of the conditions that must be satisfied for an asset to be classified as held for sale is that the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. One criterion for the sale to qualify as highly probable is that the appropriate level of management must be committed to a plan to sell the assets or disposal group in its present condition. In the telecom industry acquisitions often require regulatory approval. If the buyer is a telecom operator in the same market parties often have to agree to a number of remedies to get the approval. If the buyer is expected to be a telecom operator in the same market and significant remedies are expected, a sale is usually not regarded as highly probable and consequently the assets are not classified as held for sale by Telia Company, until the remedies are agreed upon and accepted by management. The determination if and when non-current assets and disposal groups should be classified as held for sale requires management judgment considering all facts and circumstances relating to the transaction, the parties and the market and entities can come to different conclusions under IFRS.

Equity attributable to owners of the parent

Equity attributable to owners of the parent is divided into share capital, other contributed capital, hedging reserve, cost of hedging reserve, fair value reserve, foreign currency translation reserve, revaluation reserve, inflation adjustment reserve, equity transaction in associates and retained earnings. Share capital is the legally issued share capital. Other contributed capital comprises contributions made by shareholders in the form of share premiums in connection with new share issues, specific share holder contributions, etc. This item is reduced by reimbursements to shareholders made in accordance with separately decided and communicated capital repayment programs (e.g. through purchasing own shares or extraordinary dividends). The hedging reserve as well as the cost of hedging reserve and the foreign currency translation reserve are reclassified to net income. The fair value reserve includes both debt instruments at fair value through OCI which are reclassified to net income, and equity instruments at fair value through OCI which are not classified to net income. Cash flow hedges may also adjust the initial cost of a non-financial asset or liability. The revaluation reserve is used in connection with step acquisitions made before 2010 and the inflation adjustment reserve when accounting for operations in hyperinflationary economies. Equity transactions in associates are the effect on the group from equity transactions such as buyback of shares from third parties by an associated entity. All other equity is retained earnings.

Dividend payments are proposed by the Board of Directors in accordance with the regulations of the Swedish Companies Act and decided by the general meeting of shareholders. The proposed cash dividend will be recorded as a liability immediately following the final decision by the shareholders.

Provisions for pensions and employment contracts

Telia Company provides defined contribution pension plans to its employees. Contributions to defined contribution plans are set at a certain percentage of salary and are expensed as incurred. Contributions to defined contribution plans are paid by the employee and will have no legal or constructive liability for the fund does pay further amounts if the fund does not have sufficient assets to pay all employee benefits. Contributions to defined contribution plans are when employees provide services to the company.

Defined benefit pension plans, of Telia Company employees in Sweden and Norway, means that the individual has a pension equal to a certain percentage of salary. The pension plans mainly include pension, disability pension and family pension. The present value of pension obligations are calculated annually, using the unit credit method, which distributes the employee's service period. The present value of pension obligations is recognized in three components, service cost and remeasurements. Service cost is recognized in operating income and net interest on discount rate, on defined benefit plan assets is reported as interest income or expense in financial items.

Changes in actuarial assumptions and adjustments of obligations and value of plan assets, deviations from results in remeasurements and other comprehensive income at the reporting period.

Actuarial assumptions are determined at the end of the reporting period. The assets of Telia Company's pension funds constitute pension plan assets and are valued at fair value at the end of the reporting period.

Net provisions or assets for post-employment benefits in the statement of financial position represent the present value of obligations at the end of the reporting period less the fair value of plan assets.

Other provisions and contingencies

A provision is recognized when Telia Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the likelihood of an outflow of resources is less than probable but more than remote, or a reliable estimate is not determinable, the matter is disclosed as a contingency provided that the obligation or the legal claim is material.

Provisions are measured at management's best estimate, at the end of the reporting period, of the expenditure required to settle the obligation, and are discounted to present value where the effect is material. From time to time, parts of provisions may also be reversed due to better than expected outcome in the related activities in terms of cash outflow.

Where there are a number of similar obligations, e.g. product warranty commitments, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class may be small but it is probable that some outflow of resources will be needed to settle the class of obligations as a whole.

Other provisions comprise restructuring provisions which include termination benefits, onerous contracts and other expenses related to cost reduction programs, post-acquisition integration programs, closing-down of operations, etc. Restructuring provisions are mainly recognized as Other operating expenses, since they are not expenses for post-decision ordinary activities.

Termination benefits are recognized at the earlier of when Telia Company no longer can withdraw the offering of those benefits or when Telia Company has made an appropriate public announcement, specifying the terms of redundancy and the number of employees affected, or after individual employees have been advised of the specific terms.

Onerous contracts are recognized when the expected benefits to be derived by from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, any impairment loss on the assets associated with that contract is provided for.

Other provisions also include warranty commitments, environmental restoration, litigation, onerous contracts not related to restructuring activities, etc. These provisions are recognized as Cost of sales, Selling and marketing expenses, Administrative expenses or Research and development expenses as applicable.

Lease agreements

Telia Company as lessee

Telia Company recognizes a right-of-use asset and a lease liability on the statement of financial position when the underlying asset is made available for Telia Company, i.e. at the commencement date. Telia Company applies the practical expedients to recognize payments associated with short-term leases and leases of low value as an expense in the income statement. Telia Company does not apply IFRS 16 to intangible assets.

The lease liability is initially measured at the present value of the lease payments during the estimated lease term that are not paid at the commencement date. Lease payments included in the measurement of the lease liability comprise of fixed lease payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee and payments related to options that Telia Company is reasonably certain to exercise. In all asset classes, payments related to non-lease components are separated from the lease payments and expensed as incurred.

The estimated lease term includes the non-cancelable period of the lease together with both periods covered by extension options (if Telia Company is reasonable certain to exercise that option) and periods covered by termination options (if Telia Company is reasonable certain not to exercise that option). Determining the estimated lease term, including extension and termination options, requires significant judgement, see Note C2.

The lease liability is remeasured if there are modifications to the lease contract or if there are changes

es in the cash flow based on the initial terms. Changes in cash flows based on term occurs when: Telia Company estimates of whether extension and termination options will be exercised, there are changes in estimates of whether a purchase option will be exercised, lease payments changes in index or rate, or if there is a change regarding amounts expected to be paid residual value guarantee.

The lease payments are discounted at the interest rate implicit in the lease or, if that rate cannot be determined, Telia Company uses its incremental borrowing rate. For the majority of Telia Company's leases, the lease term is short-term, and the interest rate implicit in the lease is readily determinable.

Some lease agreements, e.g. for stores, contain variable payments that are linked to sales generated from the store. Variable lease payments that are not included in the lease term are recognized in the income statement in the period in which the event that triggers the payments occurs.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date less any lease incentives received. Also, any restoration costs incurred by Telia Company as a condition of the lease are recognized in the measurement of the right-of-use asset. The related provision is recognized in the lease liability.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, or at amortized cost less impairment losses, depending on the classification of the asset.

underlying asset or the end of the estimated lease term. Any remeasurement of the lease liability results in most cases in a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining remeasurement is recognized in the income statement. The right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Right-of-use assets are presented as a separate line in the statement of financial position and lease liabilities as long- and short-term borrowings in the statement of financial position.

In the income statement, depreciation charges of the right-of-use asset are presented in the different functions depending on type of leased asset. The interest expense on the lease liability is presented as finance costs. Lease payments associated with leases of low value and short-term leases are presented in the different functions depending on type of leased asset.

Repayments on the lease liability are presented as a cash flow from financing activities. Payments of interest as well as payments for short-term leases and leases of low value are presented as cash flow from operating activities.

Telia Company as a lessor

In arrangements where Telia Company is a lessor, determination of whether each lease is a finance lease or an operating lease is made at lease inception. To classify each lease, an overall assessment is made of whether the lease transfers substantially

all of the risks and rewards incidental to the ownership of the underlying asset. If substantially all of the risk and rewards are transferred, then the lease is a finance lease. If not, it is an operating lease. If a contract includes both lease and non-lease components, Telia Company allocates the consideration to the components identified on the basis of relative stand-alone selling prices (see section "revenue recognition" above).

In arrangements where Telia Company is an intermediate lessor the classification of the sublease is assessed with reference to the right-of-use asset arising from the head lease.

Telia Company as finance lessor

Telia Company owns assets that are leased to customers under finance lease agreements. Amounts due from lessees are recorded as receivables at the amount of the net investment in the leases, which equals the net present value. Initial direct costs are included in the initial measurement of the financial lease receivable and reduce the amount of income recognized over the lease term. Interest income is recognized over the lease term on an annuity basis.

Telia Company as operating lessor

Rental revenues from operating leases are recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and are recognized on the same basis as the lease revenues.

C4. Changes in group composition and events during the reporting period

Group composition

Subsidiaries

Telia Company AB's subsidiaries as of December 31, 2021, are disclosed in Note P11. Subsidiaries with non-controlling interests are disclosed in Note C20.

Business combinations

In 2021, Telia Company acquired Santa Monica Networks in Latvia, see Note C34.

Disposals

During 2021, Telia Company disposed its holdings in Telia Carrier, its Alerta business and 49% of its tower businesses in Finland and Norway, see Note C35.

Associated companies

During 2020, Telia Company disposed its holding in Turkcell Holding. For more information on associated companies see Note C15.

Joint arrangements

Telia Company owns four joint arrangements which are classified as joint operations. Svenska AB (SUNAB) in Sweden, TT-Nätverk AB in Denmark, Suomen Yhteisverkko Oy in Finland and Springworks International in Other countries. The following companies are network-sharing partners with Telia2 (SUNAB), Telenor (TT) and Yhteisverkko). Springworks International is a technology-sharing operation with autoSonic. Telia Company holds 50 percent of the shares in TT and Springworks International. Telia Company owns 51 percent of the shares in Suomen Yhteisverkko, but based on the shareholders' agreement, the company is jointly controlled and managed by the consensus principle.

Events after the reporting period

On January 4, 2022, Telia Company entered into an agreement to divest its 100% ownership in Latvia to Telia Company's associate Tet, see Note C35.

On January 27, 2022, Telia Company entered into an agreement to divest a 49% stake in its tower business to Brookfield Asset Management.

C5. Segment information

Telia Company's operating model is based on geographical areas with the exception of the segment TV and Media that was established in December 2019 following the acquisition of Bonnier Broadcasting. The group's operations are managed and reported by the following operating segments: Sweden, Finland, Norway, Denmark, Lithuania, Estonia and TV and Media. The organizations are country-based, except for the segment TV and Media which is based on its business nature. The heads of Sweden, Finland, Norway and TV and Media report directly to the CEO while the head of Denmark and Estonia reports to the Head of Cluster (LED - Lithuania, Estonia, Denmark), which is also CEO of Lithuania, who reports to the CEO. Other operations are collectively reported. The former segment region Eurasia was classified as held for sale and discontinued operations since December 31, 2015 and was therefore not included in the segment information. For more information, see Note C35.

- Sweden comprises Telia Company's mobile, broadband, TV and fixed-line operations in Sweden.
- Finland comprises Telia Company's mobile, broadband, TV and fixed-line operations in Finland.

- Norway comprises Telia Company's mobile, broadband, TV and fixed-line operations in Norway.
- Denmark comprises Telia Company's mobile, broadband, TV and fixed-line operations in Denmark.
- Lithuania comprises Telia Company's mobile, broadband, TV and fixed-line operations in Lithuania.
- Estonia comprises Telia Company's mobile, broadband, TV and fixed-line operations in Estonia.
- TV and Media comprises the broadcasting and content production business in the acquired Bonnier Broadcasting, mainly consisting of TV4 and C More in Sweden and MTV in Finland.
- Other operations include mainly the operations in Latvia, Telia Finance and Group functions. The international carrier operations were included in Other operations and classified as held for sale from September 30, 2020 until June 1, 2021 when divested, see Note C35.

Segment information is based on the same accounting principles as for the group as a whole, except for inter-segment leases which are treated as operating leases. Inter-segment transactions are based on

commercial terms. Besides Net sales and Operating income, principal segment control and reporting concepts are adjusted EBITDA, Investments in associated companies and joint ventures, Other operating segment assets and Operating segment liabilities, respectively (see Definitions).

Operating segment assets comprise total assets less non-operating interest-bearing receivables, long-term and short-term investments, pension obligation assets, foreign currency derivatives, accrued interest, tax assets and cash and cash equivalents. Operating segment liabilities contain total liabilities less non-operating interest-bearing liabilities, provisions for pensions and employment contracts, foreign currency derivatives, accrued interest and tax liabilities. For information on distribution of goodwill and other intangible assets with indefinite useful lives by reportable segments, see Note C12.

January-December 2021 or December 31, 2021

SEK in millions, except number of employees	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Elimination and other
Net sales	34,451	14,504	13,788	5,214	4,320	3,331	8,648	5,723	-1,632
External net sales	34,316	14,316	13,771	5,150	4,286	3,299	8,647	4,556	
Adjusted EBITDA	13,359	4,322	6,240	906	1,511	1,196	878	1,449	
of which impairment losses	-	-	-	-	-	-	-	-	
Adjustment items within EBITDA	-245	285	-159	-180	-5	-6	-86	5,686	
Amortization, depreciation and impairment losses	-7,526	-3,247	-3,892	-1,026	-754	-663	-779	-2,136	
of which impairment losses	-	-	-28	-76	6	-	-	-22	
Income from associated companies and joint ventures	0	-6	3	1	0	9	-1	97	
Operating income	5,588	1,354	2,192	-299	752	536	13	5,096	
Financial items, net									
Income taxes									
Net income from continuing operations									
Investments in associated companies and joint ventures	3	3	35	5	-	41	6	877	
Other operating segment assets	46,395	44,793	56,744	7,465	6,674	5,641	13,025	23,735	-2,395
Current and deferred tax assets									
Other unallocated assets									
Assets classified as held for sale									
Total assets	12,486	5,494	7,400	2,474	2,072	1,303	2,638	6,706	-2,388
Operating segment liabilities									
Current and deferred tax liabilities									
Other unallocated liabilities									
Liabilities directly associated with assets classified as held for sale									
Total non-current and current liabilities	6,332	2,719	4,905	1,186	1,195	526	275	5,942	
Investments, continuing operations									
of which CAPEX excluding fees for licenses, spectrum and right-of-use assets, continuing operations	3,685	1,833	3,043	462	669	417	263	5,512	
Number of employees	4,352	2,860	1,412	690	1,599	1,306	1,378	5,969	

January-December 2020 or December 31, 2020

SEK in millions, except number of employees	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media	Other operations	Elimination and other
Net sales ²	33,732	15,260	13,373	5,464	4,151	3,276	7,429	8,715	-2,2
External net sales	33,581	15,026	13,356	5,385	4,089	3,223	7,429	7,103	
Adjusted EBITDA ²	13,418	4,789	5,971	1,015	1,497	1,153	758	1,881	
of which impairment losses	-	-58	-	-	-	-	-198	-	
Adjustment items within EBITDA	-10	-9	-161	-17	-13	-7	-64	-227	
Amortization, depreciation and impairment losses ²	-6,650	-11,091	-4,383	-1,033	-718	-705	-814	-2,351	
of which impairment losses	-	-7,906	-111	-	-3	-	-	-30	
Income from associated companies and joint ventures	0	-9	5	1	-9	4	1	-20,073	
Operating income²	6,758	-6,320	1,432	-34	756	446	-120	-20,770	
Financial items, net									
Income taxes ²									
Net income from continuing operations²									
Investments in associated companies and joint ventures	3	14	30	4	-	31	7	861	
Other operating segment assets ²	46,820	44,234	51,739	7,500	6,459	5,455	13,233	22,372	-2,99
Current and deferred tax assets ²									
Other unallocated assets									
Assets classified as held for sale ¹								4,957	
Total assets²									
Operating segment liabilities ²	12,668	4,815	5,259	1,882	1,330	971	1,545	6,237	-2,98
Current and deferred tax liabilities ²									
Other unallocated liabilities									
Liabilities directly associated with assets classified as held for sale ¹								3,325	
Total non-current and current liabilities²									
Investments, continuing operations	4,395	3,520	3,277	493	503	493	371	5,721	
of which CAPEX excluding fees for licenses, spectrum and right-of-use assets, continuing operations ²	2,806	1,689	2,441	288	383	374	333	5,104	
Number of employees ²	4,508	3,023	1,633	731	1,614	1,359	1,427	6,446	

1) Relates to the international carrier operations, see Note C35. 2) Restated, see Note C1.



C6. Net sales

Disaggregation of revenue

The group derives revenue from the transfer of goods and services in the following major product lines and segments in 2021 and 2020, respectively. Fixed services mainly include telephony, broadband, data and TV services. Disaggregation of revenue has been based on Telia Company's reportable segments.

2021										2020									
SEK in millions	Sweden	Finland	Norway	Denmark	Lithuania	Estonia	TV and Media operations	Other operations	Eliminations	Total	SEK in millions	Sweden ²	Finland	Norway ²	Denmark	Lithuania ²	Estonia ²	TV and Media operations	Other operations
Mobile subscription revenues	12,556	6,106	6,688	2,470	1,232	943	–	1,333	–	31,329	Mobile subscription revenues	12,600	6,408	6,367	2,586	1,151	946	–	1,267
Interconnect	492	376	416	264	139	78	–	117	–	1,883	Interconnect	520	411	406	225	169	72	–	121
Other mobile service revenues	532	587	628	347	36	14	–	26	–	2,170	Other mobile service revenues	522	569	884	335	39	11	–	43
Total mobile service revenues	13,580	7,070	7,732	3,081	1,407	1,035	–	1,476	–	35,381	Total mobile service revenues	13,643	7,388	7,656	3,146	1,359	1,030	–	1,430
Telephony	1,583	64	102	178	181	105	–	1	–	2,215	Telephony	1,927	102	138	191	214	115	–	2
Broadband	4,726	653	1,413	192	619	585	3	10	–	8,202	Broadband	4,704	706	1,259	208	574	583	4	11
TV	2,034	541	1,594	70	396	287	2,992	0	–	7,913	TV	1,810	555	1,613	82	377	281	2,460	–
Business solutions	2,754	2,369	417	144	274	271	–	36	–	6,264	Business solutions	2,813	2,579	439	192	235	249	–	87
Other fixed service revenues	3,829	1,190	94	48	380	391	0	1,583	–	7,516	Other fixed service revenues	3,761	1,248	75	47	386	356	1	4,277
Total fixed service revenues	14,926	4,816	3,620	633	1,849	1,641	2,995	1,629	–	32,109	Total fixed service revenues	15,015	5,190	3,524	719	1,786	1,585	2,464	4,375
Advertising revenues	–	–	–	–	–	–	5,530	–	–	5,530	Advertising revenues	–	2	–	–	–	–	4,822	–
Other service revenues	1,076	240	158	93	16	13	122	441	–	2,159	Other service revenues	1,075	271	159	110	21	13	142	415
Total service revenues¹	29,582	12,125	11,510	3,807	3,272	2,689	8,647	3,546	–	75,180	Total service revenues¹	29,734	12,851	11,338	3,976	3,167	2,627	7,429	6,222
Total equipment revenues¹	4,734	2,191	2,261	1,343	1,014	610	–	1,010	–	13,162	Total equipment revenues¹	3,848	2,175	2,017	1,409	922	596	–	882
Total external net sales	34,316	14,316	13,771	5,150	4,286	3,299	8,647	4,556	–	88,342	Total external net sales	33,581	15,026	13,356	5,385	4,089	3,223	7,429	7,103
Internal net sales	134	188	17	64	33	32	0	1,166	-1,635	0	Internal net sales	151	234	18	80	63	53	0	1,612
Total net sales	34,451	14,504	13,788	5,214	4,320	3,331	8,648	5,723	-1,635	88,343	Total net sales	33,732	15,260	13,373	5,464	4,151	3,276	7,429	8,715

1) In all material aspects, equipment revenues are recognized at a point in time and service revenue over time. 2) Restated, see Note C1.

1) In all material aspects, equipment revenues are recognized at a point in time and service revenue over time. 2) Restated, see Note C1.

External net sales by customer location and non-current assets¹, respectively, were distributed among individually material countries as follows.

	Dec 31, 2021			Dec 31, 2020			Dec 31, 2021			Dec 31, 2020 ²		
	Net sales			Non-current assets ¹								
	SEK in millions	Percent	SEK in millions	Percent	SEK in millions	Percent	SEK in millions	Percent	SEK in millions	Percent	SEK in millions	Percent
Sweden	42,892	48.6	41,103	46.1	57,923	32.0	58,975	33.8				
Finland	16,274	18.4	16,801	18.8	44,605	24.6	43,721	25.1				
Norway	13,780	15.6	13,372	15.0	56,254	31.0	51,137	29.3				
Denmark	5,168	5.8	5,417	6.1	6,586	3.6	6,391	3.7				
Lithuania	4,331	4.9	4,089	4.6	7,211	4.0	6,591	3.8				
Estonia	3,299	3.7	3,226	3.6	5,159	2.8	5,033	2.9				
All other countries	2,600	2.9	5,185	5.8	3,473	1.9	2,609	1.5				
Total	88,343	100.0	89,191	100.0	181,212	100.0	174,455	100.0				

1) Non-current assets relate to intangible assets, property, plant and equipment, costs to obtain a contract, non-current contract assets, right-of-use assets and non-current film and program rights. 2) Restated, see Note C1.

External net sales by customer location were distributed among economic regions as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
European Economic Area (EEA)	87,451	86,579
<i>of which European Union (EU) member states</i>	73,503	73,311
Rest of Europe	207	400
North-American Free Trade Agreement (NAFTA)	454	1,516
Rest of world	231	696
Total	88,343	89,191

Telia Company group offers a diversified portfolio of mass-market services and products in highly competitive markets. Hence, the group's exposure to individual customers is limited.

Assets and liabilities related to contracts with customers

Costs to obtain a contract

Costs to obtain a contract are incremental costs incurred resulting in obtaining a contract with a customer, which Telia Company would not have incurred if the contract had not been obtained. These costs are typically external commissions paid, internal commission or bonus paid related to obtaining a new contract. Closing balance for Cost to obtain a contract amounted to SEK 1,490 million (1,376). Amortization in 2021 amounted to SEK 1,215 million (1,257). Other changes during the year were mainly due to new contracts of SEK 1,339 million (1,213). Costs to obtain a contract are included in Other non-current assets. The amortization is classified as an operating expense (within EBITDA) in the income statement, see Note C7.

Contract assets

Contract assets mainly refer to transactions where Telia Company satisfies a performance obligation to transfer equipment that is part of a bundle to the customer, but the payment for the equipment is dependent on Telia Company satisfying another performance obligation in the contract, for example a

mobile subscription. Total contract assets amounted to SEK 517 million (488) of which SEK (117) are included in Other non-current assets. SEK 379 million (370) are included in other current receivables and assets.

Contract liabilities

Contract liabilities primarily relate to revenues such as prepaid cards, prepaid loyalty programs and variable consideration liabilities amounted to SEK (3,091), of which SEK 9 million (10) are Other long-term liabilities and SEK (3,081) are included in Trade payables and current liabilities. The opening balance of contract liabilities has, in all material aspects, been restated from SEK 1,000 million to SEK 1,000 million as revenues during the year.

For information on revenues from leasing, see Note C8.

Unsatisfied performance obligations

The following reflects the amount of price in long term contracts which are partially or fully unsatisfied as of December 31, 2021.

SEK in millions, Expected revenue recognition of unsatisfied performance obligations	2022	2023	2024	2025 and onwards
Total unsatisfied performance obligations	9,751	4,348	1,421	1,481

1) 2020 is restated with SEK -1,702 million.

The disclosures in the table above do not include unsatisfied performance obligations where has a right to consideration from a customer based on time incurred.

C7. Expenses by nature

Operating expenses are presented on the face of the statement of comprehensive income using a classification based on the functions Cost of sales, Selling and marketing expenses, Administrative expenses and Research and development expenses. Total expenses by function were distributed by nature as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020 ³
Goods and sub-contracting services purchased and change in inventories	-27,558	-25,016
<i>whereof amortization and impairment losses of film and program rights¹</i>	-4,977	-4,057
Interconnect and roaming expenses	-3,655	-5,132
Other network expenses	-1,891	-1,957
Personnel expenses (see also Note C32)	-14,166	-14,720
Marketing expenses	-3,265	-3,343
<i>whereof amortization of cost to obtain a contract</i>	-1,215	-1,257
Other expenses	-8,584	-8,851
Amortization, depreciation and impairment losses ²	-20,037	-19,820
Total	-79,155	-78,839

1) For changes in Film and program rights, see Note C14. 2) Relates to intangible assets, property, plant and equipment and right-of-use assets. 3) Restated, see Note C1.

The main components of Other expenses are consultant expenses, IT expenses and energy expenses.

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Amortization, depreciation and impairment losses of intangible assets, property, plant and equipment-of-use assets by function were as follows.

SEK in millions	Jan-Dec 2021
Cost of sales	-17,
Selling and marketing expenses	-1,
Administrative expenses	-1,
Research and development expenses	-
Total functions	-20,
Other operating expenses ¹	
Total	-20,

1) 2020 includes mainly an impairment of SEK -7800 million related to goodwill in Finland, see Note C12, and an impairment of SEK -110 million of the Finnish real estate companies, see Note C13. 2) Restated, see Note C1.

Amortization of film and program rights is included in the function Cost of sales. Amortization of cost to obtain a contract is included in the function Selling and marketing expenses. For more information on amortization, depreciation and impairment losses see Notes C12, C13, C14 and C28. Amortization, depreciation and impairment losses are broken down by reportable segment in Note C15.

C8. Other operating income and expenses

Other operating income and expenses were distributed as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Other operating income		
Capital gains	6,862	58
Exchange rate gains	461	699
Commissions, license and patent fees, etc.	57	65
Grants	17	8
Gains/losses business combinations	–	1
Recovered accounts receivable	73	21
Court-settled fees with other operators	–	111
Damages received	–	116
Total other operating income	7,471	1,080
Other operating expenses		
Capital losses	-168	-153
Transaction costs in business combinations	-266	-154
Provisions for onerous contracts	–	0
Exchange rate losses	-508	-564
Restructuring costs	-562	-401
Impairment losses	–	-7,924
Court-settled fees with other operators	-3	0
Damages paid	-23	-6
Total other operating expenses	-1,531	-9,202
Net effect on income	5,940	-8,122
<i>of which net exchange rate losses on derivative instruments measured at fair value through income statement</i>	17	45

Other operating income in 2021 includes a capital gain of SEK 6,408 million related to the disposal of Telia Carrier, see Note C35. Other operating expenses in 2020 included an impairment of SEK -7,800 million related to goodwill in Finland and an impairment of SEK -110 million relating to remeasurement of the Finnish real estate companies.

C9. Finance income and finance costs

Finance income and finance costs were distributed as follows.

SEK in millions	Jan-Dec 2021
Finance income	
Interest income	
Interest income on finance leases	
Net interest on the net defined benefit liability (asset)	
Other finance income	
Net exchange rate gains	
Unwinding of discounts, receivables	
Total finance income	
Finance costs	
Interest expenses	
Interest expenses on lease liabilities	
Unwinding of provision discount	
Net interest on the net defined benefit liability	
Capitalized interest	
Net exchange rate losses	
Financial losses, financial instruments, net	
Capital losses on other financial investments	
Total finance costs	
Net effect on income	

Finance costs have decreased as 2020 was impacted by higher costs mainly related to buy-back debt whilst 2021 was impacted by refinanced debt at lower interest rates.

C10. Income taxes

Details on interest expenses, net exchange rate gains and losses and interest income related to hedging activities, financial assets and financial liabilities were as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020	Net exchange rate gains and losses	Jan-Dec 2021	Jan-Dec 2020	Interest related income
Fair value hedge derivatives	-1,058	868	-	-	-	-
Cash flow hedge derivatives	-460	-451	760	-1,125	-	-
Derivatives at fair value through income statement	-19	-284	-484	1,042	-1	0
Financial assets at amortized cost	-	-	1,251	-2,263	63	54
Bonds at fair value through Income statement	-	-	-	-	24	0
Borrowings in fair value hedge relationships	-769	-2,637	-1,571	3,093	-	-
Borrowings and other financial liabilities at amortized cost	-115	-542	72	-884	-	-
Interest on lease liabilities and lease receivables	-391	-439	-	-	81	91
Other	2	133	0	1	18	46
Total	-2,810	-3,352	28	-136	185	191

Borrowings at amortized cost include items in net investment hedge relationships as well as unhedged items.

Tax items recognized in comprehensive income and directly in equity were distributed as follows

SEK in millions	Jan- 21
Tax items recognized in net income	
Current tax	-1,
Adjustment of current tax related to prior years	
Deferred tax	
Adjustment of deferred tax related to prior years	
Effect on deferred tax from changes in tax rates	
Effect on deferred tax from tax reduction	
Total tax expense recognized in net income	-
Tax items recognized in other comprehensive income	
Current tax	
Deferred tax	-1,
Total tax recognized in other comprehensive income	-1,
Tax items recognized directly in equity	
Deferred tax	
Total tax recognized directly in equity	

1) Restated see Note C1

Income before taxes was SEK 12,598 million in 2021 and SEK -21,168 million in 2020. The difference between the nominal Swedish income tax rate and the effective tax rate comprises the following components.

Percent	Jan-Dec 2021	Jan-Dec 2020 ¹
Swedish income tax rate	20.6	21.4
Effect of higher or lower tax rates in subsidiaries	-0.6	0.3
Withholding tax on earnings in subsidiaries and associated companies	0.0	0.7
Prior year adjustment of current tax expense	-0.2	0.3
Prior year adjustment of deferred taxes	-0.8	-0.6
Effect on deferred tax expense from changes in tax rates	-	0.0
Effect on deferred tax expense from tax reduction	-1.0	0.0
Income from associated companies	0.0	0.8
Current year losses and change in temporary difference for which no deferred tax asset was recognized	0.0	0.0
Non-deductible expenses ²	0.8	-29.9
Tax-exempt income ³	-11.4	0.4
Effective tax rate in net income	7.4	-6.6
<i>Effective tax rate excluding effects from associated companies</i>	<i>7.4</i>	<i>-158.4</i>

1) Restated see Note C12) Non-deductible expenses in 2020 are mainly impacted by non-deductible capital loss related to the divestment of Turkcell Holding and a non-deductible impairment related to goodwill in segment Finland 3) Tax exempt income in 2021 is mainly impacted by tax exempt capital gain related to the disposal of Telia Carrier

The decrease of deferred tax assets in 2021 is mainly related to pension remeasurements, offset by netting of deferred tax assets and liabilities in Sweden, Finland and Norway and partly offset by depreciations of surplus values.

assets and liabilities in Sweden, Finland and Norway and pension remeasurements and partly offset by depreciations of surplus values.

increased mainly related to netting of deferred tax

Deferred tax assets and liabilities

Movement in deferred tax assets and liabilities were as follows.

SEK in millions	Dec 31 2021
Deferred tax assets	
Opening balance	1,440
Change recognized in comprehensive income	-92
Operations divested	4
Offset tax liabilities/assets, other reclassifications	66
Change in tax rate	5
Exchange rate differences	5
Reclassification to assets classified as held for sale	5
Deferred tax assets, closing balance	1,338
Deferred tax liabilities	
Opening balance	9,770
Change in accounting principles	9,770
Adjusted opening balance	9,770
Change recognized in comprehensive income	-4
Operations divested	-
Offset tax liabilities/assets, other reclassifications	66
Change in tax rate	20
Exchange rate differences	20
Reclassification to liabilities directly associated with assets classified as held for sale	10,118
Deferred tax liabilities, closing balance	10,118

1) Restated see Note C1

Deferred tax assets and liabilities are allocated to the following temporary differences and tax loss carry-forward.

2021

SEK in millions	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Acquired/ disposed operations	Reclassification to assets classified as held for sale	Exchange rate differences	Other reclassifications
Gross deferred tax assets							
Non-current assets	4,587	-594	-	44	-	23	
Provisions	1,762	127	-1,112	-	-	10	
Liabilities	344	547	-	-	-	21	
Accounts receivables and other current assets	13	3	-	-	-	0	
Interest expense, capitalized R&D and tax reduction ¹	151	120	-	-	-	1	
Tax loss carry-forward	885	-26	-	-	-	7	
Subtotal	7,742	177	-1,112	44	-	62	
Valuation allowance							
Non-current assets	-99	94	-	-	-	0	
Accounts receivables and other current assets	-2	0	-	-	-	-	
Tax loss carry-forward	-824	72	-	-	-	-3	
Subtotal	-925	166	-	-	-	-3	
Offset deferred tax assets/liabilities	-5,368	685	-	-	-	-	
Total deferred tax assets	1,449	1,028	-1,112	44	-	59	-1
Deferred tax liabilities							
Withholding taxes subsidiaries and associates ²	213	70	-	-	-	4	
Non-current assets	13,250	-585	-	-16	-	202	
Provisions	49	2	287	-	-	0	
Accounts receivables and other current assets	45	3	-	-	-	0	
Profit equalization reserves	1,534	-24	-	-	-	-	
Subtotal	15,091	-534	287	-16	-	206	-1
Offset deferred tax assets/liabilities	-5,368	685	-	-	-	-	
Total deferred tax liabilities	9,723	151	287	-16	-	206	-1
Net deferred tax assets (+) / liabilities (-)	-8,274	877	-1,399	60	-	-147	

1) Including tax reduction for machinery and equipment in Sweden. 2) Including deferred tax liability related to undistributed earnings in Estonia and Latvia.

2020¹

SEK in millions	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Acquired/ disposed operations	Reclassification to assets classified as held for sale	Exchange rate differences	Other reclassifications
Gross deferred tax assets							
Non-current assets	2,867	1,912	–	-11	-242	61	
Provisions	1,442	435	328	–	-405	-38	
Liabilities	3,028	-2,508	–	–	-74	-102	
Accounts receivables and other current assets	228	-200	–	–	-13	0	
Interest expense carry-forward and capitalized R&D	194	-37	–	–	–	-6	
Tax loss carry-forward	1,593	435	–	–	-1,024	-119	
Subtotal	9,351	37	328	-11	-1,758	-205	
Valuation allowance							
Non-current assets	-113	-2	–	–	15	1	
Accounts receivables and other current assets	-5	3	–	–	0	–	
Tax loss carry-forward	-1,273	-492	–	–	818	123	
Subtotal	-1,391	-491	–	–	833	124	
Offset deferred tax assets/liabilities	-6,110	483	–	–	447	–	
Total deferred tax assets	1,850	29	328	-11	-478	-81	
Deferred tax liabilities							
Withholding taxes subsidiaries and associates ²	341	-103	–	–	0	-25	
Non-current assets	14,722	-769	–	-10	-345	-348	
Provisions	987	520	-1,147	–	-312	0	
Accounts receivables and other current assets	98	-46	–	–	0	-8	
Profit equalization reserves	1,506	28	–	–	–	–	
Subtotal	17,654	-369	-1,147	-10	-657	-381	
Offset deferred tax assets/liabilities	-6,110	483	–	–	447	–	
Total deferred tax liabilities	11,544	114	-1,147	-10	-210	-381	
Net deferred tax assets (+) / liabilities (-)	-9,694	-85	1,475	-1	-268	300	

1) Restated see Note C.1. 2) Including deferred tax liability related to undistributed earnings in Estonia and Latvia.

Unrecognized deferred tax

Unrecognized deferred tax assets, as reflected by the valuation allowance at December 31, 2021, were expected to expire as follows.

Expected expiry, SEK in millions	2022	2023	2024	2025	2026	2027- 2030	Unlimited	Total
Unrecognized deferred tax assets	–	–	–	–	–	1	754	755

Unrecognized deferred tax assets, not reflected by the valuation allowance as of 31 December 2021, related to temporary legislation regarding tax reduction for machinery and equipment in Sweden amounted to SEK 85 million.

As of December 31, 2021 and 2020, unrecognized deferred tax liabilities for undistributed earnings in subsidiaries, including estimated such income tax that is levied on dividends paid, totaled SEK 6 million and SEK 2 million, respectively.

Tax loss carry-forward

Deferred tax assets originating from tax loss carry-forward in continuing operations are mainly related to Dutch holding companies referring primarily to capital losses on loans connected to formerly owned subsidiaries, in full reduced by valuation allowance.

Telia Company's accumulated tax loss carry-forward for continuing operations were SEK 3,592 million in 2021 (3,593).

Tax loss carry-forward as of December 31, 2021 is expected to expire as follows.

Expected expiry, SEK in millions	2022	2023	2024	2025	2026	2027- 2031	Unlimited	Total
Tax loss carry-forward	–	–	–	–	–	257	3,335	3,592

C11. Other comprehensive income

Other comprehensive income was distributed as follows.

SEK in millions	Equity component	Jan-Dec 2021	Jan-Dec 2020 ¹⁾
Other comprehensive income that may be reclassified to net income			
Foreign currency translation differences			
Translation of foreign operations, continuing operations	Foreign currency translation reserve	3,065	-7,462
Translation of foreign operations, discontinued operations	Foreign currency translation reserve	-	-51
Translation of foreign non-controlling interests, continuing operations	Non-controlling interests	25	-739
Translation of foreign non-controlling interests, discontinued operations	Non-controlling interests	-	484
Transferred to net income on disposal of operations	Foreign currency translation reserve	354	18,513
Hedging of foreign operations, continuing operations	Foreign currency translation reserve	-414	635
Income tax effect, continuing operations	Foreign currency translation reserve	85	-136
Total foreign currency translation differences		3,115	11,244
<i>of which attributable to non-controlling interests</i>			
		25	-255
Other comprehensive income from associated companies			
Cash flow hedges	Hedging reserve	-	-19
Cost of hedging	Cost of hedging reserve	-	-81
Translation of foreign operations	Foreign currency translation reserve	-	-12
Total other comprehensive income from associated companies		-	-111
Cash flow hedges			
Net changes in fair value	Hedging reserve	-283	11
Transferred to financial items in net income	Hedging reserve	344	2
Income tax effect	Hedging reserve	-12	-3
Total cash flow hedges		48	11
Cost of hedging			
Changes in fair value	Cost of hedging reserve	143	-100
Income tax effect	Cost of hedging reserve	-29	21
Total cost of hedging		114	-79

1) Restated, see Note C1.

Other comprehensive income increased to SEK 8,666 million (5,433). 2021 was impacted by positive remeasurements of defined benefit pension plans and positive translation differences related to NOK and EUR and no TRY impact. 2020 was impacted by reclassified accumulated foreign exchange losses from disposal of Turkcell, partly offset by negative translation differences related to EUR and NOK as well as negative remeasurements of defined benefit pension plans. See Note C22 for details of remeasurements of defined benefit pension plans.

The hedging reserve comprises gains and losses on derivatives hedging interest rate and foreign currency exposure, with a net effect in equity of SEK 48 million as of December 31, 2021, and SEK 11 million as of December 31, 2020. Future gains or losses will affect net income in 2022, 2023, 2024 and later, when the hedged items mature. See also section "Financial instruments" in Note C3.

C12. Goodwill and other intangible assets

The total carrying value was distributed and changed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020	Other intangible assets	
	Goodwill			
Accumulated cost	83,500	79,898	65,566	59,549
Accumulated amortization	–	–	-40,285	-35,298
Accumulated impairment losses	-17,198	-16,585	-1,640	-1,622
Carrying value	66,302	63,313	23,641	22,629
<i>of which work in progress</i>	–	–	2,776	2,012
Carrying value, opening balance	63,313	75,696	22,629	26,242
Change in accounting principles	–	–	–	-491
Adjusted opening balance	63,313	75,696	22,629	25,751
Investments	–	–	5,008	2,692
<i>of which capitalized interest</i>	–	–	30	28
Disposals	–	–	-3	–
Discards	–	–	-5	–
Operations acquired	416	–	5	–
Adjusted purchase price allocation Bonnier Broadcasting	–	-184	–	-55
Operations divested	-60	–	-8	–
Reclassifications	–	–	38	7
Amortization for the year	–	–	-4,472	-4,815
Impairment losses for the year	–	-7,835	-36	-30
Reversal of impairment losses	–	–	14	–
Exchange rate differences	2,633	-4,363	472	-835
Reclassification to assets classified as held for sale	–	–	–	-86
Carrying value, closing balance	66,302	63,313	23,641	22,629

1) Restated, see Note C1.

Operations acquired in 2021 are mainly related to the acquisition of Santa Monica Networks via, see Note C34. Operations divested in 2021 are mainly related to Futurehome AS in Norway.

The carrying value for intangible assets is SEK 2,125 million. The carrying value for intangible assets is related to brands acquired as part of the acquisition of Bonnier Broadcasting. These brands are related to the various brands under which the various businesses are operated. The brands are lasting in the sense that the brands remain as long as there is a commercial value in the brands. The brands are established in Sweden and Finland, and the remaining useful lives for these brands are deemed indefinite.

Apart from goodwill, and trade names, the carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite.

Impairments in 2021 mainly relate to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite.

The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite. The carrying value for intangible assets is related to the acquisition of Bonnier Broadcasting, which is deemed indefinite.

The key assumptions in the value in use calculations were sales growth, EBITDA margin development, the weighted average cost of capital (WACC), CAPEX-to-sales ratio, and the terminal growth rate of free cash flow. EBITDA excludes lease expenses and CAPEX for Right-of-use assets has been considered in the impairment test model. The value in use calculations were based on forecasts approved by management, which management believes reflect

- using renewable electricity when in our operations and looking for alternative energy sources to reduce our remaining fossil-based emissions.

For more information on climate risk assessment activities, see Directors' Report section on Climate Change and Sustainability. For more information on the section Climate and circular economy, see Note S4.

For more information on climate risk activities, see Directors' Report section on uncertainties/Environmental and Sustainability section Climate and circularity report in Note S4.

SEK in millions	Dec 31, 2021	Dec 31, 2020 ¹
Trade names	2,244	2,245
Telecom licenses and spectrum permits	6,911	5,210
Customer and vendor relationships, interconnect and roaming agreements	6,878	7,911
Capitalized development expenses ²	4,702	5,122
Patents, etc.	0	0
Other	125	150
Work in progress, advances ²	2,780	1,991
Total other intangible assets	23,641	22,629

2) Capitalized development expenses and Work in progress, advances mainly refer to IT systems, supporting the selling and marketing, and administrative functions.



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For Denmark, Norway and Finland the sales growth and EBITDA margin development in the forecasts are deviating from historical trends and for TV and Media the EBITDA margin development is deviating from historical trends. This is due to that Telia Company for the forecast period has clear and committed plans for revenue growth initiatives and net cost reductions supported by digital transformation investments. Management believes that value in use based on own business plan better reflects the value for Telia Company and of the long-term valuation, compared to the current market values that in some cases can be below the recoverable amount derived from Telia Company's own long-term business plans.

The forecasted cash flows were discounted at the weighted average cost of capital (WACC) for the relevant cash-generating unit. The WACC is derived from the risk-free interest rate in local currency, the country risk premium, the business risk represented by the estimated beta, the local equity market risk premium and an estimated reasonable cost of borrowing above the risk-free rate. The pre-tax discount rate typically cannot be directly observed or measured. It is calculated by iteration – by first running DCF calculation using post-tax cash flows and a post-tax discount rate, and then determining what the pre-tax discount rate would need to be to cause the value in use determined using pre-tax cash flows to equal the value in use determined by the post-tax

DCF calculation. The forecast periods, WACC rates and the terminal growth rates of free cash flow used to extrapolate cash flows beyond the forecast period varied by cash generating unit as presented below. In all cases management believes the terminal growth rates do not exceed the average growth rates for markets in which Telia Company operates.

The recoverable amounts for brands with indefinite useful lives in TV and Media have been determined based on fair value less costs to sell. The brands are tested annually for impairment, or more frequently if there are indications that brands might be impaired. The fair value less costs to sell has been estimated based on the Relief of royalty method under the Income approach. Under this method the fair value of the brands is estimated to the present value of the after-tax royalty savings attributable to owning the brands.

The key assumptions in the fair value less costs to sell calculations for the brands were revenue growth, the weighted average cost of capital (WACC), the terminal growth rate of revenue and royalty rates. The revenue growth rates over the ten-

year projected cash flow period are performance and management's expected market development. A higher growth during the early years of the period, or content investments. The total revenue expected to stabilize at the long-term in line with the long-term inflation target were discounted at the weighted average capital (WACC). The WACC was determined on the same basis as described for goodwill with additional specific risk factors and intangible assets as compared to the business as a whole. The royalty rates are determined based on license agreements with brands within the media industry and awareness of TV and Media brands. The valuation is categorized in level 3 of the hierarchy. (See Note C3 for descriptions of the hierarchies.)

The key assumptions used when fair value less costs to sell for the brands are presented in the table below.

Brønnsund regnskapsåret 2021 for 981929055

2021

Years/Percent	Sweden	Finland	Norway	Denmark	Lithuania	Latvia	Estonia	TV and Media
Forecast period (years)	5	5	5	5	5	5	5	5
Post-tax WACC rate (%)	4.1	4.1	5.4	3.8	5.6	5.6	5.7	6.5
Pre-tax WACC rate (%)	5.3	5.5	6.8	5.2	6.8	7.9	6.8	8.3
Terminal growth rate of free cash flow (%)	1.9	1.9	2.0	2.0	2.2	2.0	2.1	1.9

2020

Years/Percent	Sweden	Finland	Norway	Denmark	Lithuania	Latvia	Estonia	TV and Media
Forecast period (years)	5	5	5	5	5	5	5	5
Post-tax WACC rate (%)	4.3	4.5	4.9	4.3	5.7	5.3	5.3	7.1
Pre-tax WACC rate (%)	5.6	5.8	6.3	5.7	6.8	7.5	6.4	8.5
Terminal growth rate of free cash flow (%)	1.8	1.9	2.0	1.6	2.1	2.2	1.9	1.8

Years/percent

Projected cash flow period (years)

Revenue growth (%)

WACC-post tax (%)

Terminal growth rate of revenue (%)

Royalty rates (weighted average) (%)

2020

0.6-0.6

5

5

2.4-3

2.4-3



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Sensitivity analysis

The estimated recoverable amounts for Finland and Norway were in proximity of the carrying values as of December 31, 2021. As of December 31, 2020, the estimated recoverable amounts for Finland, Norway, Denmark and TV and Media were in proximity of the carrying values.

The impairment tests assumed, in addition to the post-tax WACC rates and the terminal growth rates stated above, the following sales growth, EBITDA margin and CAPEX-to-sales ranges during the next 5 years for the cash generating units (CGUs) that are sensitive to reasonable changes in assumptions.

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 for the respective cash generating unit. The lower part of the table first shows the SEK billion effect on

the recoverable values of the cash generating unit should there be a one percentage point shift in WACC. Finally, it sets out the billion change of the recoverable value equal carrying value for the respective cash generating unit.

5-year period/Percent	2021		
	Finland	Norway	Media
Sales growth, lowest in period (%)	1.3	0.8	
Sales growth, highest in period (%)	2.2	3.3	
EBITDA margin, lowest in period (%)			45.0
EBITDA margin, highest in period (%)	31.6	48.7	
CAPEX-to-sales, lowest in period (%)	14.1	17.6	
CAPEX-to-sales, highest in period (%)	17.7	30.0	

5-year period/Percent	2020				TV and Media
	Finland	Norway	Denmark		
Sales growth, lowest in period (%)	1.3	1.4	1.4	2.4	
Sales growth, highest in period (%)	2.5	3.7	2.3	13.4	
EBITDA margin, lowest in period (%)	32.1	46.3	20.5	6.3	
EBITDA margin, highest in period (%)	35.3	49.5	26.5	14.2	
CAPEX-to-sales, lowest in period (%)	16.0	20.6	8.9	1.7	
CAPEX-to-sales, highest in period (%)	17.7	28.6	22.3	3.6	

Percentage points, SEK in billions

Sales growth each year in the 5-year period (%)	
EBITDA margin each year in the 5-year period and beyond (%)	
CAPEX-to-sales ratio each year in the 5-year period and beyond (%)	
Terminal growth rate (%)	
Post-tax WACC rate (%)	
Effect of a one percentage-point upward shift in WACC (SEK in billions)	
Change in the recoverable value to equal the carrying value (SEK in billions)	

Percentage points, SEK in billions

Sales growth each year in the 5-year period (%)	0.0
EBITDA margin each year in the 5-year period and beyond (%)	0.0
CAPEX-to-sales ratio each year in the 5-year period and beyond (%)	0.0
Terminal growth rate (%)	0.0
Post-tax WACC rate (%)	0.0
Effect of a one percentage-point upward shift in WACC (SEK in billions)	-6.6
Change in the recoverable value to equal the carrying value (SEK in billions)	0.0

Arsregnskap regnskapsåret 2021 for 981929055

C13. Property, plant and equipment

The carrying value was distributed and changed as follows.

SEK in millions	December 31, 2021						Total
	Property	Whereof leased out property	Plant and machinery	Whereof leased out plant and machinery	Equipment, tools and installations	Whereof leased out equipment, tools and installations	
Accumulated cost	6,870	9	210,190	7,473	10,922	1,967	227,982
Accumulated depreciation	-4,342	-7	-140,356	-5,500	-7,333	-1,044	-152,031
Accumulated impairment losses	-213	-	-2,827	-53	-203	-	-3,243
Advances	-	-	33	-	-	-	33
Carrying value	2,315	2	67,040	1,920	3,386	923	72,741
<i>of which assets under construction</i>	-	-	9,436	-	-	-	9,436
Carrying value, opening balance	2,062	1	65,587	2,066	3,245	904	76,993
Investments	56	-	11,284	406	1,547	588	18,887
<i>of which capitalized interest</i>	-	-	88	-	-	-	88
Disposals	-24	-	-77	0	-94	-15	-195
Dismantling, restoration and discard	-1	-	135	0	-6	29	128
Operations acquired	0	-	0	0	2	-	2
Operations divested	-1	-	-	-	0	-	-1
Grants received	-	-	-70	-	-1	-	-71
Reclassifications	464	1	-853	197	279	9	110
Depreciation for the year	-258	0	-10,517	-800	-1,691	-606	-13,466
Impairment losses for the year	-1	-	-96	-25	-2	-	-99
Advances	-	-	-	-	-	-	-
Exchange rate differences	18	0	1,648	77	108	14	1,773
Carrying value, closing balance	2,315	2	67,040	1,920	3,386	923	72,741

1) Disclosures of leased out assets do not include assets which are mainly used in Telia Company's own operations, and where only a portion of the asset is leased out under an operating lease (mainly network assets).

December 31, 2020

SEK in millions	Property	Whereof leased out property	Plant and machinery	Whereof leased out plant and machinery	Equipment, tools and installations	Whereof leased out equipment, tools and installations	Total
Accumulated cost	6,438	7	201,275	6,662	10,168	2,051	217,881
Accumulated depreciation	-4,156	-5	-132,487	-4,566	-6,720	-1,147	-143,363
Accumulated impairment losses	-221	-	-3,219	-31	-203	-	-3,642
Advances	-	-	17	-	-	-	17
Carrying value	2,062	1	65,587	2,066	3,245	904	70,893
<i>of which assets under construction</i>	-	-	7,410	-	-	-	7,410
Carrying value, opening balance	3,196	2	71,765	2,427	3,202	928	78,163
Investments	52	-	9,392	623	1,428	585	10,871
<i>of which capitalized interest</i>	-	-	81	-	-	-	81
Disposals	0	-	-529	0	-17	-12	-546
Dismantling, restoration and discard	0	-	33	0	-4	0	29
Operations acquired	0	-	0	-	0	-	0
Operations divested	-552	-	-	-	-1	-	-553
Grants received	-	-	11	-	-	-	11
Reclassifications	-85	0	-470	-2	364	24	-190
Depreciation for the year	-265	0	-9,907	-834	-1,482	-582	-13,553
Impairment losses for the year	-80	-	-56	-2	-50	-	-186
Advances	-	-	17	-	-	-	17
Exchange rate differences	-90	0	-2,729	-146	-102	-38	-3,095
Reclassification to assets classified as held for sale	-114	-	-1,941	-	-93	-	-2,148
Carrying value, closing balance	2,062	1	65,587	2,066	3,245	904	70,893

1) Disclosures of leased out assets do not include assets which are mainly used in Telia Company's own operations, and where only a portion of the asset is leased out under an operating lease (mainly network assets).

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Impairments in 2021 mainly relate to a reassessment of certain assets in Denmark following a balance sheet review, see Note C1.

In 2020 Telia Company divested the Finnish real estate companies Kinteistö Oy Sturenportti and Hel-singin Teollisuuskatu 13 Oy to YIT Rakennus Oy (YIT) for a cash and debt free value of SEK 0.6 billion. The transaction also implied that Telia Company would lease new properties from YIT. The real estate com-panies were in connection with the signed agreement classified as held for sale and remeasured to fair val-ue less costs to sell, which resulted in an impairment of SEK 110 million, whereof SEK 35 million related to goodwill, see Note C12. In addition, impairments of SEK 56 and 50 million were recognized within Plant and machinery and Equipment, tools and installa-tions, respectively, as a result of an assessment per-formed of assets mainly in the Norwegian operations.

No general changes of useful lives were made in 2021. For depreciation rates applied, see section "Useful lives" in Note C2. In the statement of com-prehensive income, depreciation and impairment losses are included in all expense line items by func-tion as well as in line item Other operating expens-es, see Notes C7 and C8, respectively.

For information on contractual obligations regard-ing future acquisitions of property, plant and equip-ment, see Note C30.

Property

Telia Company's real estate holdings include ap-proximately 5,000 properties, mainly in Sweden and Finland. The substantial majority is used sole-ly for technical facilities, like network installations, computer installations, research centers and service outlets.

The total carrying value of property was distributed by depreciable/non-depreciable assets as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Depreciable property (buildings, etc.)	1,942	1,695
Non-depreciable property (land)	373	367
Total property	2,315	2,062

C14. Film and program rights

The total carrying value for Film and program rights was distributed and changed as follows:

SEK in millions	Dec 31, 2021	Film and pr
Accumulated cost	8,914	
Accumulated amortization	-5,971	
Accumulated impairment	-129	
Advances (Prepaid)	1,606	
Carrying value	4,420	
<i>of which non-current</i>	<i>1,416</i>	
<i>of which current</i>	<i>3,005</i>	
Carrying value, opening balance	4,019	
Additions	5,367	
Amortization for the year (included in EBITDA)	-4,977	
Impairment for the year (included in EBITDA)	-	
Exchange rate differences	11	
Carrying value, closing balance	4,420	

Amortization of film and program rights is included within the function Cost of sales and is classified as Cost of film and program rights (within EBITDA) in the distribution of operating expenses by nature in Note C7.

As a result of cancelled and postponed sport events and seasons due to COVID-19, film and pro-gram right assets were impaired by SEK 256 million during 2020, whereof SEK 198 million in segment TV and Media and SEK 58 million in Finland (Liiga). However, there was no significant net impact on

net income (or EBITDA) from the im-pairments of film and program rights due to the offsetting ef-fects of compensation and lower expenses for rights where events and seasons were postponed. Management's assessments of the sport events will cover the decreases of the sport events.

Contractual obligations regarding acquisitions (or equivalent) of film and program rights which are not included in the consol-idated financial position are presented in the expected maturities.

Items recognized in net income and in total comprehensive income were distributed as follows

SEK in millions	Janua	2
Share of income from associated companies		
Impairment		
Reversal of impairment		
Gains/losses net from disposals of shares in associated companies		
Income from joint ventures		
Recognized in net income		
Other comprehensive income from associated companies		
Recognized in total comprehensive income		

C15. Investments in associated companies and joint ventures

The total carrying value was distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Interests in associated companies	931	916
Interests in joint ventures	40	34
Total carrying value	971	950

Details of material associated companies
Telia Company's material associated company, Turkcell Iletisim Hizmetleri A.S., in which Telia Company's ownership and voting power as well as consolidated share were 24 percent, was divested during 2020. Turkcell operates in Turkey, Ukraine and Belarus as a mobile operator. Turkcell, reported in Telia Company's financial statements using the equity method up until the divestment, is a public-listed company and was therefore included with a one-quarter lag with adjustments made for the effects of significant transactions or events that occurred between Telia Company's closing date and the date of the respective company's financial statements.

On June 17, 2020, Telia Company entered into an agreement to sell its 47.1 percent holding in Holding A.S., which owns 50 percent of the company Turkcell Iletisim Hizmetleri A.S., a publicly owned Turkey Wealth Fund for a purchase price of USD 530 million. The holding was closed for sale from June 2020 and was removed from the value less costs to sell which was estimated at 530 million (SEK 4,771 million) based on the change price in the signed agreement. The impairment resulted in an impairment of the second quarter 2020. Due to change in exchange rates, SEK 560 million of the impairment was reversed in the third quarter 2020. The transaction was closed on October 22, 2020.



a capital loss of SEK 179,55 million, whereof accumulated foreign exchange losses reclassified from equity to net income of SEK 18,019 million. The reclassification of accumulated exchange losses had no effect on total equity. The capital loss was recognized in line item Income from associated companies and joint ventures in the consolidated statement of comprehensive income. The transaction had a positive cash flow effect in 2020 of SEK 4,641 million. The transaction included, a full and global settlement of all shareholder disputes and litigations connected to Turkcell and Turkcell Holding.

The following table summarizes the financial information of Turkcell, as included in the company's own financial statements adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the group's interests in the companies. Information on other, non-material, associated companies and joint ventures are not disclosed separately. Telia Company has four joint arrangements classified as joint operations. For additional information on those, see Note C4.

Statements of financial position, SEK in millions

	Dec 31, 2021	Dec 31, 2020
Carrying value of interests in Turkcell	–	–
Carrying value of other associated companies not individually material (group's share)	931	916
Carrying value of joint ventures (group's share)	40	34
Total carrying value of interests in associated companies and joint ventures	971	950

Statements of comprehensive income, SEK in millions

Turkcell	Jan-1-2022
Net sales	
Net income	
Other comprehensive income	
Total comprehensive income (100 percent)	
Total comprehensive income (group's share)	
Impairment	
Reversal of impairment	
Capital loss of the divestment of Turkcell	
Total comprehensive income after adjustments, group's share in Turkcell	3,370
Other associated companies not individually material	3,370
Net sales (100 percent)	
Net income (group's share)	
Total comprehensive income from other associated companies	3,370
Gains/losses from sale of shares in other associates	
Joint ventures not individually material	
Net income (group's share)	
Total comprehensive income joint ventures (group's share)	
Group's share of total comprehensive income in associated companies and joint ventures	3,370
Dividends received from other associated companies	
Total dividends received from associated companies and joint ventures	3,370

The carrying value was distributed and changed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Goodwill and fair value adjustments	24	24
Share of equity	947	926
Carrying value	971	950
Carrying value, opening balance	950	10,165
Share of net income for the year	104	809
Share of other comprehensive income for the year, pensions	–	-12
Share of other comprehensive income for the year, cash flow hedge	–	-19
Share of other comprehensive income for the year, cost of hedging	–	-81
Share of other comprehensive income for the year, exchange rate differences	–	-11
Impairment	–	-3,488
Reversal of impairment	–	560
Dividends received	-150	-218
Acquisitions and operations acquired	11	21
Divestments and operations divested	–	-5,526
Reclassifications	33	39
Changes in accounting principles	–	-12
Exchange rate differences	24	-1,277
Carrying value, closing balance	971	950

The carrying value is broken down by reportable segment in Note C5 and by company as follows

	Company, corp. reg. no., registered office	Participation (%)	Number of shares	Equity participation in consolidated accounts	
				2021	2020
				SEK in m	
Parent company holdings					
Swedish companies					
SNPAC Swedish Number Portability Administrative Centre AB, 556595-2925, Stockholm		20	400	3	3
Solidtango AB, 556671-5586, Stockholm		23	6,666	14	16
Non-Swedish companies					
Kivra Oy, 2918721-9, Helsinki		27	585,000	7	2
Valokuitu Kotiin Holding 1 Oy, 3101702-4, Helsinki		40	1,884,003	1	11
Other operating, dormant and divested companies				0	0
Total parent company					
Subsidiaries' holdings					
Swedish companies					
Mediamätning i Skandinavien MMS AB, 556353-3032, Stockholm		24	5,100	6	6
Other operating, dormant and divested companies				0	0
Non-Swedish companies					
SK ID Solutions AS, 10747013, Tallinn		50	32	41	31
SIA Tet, 000305278, Riga		49	71,581,000	855	843
4T af 1. oktober 2012 ApS, 32348882, Copenhagen		25	–	7	6
Suomen Numerot NUMPAC Oy, 1829232-0, Helsinki		25	3,000	2	2
Strex AS, 985867569, Oslo		49	49,001	33	28
Other operating, dormant and divested companies				2	1
Total group				971	950

For additional information related to associated companies, see Notes C29 and C30 respectively

C16. Other non-current assets

For other non-current assets, fair values equal carrying values. The total carrying values of other non-current assets were distributed as follows.

SEK in millions	Carrying value	
	Dec 31, 2021	Dec 31, 2020
Equity instruments at fair value through OCI ¹	576	473
Equity instruments at fair value through income statement	18	18
Bonds at fair value through OCI ²	781	5,296
Bonds at fair value through income statement ²	5,149	–
Interest rate and cross-currency interest rate swaps at fair value of which designated as fair value hedges	1,283	3,989
of which at fair value through income statement	574	1,475
of which designated as cash flow hedges	310	930
Subtotal (see Fair value hierarchy levels – Note C26)	398	1,583
Loans and receivables at amortized cost	7,807	9,776
Finance lease receivables at amortized cost	1,831	1,854
Subtotal (see Categories – Note C26 and Credit risk – Note C27)	405	379
Cost to obtain a contract	10,043	12,009
Contract assets	1,490	1,376
Deferred expenses	137	117
Total other non-current assets	5	68
of which interest-bearing	11,675	13,571
of which non-interest-bearing	9,244	11,233
	2,431	2,338

1) For more information regarding Equity instruments measured at fair value through OCI, see Note C26. 2) From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value through OCI but is from January 1, 2021, measured at fair value through income statement, see Note C1.

For loans and receivables fair value is estimated at the present value of future cash flows discounted by applying market interest rates as of the end of the reporting period (fair value hierarchy level 2). As of

December 31, 2021, contractual cash and receivables represented the following maturities.

Expected maturity, SEK in millions	2023	2024	2025	2026
Loans and receivables	1,468	288	43	18

For more information on financial instruments by category/fair value hierarchy level and exposure, see Note C26 and section “Credit risk management” in Note C27, respectively. For information on Note C28.

C17. Inventories

SEK in millions	Dec 31, 2021
Goods for resale	2,100
Other inventories and expense incurred on construction contracts	2,100
Total	2,100

Other inventories include purchased supplies that are mainly intended for use in constructing own installations and for repair and maintenance. No material amounts are carried as net realizable value.

C18. Trade and other current receivables and assets

The total carrying value of trade and other current receivables and assets was distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Currency derivatives at fair value	157	21
<i>of which designated as cash flow hedges</i>	5	–
<i>of which at fair value through income statement</i>	152	21
Subtotal (see Fair value hierarchy levels – Note C26)	157	21
Accounts receivable at amortized cost	8,448	8,117
Loans and receivables at amortized cost	2,337	2,494
Subtotal (see Categories – Note C26 and Credit risk – Note C27)	10,942	10,632
Other current receivables	1,048	1,500
Current contract assets	379	370
Deferred expenses	1,395	1,220
Total trade and other current receivables and assets	13,764	13,722

For accounts receivable and loans and receivables, including claims on associated companies, the carrying values equal fair value as the impact of discounting is insignificant. Loans and receivables mainly comprise accrued call, interconnect and roaming charges.

Telia Company offers a diversified portfolio of mass-market services and products in a number of highly competitive markets, resulting in a limited credit risk concentration to individual markets and customers.

For accounts receivable and loans and receivables, as of the end of the reporting period, concentration risk by geographical area and by customer segment were as follows.

SEK in millions	Dec 31, 2021
Geographical area	
Nordic countries	8,448
Baltic countries	1,117
Other countries	4,200
Total carrying value	10,765
Customer segment	
Consumers	3,333
Business customers	6,117
Other operators	1,117
Distributors	1,117
Total carrying value	10,684

Contract assets are mainly related to the Nordic countries and the business segment.

The geographic concentration to the Nordic operations reflects a relatively higher share of postpaid customer contracts. In most cases, customers are billed in local currency. Receivables from and payables

to other operators for international fixed-line services and roaming are normally settled net of intercompany receivables and payables. See Note C26 and section "Management" in Note C27 for more information on financial instruments classified by category and by hierarchy level and exposure to credit risk.

As of the end of the reporting period, allowance for expected credit losses and ageing of accounts receivable, respectively, were as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Accounts receivable invoiced	9,416	9,112
Allowance for expected credit losses for accounts receivable	-968	-995
Total accounts receivable	8,448	8,117
Accounts receivable not due, net of allowance for expected credit losses	6,018	5,792
Accounts receivable past due, net of allowance for expected credit losses	2,430	2,325
<i>of which less than 30 days</i>	1,704	1,525
<i>of which 30–180 days</i>	310	445
<i>of which more than 180 days</i>	416	355
Total accounts receivable	8,448	8,117

As of the end of the reporting period, ageing of loans and receivables were as follows. The allowance for credit losses for loans and receivables is considered insignificant.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Loans and receivables not due, net of allowance for expected credit losses	2,300	2,442
Loans and receivables past due but not impaired, net of allowance for expected credit losses	37	52
<i>of which less than 30 days</i>	37	52
<i>of which 30–180 days</i>	–	0
<i>of which more than 180 days</i>	–	0
Total loans and receivables	2,337	2,494

There are no material contract assets past due or material allowance for expected credit losses related to contract assets.

See section "Credit risk management" in Note C27 for information on mitigation of risks related to accounts receivable.

Total expenses for credit losses for receivables were SEK 598 million in 2021 and SEK 669 million in 2020. Recovered accounts receivable were SEK 73 million in 2021 and SEK 2020. See Note C8 for more information on expected accounts receivables.

The allowance for expected credit losses for accounts receivable changed as follows.

SEK in millions	Dec 31, 2021
Opening balance	
Net of charges for expected credit losses in the period and receivables written-off	
Operations acquired and divested	
Reversals of allowances	
Exchange rate differences	
Reclassification to assets classified as held for sale	
Closing balance	

C19. Interest-bearing receivables, cash and cash equivalents

Interest-bearing receivables

The total carrying value of interest-bearing receivables was distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Interest rate swaps and cross-currency interest rate swaps at fair value	56	167
of which designated as fair value hedges	43	50
of which designated as cash flow hedges	12	20
of which at fair value through Income Statement	–	97
Short-term investments with maturities over 3 months	6,097	2,832
of which bonds at fair value through income statement ¹	6,049	–
of which bonds at fair value through OCI ¹	48	2,832
Subtotal (see Fair value hierarchy levels – Note C26)	6,153	2,999
Loans and receivables at amortized cost	2,322	2,060
Finance lease receivables at amortized cost	366	426
Total (see Categories – Note C26 and Credit risk – Note C27)	8,841	5,486

¹⁾ From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value through OCI but is from January 1, 2021, measured at fair value through income statement, see Note C1.

Interest-bearing receivables has increased to SEK 8,841 million (5,486) related to increased short-term bonds impacted from proceeds from the disposals of the Telia Carrier subsidiaries. Carrying values for items measured at amortized cost are assumed to approximate fair values as the risk of changes

in value is insignificant. See Note C26 and section “Credit risk management” in Note C27 for more information on financial instruments classified by category/fair value hierarchy level and exposure to credit risk, respectively. For information on leases, see Note C28.

Cash and cash equivalents

Cash and cash equivalents were distributed as follows.

SEK in millions	Dec 31, 2021
Short-term investments with maturities up to and including 3 months	
of which bonds at fair value through income statement (see Fair value hierarchy levels – Note C26)	
of which bonds at fair value through OCI (see Fair value hierarchy levels – Note C26)	
of which bank deposits at amortized cost	13
Cash and bank	14
Total (see Categories – Note C26 and Credit risk – Note C27)	

Cash and cash equivalents have increased to SEK 14,358 million (8,133) mainly impacted from proceeds from the disposals of the 49% of the tower businesses in Finland and Norway. The carrying values are assumed to approximate fair values as the risk of changes in value is insignificant.

See Note C26 and section “Credit risk management” in Note C27 for more information on financial instruments classified by category/fair value hierarchy level and exposure to credit risk, respectively, and to Note C30 for information on blocked funds in bank accounts.

C20. Equity and earnings per share

Share capital

According to the articles of association of Telia Company AB, the authorized share capital shall amount to no less than SEK 8 billion and no more than SEK 32 billion. All issued shares have been paid in full and carry equal rights to vote and participate in the assets of the company. Since December 31, 2005, the issued share capital changed as follows.

	Issued share capital (SEK)	Number of issued shares	Quotient value (SEK/share)
Issued share capital, December 31, 2005	14,960,742,621	4,675,232,069	3.20
Cancellation of shares repurchased in 2005, September 6, 2006	-591,279,539	-184,774,856	3.20
Issued share capital, December 31, 2006, 2007, 2008, 2009 and 2010	14,369,463,082	4,490,457,213	3.20
Cancellation of shares repurchased in 2011, July 19, 2011	-513,191,783	-160,372,432	3.20
Issued share capital, December 31, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018	13,856,271,299	4,330,084,781	3.20
Cancellation of shares repurchased in 2018 and 2019, May 3, 2019	-385,742,099	-120,544,406	
Bonus issue May 3, 2019	385,742,099		
Issued share capital, December 31, 2019	13,856,271,299	4,209,540,375	3.29
Cancellation of shares repurchased in 2020, April 15, 2020	-394,695,610	-119,908,673	
Bonus issue April 15, 2020	394,695,610		
Issued share capital, December 31, 2020 and 2021	13,856,271,299	4,089,631,702	3.39

Treasury shares

During May 2021 Telia Company transferred 595,632 shares to the participants in the Long Term Incentive (LTI) program 2018/2021 (380,741 shares to participants in the LTI program 2017/2020), at an average price of SEK 35.32 per share (SEK 32.30 per share). The total cost for the transferred shares was SEK 21 million (12) and transaction costs, net of tax, amounted to SEK 0 million (0). The transfer of shares under the LTI program reduced other contributed capital within parent shareholder's equity by SEK 21 million (12). The total price for the repurchased shares under the share buy-back program during 2020 was SEK 945 million. No Telia Company shares were held by the company or by its subsidiaries as of December 31, 2021 or as of December 31, 2020. The total number of issued and outstanding shares was 4,089,631,702 (4,089,631,702).

Subsidiaries with material non-controlling interests
Summarized financial information on subsidiaries with material non-controlling interests (NCI) is presented below. The amounts disclosed for each subsidiary are based on those included in the consolidated financial statements before inter-company eliminations and only the net asset in which the NCI has a share. Other comprehensive income (OCI) only comprises exchange rate differences arising on translation to SEK.

The NCI in Telia Lietuva, AB, is 11.1 percent. The group holds 49 percent of the share in Mobilis Telefons SIA (LMT). However, shareholders' agreements Telia Company has with board majority in LMT and the company is regarded as a subsidiary. In addition, partly by the associated company SIA decreases NCI to 39.7 percent.

On December 29, 2021, Telia Company includes the tower businesses in Finland, Norway, to Brookfield and Aucta for 7,861 million. The price corresponds to a price value for 100 percent of EUR 1 (approximately SEK 15.5 billion) on a free basis. The transaction resulted in equity attributable to owners of the earnings) of SEK 6,221 million and a equity attributable to NCI of SEK 1,6 million. The disposal had a positive cash flow group in 2021 of SEK 7,861 million, within financing activities. As a result, transfer of the tower assets from the business units, there will likely be a net of the remaining carrying values of the units.

Dividends paid to NCIs are disclosed "Cash flow information".

December 31, 2020 SEK in millions, except percentages	Telia Lietuva, AB, Lithuania	Telia Towers, AB, Sweden ¹	Latvijas Mobilais Telefons SIA, Latvia	Other subsidiaries	Total
<i>Assets</i>					
Non-current assets	4,751	3,820	2,340		1,876
Current assets	1,406	262	750		651
<i>Liabilities</i>					
Non-current liabilities	-1,374	-366	-401		-542
Current liabilities	-1,296	-369	-1,246		-639
Net assets	3,488	3,347	1,442		1,345
NCI percentage	11.8	49.0	39.7		39.7
Carrying amount of NCI	413	1,640	573	163	2,812
Net sales	4,188	-	1,565		1,536
Net income	560	-	336		396
Net income allocated to NCI	66	-	133	-61	156

Cash flows from operating activities	1,643		664		660
Free cash flow	1,067		290		379

1) Telia Towers AB owns the tower businesses in Finland (Telia Towers Finland Oy) and Norway (Telia Towers Norway AS). Non-current assets of SEK 3,311 million related to Finland and SEK 508 million related to Norway. Carrying amount of NCI of SEK 1,540 million related to Finland and SEK 99 million related to Norway. No material part of Telia Tower's revenue, net income or cash flow for 2021 related to NCI as the NCI was disposed on December 29, 2021.

Earnings per share and dividends

	Jan-Dec 2021	Jan-Dec 2020 ¹
Net income attributable to owners of the parent (SEK million)	11,680	-22,993
Average number of outstanding shares, basic and diluted (thousands)	4,089,632	4,090,367
Earnings per outstanding share, basic and diluted (SEK)	2.86	-5.62
Ordinary cash dividend (for 2021 as proposed by the Board of Directors)		
– Per share (SEK)	2.05	2.00
– Total (SEK million)	8,384	8,179

1) Restated, see Note C1.

C21. Long-term and short-term borrowings

Open-market financing programs

Telia Company has the following open-market financing programs.

Program	Characteristics	Limit currency	Dec 31, 2021				Dec 31, 2020	
			Limit	Utilized (in millions)	Interest rate type		Limit (in millions)	Utilized
					Floating	Fixed		
Telia Company AB	Euro Medium Term Note (EMTN)	EUR	12,000	5,751	96	5,655	8,0	6,304
Telia Company AB	SEK Commercial Paper	SEK	10,000	–	–	–	–	–

Borrowings

Long-term and short-term borrowings were distributed as follows.

SEK in millions	Dec 31, 2021			Dec 31, 2020		
	Carrying value	Fair value	Carrying value	Carrying value	Fair value	Fair value
Long-term borrowings						
Interest rate derivatives at fair value	771	771	134	134	134	134
of which designated as hedging instruments	768	768	134	134	134	134
of which at fair value through income statement	3	3	–	–	–	–
Cross-currency interest rate derivatives at fair value	800	800	3,907	3,907	3,907	3,907
of which hedging net investments	–	–	1,924	1,924	1,924	1,924
of which designated as hedging instruments	765	765	1,593	1,593	1,593	1,593
of which at fair value through income statement	35	35	391	391	391	391
Subtotal (see Fair value hierarchy levels – Note C26)	1,571	1,571	4,041	4,041	4,041	4,041

SEK in millions	Dec 31, 2021		Dec 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Open-market financing borrowings in fair value hedge relationships	53,451	59,477	51,628	55,249
Open-market financing borrowings at amortized cost	23,215	28,084	31,345	41,992
<i>of which hedging net investments</i>	5,589	7,598	11,419	15,910
Other borrowings at amortized cost	541	541	1,042	1,042
Lease liabilities at amortized cost	12,859		12,183	
Total long-term borrowings (see Categories - Note C26)	91,637		100,239	
Short-term borrowings				
Interest rate derivatives at fair value	92	92	8	8
<i>of which designated as hedging instruments</i>	92	92	8	8
Cross-currency interest rate derivatives at fair value	223	223	143	143
<i>of which designated as hedging instruments</i>	108	108	143	143
<i>of which at fair value through income statement</i>	115	115	-	-
Subtotal (see Fair value hierarchy levels – Note C26)	315	315	151	151
Utilized bank overdraft and short-term credit facilities at amortized cost	6	6	213	213
Open-market financing borrowings in fair value hedge relationships	6,001	6,037	5,131	5,317
Other borrowings at amortized cost	823	823	179	179
Lease liabilities at amortized cost	2,872		2,671	
Total short-term borrowings (see Categories - Note C26)	10,017		8,345	

The fair values of borrowings above relate to hierarchy level 2. For a description of valuation techniques, see Note C3 section "Fair value estimation."

Normally, borrowings by Telia Company in foreign currencies are swapped. The exceptions typically include funding to finance the group's international selective hedging of net investments. See Note C26 for more information on instruments classified by category/fair value level and to Note C27 for information on the management of liquidity risk, interest rate risk and financing risk.

C22. Provisions for pensions and employment contracts

Post-employment benefits

Telia Company provides defined benefit pension plans to its employees in Sweden, Finland and Norway. The pension plans mainly include retirement pension, disability pension and family pension.

Employees in Telia Company AB and most of its Swedish subsidiaries are eligible for retirement benefits under the ITP-Tele (ITP 2 plan) defined benefit plan. However, all employees born in 1979 and later are covered by a defined contribution pension plan (the ITP1 plan). The part of the Swedish ITP 2 multi-employer pension plan that is secured by paying pension premiums to Alecta is accounted for as a defined contribution plan as the plan administrator does not provide sufficient information necessary to account for the plan as a defined benefit plan. Telia Company's portion of total premiums in the Alecta ITP 2 plan is 0.07 percent and the share of total number of active insured in ITP 2 is 0.67 percent. Expected contribution to the ITP 2 plan for 2022 is SEK 22 million. At the end of 2021, Alecta's surplus, in the collective funding ratio, is preliminary estimated to 172 percent (148).

Telia Company's employees in Finland are entitled to statutory pension benefits pursuant to the

Finnish Employees Pensions Act, a defined benefit pension arrangement with retirement, disability, unemployment and death benefits (TyEL pension). In addition, certain employees have additional pension coverage through a supplemental pension plan. In Finland, a part of the pension is funded in advance and the remaining part financed as a pay-as-you-go pension i.e. contributions are set at a level that is expected to be sufficient to pay the required benefits falling due in the same period.

Telia Norway operates a defined benefit pension plan, which was closed for new entrants in 2011.

The pension obligations are secured mostly by pension funds, but also by provisions in the statements of financial position combined with pension credit insurance.

Telia Company's defined benefit plans are approximately divided between the following groups; 25 percent active members, 36 percent deferred members and 39 percent retirees.

Telia Company's employees in many other countries are usually covered by defined contribution pension plans. Contributions to the latter are normally set at a certain percentage of the employee's salary and are expensed as incurred.

Pension obligations and pension expenses

Total amounts recognized in the statements of financial position for pension obligations were as follows:

SEK in millions	Dec 31, 2021			Dec 31, 2020		
	Sweden	Finland	Norway	Total	Sweden	Finland
Present value of funded pension obligations	23,046	7,427	582	31,055	26,154	8,156
Fair value of plan assets	-24,476	-6,381	-530	-31,387	-23,492	-5,467
Surplus (-)/deficit (+) of funded plans	-1,430	1,046	53	-332	2,662	2,689
Present value of unfunded pension obligations	1,666	–	–	1,666	1,827	–
Net assets (-)/provisions (+) for pension obligations	236	1,046	53	1,335	4,489	2,689
of which recognized as provisions	1,583	1,046	53	2,682	4,647	2,689
of which recognized as assets	-1,347	–	–	-1,347	-158	–

Total pension expenses were distributed as follows.

SEK in millions	Jan-Dec 2021				Jan-Dec 2020			
	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Current service cost	184	243	14	441	180	210	14	405
Past service cost	-	-	-	-	-	-1	-	-1
Gain/loss on settlements	-	-8	-	-8	-	-	-	-
Total pension expenses in operating income from defined benefit obligations	184	235	14	433	180	209	14	403
Interest expense	360	49	9	419	477	91	10	578
Interest income	-305	-33	-8	-346	-497	-73	-8	-578
Total net interest in financial items	55	16	2	73	-19	18	2	0
Total pension expenses from defined benefit obligations	239	251	15	506	161	226	17	404
Pension expenses in operating income from defined contribution plans				1,177				1,200
Remeasurement gains (-)/losses (+)								
Gain/loss from change in financial assumptions	-2,066	-905	-19	-2,989	3,085	1,059	6	4,150
Experience gains/losses	-769	-128	44	-854	898	238	-5	1,132
Gain/loss from change in demographic assumptions	-	-	-	-	1,758	-9	-	1,749
Return on plan assets (excluding interest income)	-1,978	-781	-52	-2,811	153	-6	-11	135
Total gains/losses recorded in OCI, defined benefit pension plans	-4,813	-1,814	-27	-6,654	5,894	1,282	-10	7,166

Specifications to defined benefit obligations and fair value of plan assets
Movements in the present value of defined benefit obligations were as follows.

SEK in millions	2021				2020	
	Sweden	Finland	Norway	Total	Sweden	Finland
Opening balance, present value of pension obligations	27,981	8,156	497	36,634	23,220	7,054
Opening balance, liabilities directly associated with assets classified as held for sale	619	-	-	619	-	-
Total opening balance	28,600	8,156	497	37,253	23,220	7,054
Current service cost	184	243	14	441	180	210
Interest expenses	360	49	9	419	477	91
Benefits paid	-1,016	-139	-10	-1,165	-1,019	-139
Curtailment of pension obligations	-	-	-	-	-	-1
Operations divested ¹⁾	-581	-28	-	-610	-	-
Reclassification to liabilities directly associated with assets classified as held for sale	-	-	-	-	-619	-
Remeasurement gains (-)/losses (+)						
Gain/loss from change in financial assumptions	-2,066	-905	-19	-2,989	3,085	1,059
Experience gains/losses	-769	-128	44	-854	898	238
Gain/loss from change in demographic assumptions	-	-	-	-	1,758	-9
Exchange rate differences	-	179	47	225	-	-346
Closing balance, present value of pension obligations	24,712	7,427	582	32,721	27,981	8,156

¹⁾ Operations divested relate to international carrier operations, see Note C35.

Movements in the fair value of plan assets were as follows.

SEK in millions	2021				2020			
	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Opening balance, fair value of plan assets	23,492	5,467	405	29,364	23,648	5,650	416	29,715
Interest income	305	33	8	346	497	73	8	578
Contribution to pension funds	-	136	43	179	-	105	17	122
Payment from pension funds	-1,300	-	-	-1,300	-500	-	-	-500
Benefits paid	-	-139	-10	-149	-	-139	-8	-147
Operations divested ¹⁾	-	-20	-	-20	-	-	-	-
Remeasurement gains (-)/losses (+)								
Return on plan assets (excluding interest income)	1,978	781	52	2,811	-153	6	-11	-135
Exchange rate differences	-	123	31	154	-	-229	40	-269
Closing balance, fair value of plan assets	24,476	6,381	530	31,387	23,492	5,467	405	29,364

1) Operations divested relate to international carrier operations, see Note C35.

Principal actuarial assumptions

The actuarial calculation of pension obligations and pension expenses is based on the following principal assumptions, each presented as a weighted average for the different pension plans. These assumptions are the most significant ones in terms of the risk for changes in Telia Company's pension obligations. The discount rate reflects the interest rate level at which the pension liabilities could be effectively settled and affects the value of the defined benefit obligations.

As in previous years the discount rate for Sweden is determined by the covered bond market. Since the commitment has a longer duration than most covered bonds, an extrapolation of the yield curve is performed and used with the corresponding duration of Telia Company's pension obligations. The

discount rate for Finland is based on corporate bonds with long duration. The discount rate on the same basis. Inflation and increased longevity on future pension payments and the pension obligation. For Sweden management long-term annual inflation rate based on the target set by the national implied market inflation and forecast. The inflation assumption is derived from inflation swaps. For Norway, the inflation is mainly based on estimations from Norwegian Accounting Standards Board for a sensitivity analysis related to a significant assumptions used in calculation provision.

Dec 31, 2021

Percentages, except longevity	Dec 31, 2021				Weighted average	Sweden	Finland	Norway	Sweden	Finland	Norway	Sweden	Finland	Norway
Discount rate						1.7	1.2	2.2	1.6	1.3				
Inflation						1.8	2.0	1.5	1.8	1.8				
Longevity														
life expectancy 65-year-old male (year)						22	20	22	22	22				21
life expectancy 65-year-old female (year)						25	26	25	25	25				25

Sensitivity of the defined benefit obligations to changes in the assumptions was as follows.

SEK in millions	Dec 31, 2021				Dec 31, 2020			
	Impact on defined benefit obligation				Impact on defined benefit obligation			
	Sweden	Finland	Norway	Total	Sweden	Finland	Norway	Total
Discount rate +0.5 p.p.	-2,307	-702	-52	-3,060	-2,706	-860	-45	-3,610
Discount rate -0.5 p.p.	2,468	808	58	3,335	3,000	1,011	50	4,061
Inflation/Indexation +0.5 p.p. ¹	2,541	769	57	3,366	3,051	966	45	4,061
Inflation/Indexation -0.5 p.p. ¹	-2,228	-667	-51	-2,946	-2,713	-966	-40	-3,719
Longevity +1 year	1,323	220	10	1,553	1,209	296	11	1,515

- Inflation change include pension increase and salary growth.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Investment strategy

The assets of Telia Company's pension funds constitute pension plan assets and are valued at fair value. These assets are used as prime funding source for the pension obligations, and exist primarily in Sweden and Finland. The pension funds invest the assets in such a manner that the liquidity of the funds is ensured. The investment horizons are long-term, and aimed to cover Telia Company's pension obligations. The weighted average duration for the pension obligation plans is approximately 20 years. Investment plans are approved by the boards of the pension funds. The investment activities comply with the rules and regulations issued by the authorities governing pension foundations.

For the Swedish pension fund, which represents approximately 80 percent of the total group plan assets, Telia Company applies a minimum funding requirement.

Asset management has been successful and the portfolio has generated an annual return of 6.6 percent, since inception. As of December 31, 2021, the strategic asset allocation decided by the Board of the Swedish Fund, was 49 percent fixed income, 34 percent equities and 17 percent alternative investments. The alternative investments include real estate and hedge funds. The actual allocation may deviate from the strategic allocation in a range within specified limits. To achieve long term financial targets it is always important to find an appropriate balance between risk and return.

Financial performance has been remarkably strong during 2021. Market conditions expected to be more challenging going forward. Diversification of the assets, and disciplined use of risk are methods used to limit negative impact.

Total plan-asset allocation

As of the end of the reporting period, plan assets were allocated as follows.

SEK in millions Asset category	December 31, 2021				December 31, 2020	
	Quoted	Unquoted	Total	Percent	Quoted	Unquoted
Equity instruments	9,848	467	10,315	33	9,676	451
Debt instruments	13,529	392	13,921	44	12,784	305
Real estate	575	1,400	1,975	6	364	1,574
Cash and cash equivalents	358	–	358	1	458	–
Alternative investments	1,070	3,748	4,818	15	594	3,158
Total	25,380	6,007	31,387	100	23,876	5,488
<i>of which shares in Telia Company</i>	13	–	13	0.04	12	–

Future contributions

For companies in Sweden, pension liabilities are secured also by pension credit insurance. This means that, should the net provision for pension obligation increase, each company can choose if and when to

contribute to the pension fund or other pension fund. Telia Company expects to recognize a provision. To pension fund in Sweden, Telia Company expects to SEK 146 million in 2022.

C23. Other provisions

Changes in other provisions were as follows.

SEK in millions	December 31, 2021		
	Restructuring provisions	Asset retirement obligations	Other provisions
Opening balance	254	3,033	1,627
Provisions for the period	563	151	128
Utilized provisions	-480	-357	-27
Reversals of provisions	-7	-1	-445
Reclassifications	-2	-	-
Timing and interest-rate effects	-	46	-
Exchange rate differences	2	42	108
Closing balance	330	2,914	1,391
<i>of which non-current portion</i>	<i>64</i>	<i>2,914</i>	<i>1,341</i>
<i>of which current portion</i>	<i>266</i>	<i>-</i>	<i>50</i>

Restructuring provisions

The restructuring provisions represent the present value of management's best estimate of the amounts required to settle the liabilities. The estimates may vary as a result of changes in the length of notice period before leaving and in the actual outcome of negotiations with, sub-contractors and other external counterparts as well as the timing of such changes. The restructuring provisions are mainly related to workforce reduction as a result of ongoing optimization of the business in the Nordics and Group functions.

Asset retirement obligations

Asset retirement obligations mainly refer to handling hazardous waste such as worn-out telephone poles impregnated with creosote or arsenic and to dismantling and restoration of mobile and fixed network sites. Remaining provisions as of December 31, 2021, are expected to be fully utilized in the period 2023–2101, depending on factors such as any contractual renewal options for site leases and dismantling plans decided by management.

Other provisions

Other provisions include provisions and court cases, future pensions and making contracts, insurance provisions on future pension payments, estimates related to fulfilling representations and warranties, i.e. transaction warranties, and litigation etc. in connection with winding-up of group entities, associations and other equity holdings as well as for buy-back commitments for sold certain markets. Full utilization of the is expected in the period 2022–2053. Provisions represent the present value of best estimate of the amounts required to settle the liabilities.

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C24. Other long-term liabilities

Other long-term non-interest-bearing liabilities were distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Norwegian license fee liabilities at amortized cost	750	–
Danish license fee liabilities at amortized cost	461	171
Finnish license fee liabilities at amortized cost	87	166
Other liabilities at amortized cost	128	142
Financial liabilities at amortized cost (see Categories – Note C26)	1,426	480
Prepaid operating lease agreements	265	–
Other liabilities	223	277
Total other long-term liabilities	1,914	757

For liabilities at amortized cost, the carrying value approximates fair value as the impact of discounting using market interest rates at the end of the reporting period was insignificant. See Note C26 for more information on financial instruments classified by

category and to Note C27 on management of liquidity risk.
As of December 31, 2021, contractual undiscounted cash flows for liabilities at amortized cost represented the following expected maturities.

Expected maturity SEK in millions	2023	2024	2025	2026	Later years	Carrying value
Liabilities at amortized cost	414	304	235	235	319	1,426

For information on leases, see Note C28.

C25. Trade payables and other current liabilities

Trade payables and other current liabilities were distributed as follows.

SEK in millions	Dec 31, 2021
Currency swaps, forward exchange contracts and currency options at fair value through income statement	
Subtotal (see Fair value hierarchy levels – Note C26)	
Accounts payable at amortized cost	17,
<i>of which accounts payable under vendor financing arrangements</i>	11,
Current liabilities at amortized cost	4
Subtotal (see Categories – Note C26)	21
Other current liabilities	6,
Contract liabilities (Deferred income)	3
Total trade payables and other current liabilities	31,

For accounts payable and current liabilities, the carrying value equals fair value as the impact of discounting is insignificant. See Note C26 for more information on financial instruments classified by category/fair value hierarchy level and to Note C27 on management of liquidity risk. Telia Company has arrangements with several banks under where the

banks offers Telia Company's vendors receive earlier payment of Telia Company payables. Vendors utilizing the financial instrument pay a credit fee to the bank. Telia Company does not pay any credit fees and does not have any additional collateral arrangements.

As of December 31, 2021, contractual cash flows for liabilities at amortized cost represented the following expected maturities.

Expected maturity SEK in millions	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Total
Liabilities at amortized cost	11,213	2,707	2,586	4,991	21,497

Corresponding information for currency derivatives held-for-trading are presented in section "Liquidity risk management" to Note C27.

The main components of current liabilities are accrued payables to suppliers and accrued interconnect and roaming charges, while other current liabilities mainly entail value-added tax, advances from customers and accruals of payroll expenses and social security contributions.

Contract liabilities (Deferred income) mainly relate to subscription and other telecom charges.

C26. Financial assets and liabilities by category and level

Categories

Carrying values of classes of financial assets and liabilities were distributed by category as follows:

SEK in millions	Note	Dec 31, 2021
Financial assets		
Derivatives designated as hedging instruments	C16, C18, C19	1,011
Financial assets at fair value through income statement		4,411
of which derivatives at fair value through income statement	C16, C18, C19	4,411
of which other investments at fair value through income statement	C16	4,411
Financial assets at fair value through OCI ¹	C16, C19	1,411
Long- and short-term bonds measured at fair value through income statement ¹	C16, C18, C19	11,511
Total financial assets at fair value		14,411
Financial assets at amortized cost	C16, C18, C19	29,611
Total financial assets by category		44,111
Financial liabilities		
Derivatives designated as hedging instruments	C21	1,711
Derivatives measured at fair value through income statement	C21, C25	1,111
Total financial liabilities at fair value		1,911
Financial liabilities measured at amortized cost	C21, C24, C25	122,611
Total financial liabilities by category		124,511

¹) From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value through OCI, but from January 1, 2021, measured at fair value through income statement, see Note C1.

Fair value hierarchy levels

The carrying values of classes of financial assets and liabilities measured at fair value were distributed by fair value hierarchy level as follows.

SEK in millions	Note	December 31, 2021			December 31, 2020		
		Carrying value	of which		Carrying value	of which	
			Level 1	Level 2		Level 1	Level 2
Financial assets at fair value							
Equity instruments at fair value through OCI	C16	576	–	–	576	–	473
Equity instruments at fair value through income statement	C16	18	–	–	18	–	18
Long- and short-term bonds at fair value through OCI¹	C16, C19	830	830	–	–	7,263	1,250
Long- and short-term bonds at fair value through income statement¹	C16, C19	11,578	9,883	1,695	–	–	–
Derivatives designated as hedging instruments	C16, C18, C19	1,034	–	1,034	–	–	3,129
Derivatives at fair value through income statement	C16, C18, C19	462	–	462	–	–	1,049
Total financial assets at fair value by level		14,497	10,713	3,191	594	7,263	5,427
Financial liabilities at fair value							
Derivatives designated as hedging instruments	C21, C25	1,734	–	1,734	–	–	3,802
Derivatives at fair value through income statement	C21, C25	166	–	166	–	–	917
Total financial liabilities at fair value by level		1,900	–	1,900	–	–	4,719

¹⁾ From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value through OCI but is from January 1, 2021, measured at fair value through income statement, see Note C1.

There were no transfers between Level 1, 2 or 3 in 2021 or 2020.

Fair value measurement of Level 3 instruments

Investments classified within Level 3 significant unobservable inputs in determining fair value, as they trade infrequently. As prices are not available for these equity instruments, Telia Company has a market approach to determine their fair value.

Telia Company's primary valuation method for estimating the fair value of instruments in Level 3 is based on the transaction for the specific company action has been recently done. If there are significant changes in circumstances since the transaction date and the balance sheet date, the assessment of Telia Company's management is used to determine the fair value. In the assessment of Telia Company's management, the fair value of the instrument is adjusted to reflect the changes.

The table below presents the movement in Level 3 instruments during the year.

SEK in millions	Assets, Jan-Dec, 2021		Liabilities, Jan-Dec, 2021	
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total	Contingent considerations
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	-

SEK in millions	Assets, Jan-Dec, 2020		Liabilities, Jan-Dec, 2020	
	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Total	Contingent considerations
Level 3, opening balance	319	13	332	41
Changes in fair value	63	-	63	-
<i>of which recognized in other comprehensive income</i>	63	-	63	-
Purchases/capital contributions	99	5	104	-
Settlements	-7	-	-7	-41
Exchange rate differences	-2	-	-2	-
Level 3, closing balance	473	18	491	-

C27. Financial risk management

Principles of financing and financial risk management

Telia Company's financing and financial risks are managed under the control and supervision of the Board of Directors of Telia Company. Financial management is centralized within the Group Treasury unit of Telia Company, which operates as Telia Company's internal bank and is responsible for the management of financing, management of capital and cash. Group Treasury is also responsible for Telia Company's financial risk management, financial infrastructure, implementation of group policies and instructions, identification and monitoring of financial risks as well as implementation of hedging strategies thereof. The most noticeable risks under Group Treasury's responsibility are credit risk, liquidity risk, currency risk, interest rate risk and (re-) financing risk. Group Treasury also seeks to manage the cost of financial risk management.

Telia Company finances its operations mainly by borrowing under its uncommitted open-market financing programs directly in Swedish and international money markets and debt capital markets. The communicated funding strategy themes have been to have a smooth maturity profile, maintain duration, to diversify funding sources and to keep a prudent liquidity position. Capital markets is the primary source of funding while bank funding is considered mainly as backup. This increases flexibility and ensures access to markets with attractive pricing. The open-market financing programs typically provide a

cost-effective and flexible alternative financing. During 2021 outstanding Telia borrowed in SEK were bought back at a amount of SEK 728 million and Telia inated in EUR matured at a nominal 504 million (SEK 5,051 million). No r transactions were executed during 2

Capital management

Telia Company's capital structure and policy is decided by the Board of Directors. Company intends to follow a progressive policy, with a floor of SEK 2,000 per share, for low to mid-single digit per share. The operational free cash flow is expected to cover the minimum level throughout the 2021 period. The structural part of operational cash flow is expected to cover the minimum level from 2022. For 2021, the Board of Directors to the Annual General Meeting (AGM) dividend of SEK 2.05 per share (2.00 billion (8.2)). The dividend should be distributed into two tranches of SEK and SEK 1.05 per share, respectively.

Telia Company targets a leverage ratio to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade credit rating of Telia Company rating changed during 2021. Moody's rating is Baa1 with a stable outlook. Standard & Poor long-term rating is BBB+

term rating is A-2, both with a stable outlook. These ratings represent a solid investment grade level and are expected to allow Telia Company continued good access to the financial markets.

Telia Company is not subject to any externally imposed capital requirements.

In respect of capital management, Telia Company defines capital as equity and 50 percent of hybrid bonds, which is consistent with the market practice for this type of instrument. As per December 31, 2021, Telia Company's capital amounted to SEK

93,972 million (73,763), whereof equity SEK 83,544 million (63,496) and 50 percent of hybrid bonds SEK 10,428 million (10,267).

Credit risk management

Credit risk is the risk of delay or loss of value or income as well as incurred costs due to counterparty default or failure to meet its financial obligations. The carrying amount of Telia Company's instruments with credit risk exposure is as follows.

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020
Other non-current assets excluding Equity instruments at cost, Costs to obtain a contract, Contract assets and Deferred expenses	C16	10,043	12,009
Trade and other receivables and assets excluding Other current receivables,			
Current contract assets and Deferred expenses	C18	10,942	10,632
Short-term interest-bearing receivables	C19	8,841	5,486
Cash and cash equivalents	C19	14,358	8,133
Total		44,184	36,260

When entering into financial transactions such as interest rate swaps, cross-currency swaps and other derivative transactions, Telia Company accepts only creditworthy counterparties with a solid investment grade rating. Telia Company requires each counterparty to have an International Swaps and Derivatives Association, Inc. (ISDA) agreement. The permitted exposure of each counterparty when entering into a

financial transaction depends on the rating of that counterparty.

The net aggregated exposure in derivatives as of December 31 is distributed by the counterparty long-term rating as in the table below. Received collateral, regulated by the Credit Support Annex of the ISDA agreements, is deducted from the exposure.

Telia Company can invest surplus cash in bank deposits and securities issued by banks with a rating of at least A- (Standard & Poor's) or A3 (Moody's). In addition investments can be made in corporate securities with rating of at least BBB+ or Baa1. Cash can also be invested in government bonds and treasury bills issued by the Swedish, German, Finnish, Norwegian or Danish government, Swedish municipals, investment funds and securitized assets with AAA/ Aaa rating. Expected credit losses for cash in bank and deposits as well as for investments in securities measured at amortized cost or at fair value through OCI are reassessed on a regular basis and is primarily based on external ratings of the counterparties or issuers. The expected credit losses on the balance sheet date are considered insignificant and reflects the high credit quality of the counterparties reflected in the external ratings. The exposure related to cash in bank deposits and investments in securities is distributed as in the tables below.

The credit risk with respect to Telia Company's trade receivables is diversified geographically and among a large number of customers, private individuals as well as companies in various industries. Solvency information is required for credit sales to minimize the risk of credit losses and is based on group-internal information on payment behavior, if necessary supplemented by credit and business information from external sources. Incurred expenses for credit losses in relation to consolidated net sales was approximately 0.7 percent in 2021 and 0.8 percent in 2020.

Telia Company applies a simplified approach for calculating expected credit losses for trade receivables, meaning that the loss allowance reflect lifetime

expected credit losses for those assets for which credit risk has not increased significantly since initial recognition. The loss allowance for expected credit losses for trade receivables is calculated using a provision matrix taking into account the age of the receivables and experience of historical losses. The historical information in the provision matrix is regularly assessed to determine that it reflects information about current conditions and reasonable and supportable information. For quantitative information on loss allowance for expected credit losses for receivables, see Note C18.

The loss allowance for expected credit losses on consumer financing receivables is calculated on default statistics per country. The statistics are based on how much of each portfolio that is transferred to debt collection of the contracts. The historical information is used to calculate the loss allowance in order to determine that it reflects information about current conditions and reasonable future conditions.

An allowance for expected credit losses related and recognized also for lease receivables loss allowance for lease receivables based on risk classification from a credit agency representing the probability of a party will encounter financial problems. credit loss within the leasing area the an option to sell the underlying asset as part.

For quantitative information on allowance for expected credit losses for lease receivables, see Note C28.

2021

SEK in millions Rating Category (S&P / Moody's)	Cash and bank	Cash equivalents	Long and short-term investments	Counterparty exposures derivatives
AAA / Aaa	–	–	5,779	–
AA+ to AA- / Aa1 to Aa3	9,025	–	1,640	74
A+ to A- / A1 to A3	4,953	330	3,582	117
BBB+ to BBB- / Baa1 to Baa3	–	50	1,027	–
Non-investment grade	–	–	–	–
Total	13,978	380	12,028	191

2020

SEK in millions Rating Category (S&P / Moody's)	Cash and bank	Cash equivalents	Long and short-term investments	Counterparty exposures derivatives
AAA / Aaa	–	–	6,033	–
AA+ to AA- / Aa1 to Aa3	4,824	234	316	46
A+ to A- / A1 to A3	2,890	85	1,279	171
BBB+ to BBB- / Baa1 to Baa3	–	100	500	–
Non-investment grade	–	–	–	–
Total	7,714	419	8,128	217

Liquidity risk management

Liquidity risk is the risk that Telia Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Telia Company has internal control processes and contingency plans for managing liquidity risk. The short-term and mid-term liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from operations.

A centralized daily cash pooling process enables Telia Company to manage liquidity surpluses and deficits according to the actual needs on group and subsidiary level.

Telia Company's policy is to have a prudent liquidity position in terms of available cash and/or unutilized committed credit facilities. Telia Company's short-term liquidity risk (payment obligations due within a year, see table "Expected maturity") is managed with the liquidity reserve described below. For other unrecognized contractual obligations, see Note C30.

SEK in millions

Surplus liquidity	13,978
Cash and bank	13,978
Cash equivalents ¹	5,779
Cash and cash equivalents (see also Note C19)	14,141
Short-term investments ² (see also Note C19)	6,033
Total	20,174
Long-term investments ³ (see also Note C16)	5
Total surplus liquidity	26,179

Committed credit facilities

Revolving credit facilities (limit amount)	15,111
Bank overdraft and short-term credit facilities (limit amount)	1,111
Utilized credit facilities	16,222
Total unutilized committed credit facilities	16,222
Liquidity position	43,951

1) Bank deposits and securities which mature within 3 months of the date of acquisition.

2) Securities with maturities between 3 and 12 months. Convertible to cash within 2 days, i.e. excluding securities that for regulatory reasons cash within 2 days.

3) Securities with maturities exceeding 12 months. Convertible to cash within 2 days.

Telia Company's committed bank credit facilities and overdraft facilities, intended for short-term back-up purposes, were as follows.

SEK in millions Group entity	Type	Characteristics	Final maturity	Currency
Telia Company AB	Revolving credit facility	Committed, syndicated	September 2023	EUR
Telia Company AB and subsidiaries	Bank overdraft facility	Committed, bilateral	Extended yearly	(various)

At year end, contractual undiscounted cash flows for the group represented the following expected maturities. The amounts regarding the group's interest-bearing borrowings and derivatives include instalments and estimated interest payments. The maturity date for the hybrid bonds in SEK is 2077, 2078 for the EUR bond and 2081 for the green hybrid EUR bond. However, at specific dates Telia Company has the option to exercise early redemption. The first of these dates, also known as call dates, occur in 2022 for the SEK bonds, 2023 for the EUR bond and in 2026 for the green hybrid EUR bond. Amounts in foreign currency have been converted into SEK using the exchange rate prevailing as of the end of the reporting period. Future interest payments, related to instruments with floating interest rates, have been estimated using forward rates. Where gross settlements are performed (cross-currency interest rate swaps, currency swaps and forward exchange contracts), all amounts are reported on a gross basis.

Currency risk management

Currency risk is the risk that fluctuations in foreign exchange rates will adversely affect the group's results, financial position and/or cash flows. Currency risk can be divided into operational transaction exposure and translation exposure.

Transaction exposure relates to net inflows or outflows of foreign currencies required by operations and financing. Telia Company's general policy is to hedge the majority of known operational transaction exposure up to 12 months into the future. Financial flows are usually hedged until maturity, even if that is longer than 12 months.

Other

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Expected maturity SEK in millions	Note	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	2023	2024	2025	2026
Utilized bank overdraft and short-term credit facilities		-	-6	-	-	-	-	-	-
Open-market financing program borrowings		-4,699	-487	-1,839	-7,579	-12,646	-8,460	-8,894	-6,124
Other borrowings		-247	-625	-	-	-13	-308	-	-
Cross-currency interest rate swaps and interest rate swaps									
Payables		-4,283	-491	-3,167	-536	-13,202	-13,794	-5,764	-7,566
Receivables		4,230	447	2,899	613	12,787	13,828	5,462	7,284
Currency swaps and forward exchange contracts									
Payables		-32,749	-36	-326	-6	-	-	-	-
Receivables		32,880	36	334	7	-	-	-	-
Financial guarantees	C23	-	-	-	-	-	-	-	-
Other long-term liabilities	C24	-	-	-	-	-414	-304	-235	-455
Trade payables and Other current liabilities	C25	-11,213	-2,707	-2,586	-4,991	-	-	-	-
Lease Liabilities	C28	-896	-735	-721	-861	-2,461	-2,039	-1,852	-1,804
Credit and performance guarantees	C30	-	-	-1	-	-	-	-	-
Total		-16,948	-4,604	-5,407	-13,354	-15,949	-11,077	-11,283	-8,465

In the table Hybrid bonds are represented at their call date.

Regarding foreign currency transaction exposure, CFO has a clearly defined deviation mandate which is capped at the equivalent of SEK 10 million calculated as one day Value at Risk (VaR), expressed as the long/short SEK counter-value amount that may be exposed to currency fluctuations. Since SEK is the functional currency of Telia Company, borrowings are either denominated in, or swapped into SEK

unless linked to international operations or allocated as hedging of net investments in foreign currency.

Financial transaction exposure risk

At year end, contractual undiscounted financial cash flows split by currency, for the group's interest-bearing borrowings, assets and derivatives represented the following expected maturities, including instal-

ments and estimated interest payments. foreign currency have been converted to the exchange rate prevailing as of the reporting period. Future interest payments to instruments with floating interest rates estimated using forward rates.

SEK in millions		Jan– Mar 2022	Apr– Jun 2022	Jul– Sep 2022	Oct– Dec 2022	2023	2024	2025	2026	Total
AUD	Interest bearing asset									
	Interest bearing liabilities	-7	-	-7	-	-13	-13	-13	-13	-587
	Derivatives	7	-	7	-	13	13	13	13	587
	Net	0	-	0	-	0	0	0	0	0
DKK	Interest bearing asset									
	Interest bearing liabilities	-41	-	-	-	-	-	-	-	-41
	Derivatives	-2,868	-	-	-	-	-	-	-	-2,868
	Net	-2,909	-	-	-	-	-	-	-	-2,909
EUR	Interest bearing asset	41	-	-	-	-	-	-	-	41
	Interest bearing liabilities	-4,678	-370	-361	-269	-10,717	-7,638	-7,855	-5,844	-34,568
	Derivatives	9,462	324	-910	221	9,885	6,508	4,859	5,254	2,890
	Net	4,285	-46	-1,271	-48	-832	-1,130	-2,996	-590	-31,678
GBP	Interest bearing asset	-	-	-	-	-	-	-	-	-
	Interest bearing liabilities	-	-	-	-131	-131	-131	-131	-131	-5,110
	Derivatives	-	-	-	131	131	131	131	131	5,110
	Net	-	-	-	0	0	0	0	0	0
JPY	Interest bearing asset	-	-	-	-	-	-	-	-	-
	Interest bearing liabilities	-8	-	-1,424	-	-8	-8	-8	-8	-894
	Derivatives	4	-	1,424	-	8	8	8	8	894
	Net	-4	-	0	-	0	0	0	0	-4
NOK	Interest bearing asset	-	-	-	111	-	-	-	-	111
	Interest bearing liabilities	-19	-71	-6	-561	-121	-121	-121	-121	-4,319
	Derivatives	-3,151	-68	-54	-86	-2,371	-6,614	-62	-1,578	-21
	Net	-3,170	-139	50	-647	-2,492	-6,735	-183	-1,699	-19,354
USD	Interest bearing asset	112	-	-	-	-	-	-	-	112
	Interest bearing liabilities	-	-	-	-	-	-	-	-	-
	Derivatives	30	20	26	7	-	-	-	-	-
	Net	142	20	26	7	-	-	-	-	195

The cash flow pertains to foreign exchange rate hedging of receivables, payables and cash balances. Foreign exchange rate risks are also mitigated through the group's net investments in "Translation exposure."

Operational transaction exposure sensitivity

In most cases, Telia Company customers are billed in their respective local currency. Receivables from and payables to other operators for international fixed-line traffic and roaming are normally settled net through clearing-houses. Hence, the operational need to net purchase foreign currency is limited due to a deficit from such settlements. Limited import of equipment and supplies are sourced from transaction exposures are the Nordic operations involving EUR.

Impact on Net income if currency rate depreciates by 10 percent 2021

Currency	Impact on Net income if currency rate depreciates by 10 percent 2021
EUR	0.6
NOK	5.5
DKK	-0.3
Other	-1.5

The sensitivity analysis is based on the exposure as of year end and after hedges.

Translation exposure

Translation exposure relates to net investments in foreign operations. CFO has a mandate to implement hedging up to a specific ratio limit. Telia Company's net investments in foreign operations were distributed by currency as follows.

SEK in millions	2021		2020	
	Net investments	Hedged through derivatives	Net borrowings or derivatives	Net
DKK	2,272	-	2,272	2,917
EUR	43,534	-16,899	26,635	47,512
GBP	-	-	-	105
NOK	29,543	-	29,543	28,630
RUB	-	-	-	75
USD	-	-	-	365
Other currencies	-	-	-	625
Total	75,349	-16,899	58,450	80,229
				-17,104
				63,125

Translation exposure sensitivity

The positive impact on group equity would be approximately SEK 5.8 billion(6,3) if the Swedish krona weakened by 10 percentage points against all translation exposure currencies and vice versa. The calculation is based on the exposure as of year end, including hedges but excluding any potential equity impact due to Telia Company's operational need to net purchase foreign currency, or to currency translation of other net income related items. Changes in exposure during 2021 is mainly due to dividend from Finland (EUR) and divestment of Telia Carrier (miscellaneous).

Interest rate risk management

Telia Company's sources of funds are primarily equity attributable to owners of the parent, cash flows from operating activities, and borrowings. The interest-bearing borrowing and financial investments expose the group to interest rate risk. Interest rate risk is the risk that a change in interest rates will negatively affect the group's net interest expense and/or cash flows. The interest rate risk relating to Telia Company's lease agreements is deemed immaterial. Leasing is not under active interest rate risk management and is therefore not included in the section below.

Average interest rates, including relevant hedges, on Telia Company's outstanding long-term borrowings as of the end of the reporting period was as follows.

Percent	Dec 2021	Dec 2020
Long-term borrowings	4.1	3.7
Short-term borrowings	3.1	2.7
1) Excluding lease liabilities.		
Debt key figures on debt portfolio as of the end of the reporting period was as follows. Amounts represent carrying values excluding leases.		
SEK in millions	Dec 2021	Dec 2020
Duration (interest rate risk)	3.1	3.1
Average maturity (years)	3.1	3.1
Short-term borrowings	78	78
Long-term borrowings	57	57
Interest rate adjustment <1year	28	28
Interest rate adjustment >1year	28	28
1) Excluding lease liabilities.		

Telia Company's financial policy provides the framework for management of interest rates and the average maturity of borrowings and investments. The group aims at balancing the estimated running cost of borrowing and the risk of negative impact on finance net if market interest rates increase. The group's policy is that the duration of the debt portfolio should be between 1 to 5 years. If the loan portfolio structure deviates from the desired one, various

forms of derivative instruments are used to adjust the structure in terms of duration and including interest rate swaps and cross-currency interest rate swaps. During 2021 GBP interest rate swaps were replaced due to the reference rates were replaced due to the rate benchmark reform. All affected contracts (GBP and JPY) have been swapped to the new reference rates due to the company had a net zero exposure in

rates, and therefore there was no financial impact from the transition. Telia Company are prepared for at transition in other reference rates if necessary but assess that no other reference rates are subject to changes in the year 2022. For exposures in different currencies see "Financial transaction exposure risk".

At year end, Telia Company's rate reset periods of interest-bearing assets, liabilities and derivatives represented the following interest types and expected maturities. Amounts indicated represent nominal values.

Expected maturity SEK in millions	Jan- Mar 2022	Apr- Jun 2022	Jul- Sep 2022	Oct- Dec 2022	2023	2024	2025	2026	Later years	Total
Fixed										
Interest bearing asset ¹⁾	1,708	1,078	772	60	1,662	1,168	1,292	1,029	455	9,224
Interest bearing liabilities ¹⁾	-4,169	-631	-1,417	-2,013	-10,137	-6,928	-7,621	-5,128	-39,056	-77,101
Derivatives	3,921	-5,000	1,417	2,013	5,710	6,621	6,391	5,128	22,646	48,846
Net	1,460	-4,553	772	60	-2,765	860	61	1,029	-15,956	-19,031
Float										
Interest bearing asset ¹⁾	2,972	63	-	-	-	-	-	-	-	3,035
Interest bearing liabilities ¹⁾	-985	-5,000	-	-	-	-	-	-	-	-5,985
Derivatives	-34,375	-14,734	-	-	-	-	-	-	-	-49,109
Net	-32,388	-19,671	-	-	-	-	-	-	-	-52,059
Total, net	-30,928	-24,224	772	60	-2,765	860	61	1,029	-15,956	-71,090

1) Excluding lease receivables and lease liabilities.

Telia Company has designated certain interest rate swaps as cash flow hedges to hedge against changes in the amount of future cash flows related to interest payments on existing liabilities also including certain long-term borrowings hedging net investments, see Note C21. Hedge ineffectiveness related to outstanding cash flow hedges was immaterial and recognized in net income. Net changes in fair value recognized in other comprehensive income are offset in a hedging reserve as a component of equity, see Note C11. During the year no cash flow hedges were discontinued

due to the original forecasted transactions not having occurred in the originally specified time period.

Interest rate risk sensitivity

At year end Telia Company had interest-bearing debt of SEK 85,9 billion, carrying value, with duration of interest of approximately 3 years, including derivatives. The volume of debt exposed to changes in interest rates over the next 12-month period was at the same date approximately SEK 57,6 billion, carrying value, assuming that existing debt maturing

during the year are refinanced and after accounting for derivatives.

The exact effect of a change in interest rates on the financial net stemming from this debt portfolio depends on the timing of maturity of the debt as well as reset dates for floating rate debt, and that the volume of loans may vary over time, thereby affecting the estimate.

However, assuming that those loans were reset by start of next year, at a one percentage point higher interest rate than the prevailing rate as per year end, and remained at that new level during 12 months, the post-tax interest expense would increase by approximately SEK 476 million (472). At the same time the effect on equity would be a decrease of SEK 33 million (50) due to cash flow hedges.

Carrying value of the loan portfolio would change by approximately SEK 2,4 billion (2,3), should the level in market interest rates make a parallel shift of one percentage point, and assuming the same volume of loans and a similar duration on those loans as per year end.

Refinancing risk management

In order to reduce refinancing risk, the group aims to distribute loan maturity dates over a longer period. The group's policy is that the average maturity of borrowings should exceed 4 years and that a maximum of 25 percent of the funding is allowed to mature within 2 years. As of year end the average maturity of Telia Company's borrowings was 6.4 years and 9 percent of the borrowings due within 2 years.

Pension obligation risk and sensitivity

See Note C22 for details on the pension obligation risks and a sensitivity analysis.

Management of insurable risks
The insurance cover is governed by common policies and includes a common package of property and liability insurance programs for all business units and other units being responsible for the risks. The extent of the insurance cover at Telia Company is common group insurance programs administered by Telia Forsäkring AB, as a strategic partner in the insurance programs. Some of the insurance programs are reinsured in the reinsurance market.

Master netting arrangements and similar agreements

Telia Company has entered into ISDA agreements for its OTC derivative business with a rate and currency derivatives with a number of banks. These ISDA Master Agreements are used to do close-out nettings. For the financial operations, ISDAs (credit support annex) may be entered into as an annex to the master agreements and are subject to current receivables/liabilities. Under the master agreements, the parties agree to provide each other with a netting set in a week which is calculated based on a weekly exposure under the specific agreements. The netting set is not considered collateral.

In the end of 2021 EONIA replaced by 1-day interbank interest rate in the EONIA. As a consequence of this Telia Company collateral interest rate from ISRA to the fourth quarter in 2021. The change has no material effect on the fair value of derivatives.

December 31, 2021

SEK in millions	Financial assets, gross amounts	Offset in the balance sheet	Net amount of financial assets in the statement of financial position	Impact of master netting agreement	CSA received	Net amount
Interest and cross- currency interest rate swaps	1,338	-	1,338	-1,014	-199	126
Currency swaps and forward exchange contracts	157	-	157	-13	-	144
Other	8	-5	3	-	-	3
Total	1,504	-5	1,499	-1,027	-199	273

December 31, 2021

SEK in millions	Financial liabilities, gross amounts	Offset in the balance sheet	Net amount of financial liabilities in the statement of financial position	Impact of master netting agreement	CSA delivered	Net amount
Interest and cross- currency interest rate swaps	1,886	-	1,886	-1,014	-601	271
Currency swaps and forward exchange contracts	14	-	14	-13	-	1
Other	52	-9	43	-	-	43
Total	1,952	-9	1,943	-1,027	-601	315

Hedge accounting

Telia Company mainly applies hedge accounting when hedging interest rate and currency risk related to funding activities. Telia Company's objective with the hedge strategies is to mitigate the uncertainty in future payments. The uncertainty is due to changes

in future interest fixings but also changes in currency rates against SEK.

A hedge relationship will be perfectly matched by critical terms. That means that the critical terms of the hedged item and the hedging instrument will be identical. The terms that may be considered as

December 31, 2020

SEK in millions	Financial assets, gross amounts	Offset in the balance sheet	Net amount of financial assets in the statement of financial position	Impact of master netting agreement
Interest and cross- currency interest rate swaps	4,156	-	4,156	-3,217
Currency swaps and forward exchange contracts	21	-	21	-16
Other	2	-2	-	-
Total	4,179	-2	4,177	-3,233

December 31, 2020

SEK in millions	Financial liabilities, gross amounts	Offset in the balance sheet	Net amount of financial liabilities in the statement of financial position	Impact of master netting agreement
Interest and cross- currency interest rate swaps	4,193	-	4,193	-3,217
Currency swaps and forward exchange contracts	526	-	526	-16
Other	7	-7	-	-
Total	4,726	-7	4,719	-3,233

critical are nominal amount, currency, maturity date, future coupon payment dates, future coupon fixing dates or fixing rate index.

To assess that the hedge can be assumed to be effective going forward the future cash flows calculated based on the critical terms can be compared between the hedged item and the hedging instrument. If the cash flows offset the cash flows of the hedged item, the hedge will be deemed to be highly effective going forward (prospectively).

For more information about hedge accounting principles see Note C3.

Hedging instruments 2021

Hedging instruments 2020

			Assets		Liabilities	
SEK in millions	Instrument	Line item	Nominal amount	Carrying amount	Changes in value during the year	
Fair value hedges						
Interest rate risk	Derivatives	Long/Short-term receivables/borrowings	17,606	394	-1,131	435
Cash flow hedges						
Foreign exchange risk	Derivatives	Long/Short-term receivables/borrowings	7,657	102	50	-1,025
Net investment hedges						
Foreign exchange risk	Bonds	Long/Short-term receivables/borrowings	-	-	-	2,450
Foreign exchange risk	Derivatives	Long/Short-term receivables/borrowings	-	-	-	-1,923

			Assets		Liabilities	
SEK in millions	Instrument	Line item	Nominal amount	Carrying amount	Changes in value during the year	
Fair value hedges						
Interest rate risk	Derivatives	Long/Short-term receivables/borrowings	52,802	1,525	243	9,936
Cash flow hedges						
Foreign exchange risk	Derivatives	Long/Short-term receivables/borrowings	8,869	52	-1,588	31,089
Net investment hedges						
Foreign exchange risk	Bonds	Long/Short-term receivables/borrowings	-	-	-	18,211
Foreign exchange risk	Derivatives	Long/Short-term receivables/borrowings	-	-	-	7,700

Hedged items 2021

SEK in millions Fair value hedges, interest rate risk	Liabilities				Ineffectiveness recognized in profit or loss
	Total Carrying Amount	Accrued amount debt	Accumulated value adjustment on hedged item	Value adjustment on hedged item during the year	Accumulated value adjustment on closed hedge relations
Line item in balance sheet					
Long/Short-term borrowings	59,452	58,765	687	-1,679	1,019
Line item in income statement					
Finance net	-	-	-	-	18

Hedged items 2020

SEK in millions Fair value hedges, interest rate risk	Liabilities				Ineffectiveness recognized in profit or loss
	Total Carrying Amount	Accrued amount debt	Accumulated value adjustment on hedged item	Value adjustment on hedged item during the year	Accumulated value adjustment on closed hedge relations
Line item in balance sheet					
Long/Short-term borrowings	56,759	54,393	2,366	397	1,065
Line item in income statement					
Finance net	-	-	-	-	-27

Hedged items 2021

SEK in millions Cash flow hedges, foreign exchange risk	Liabilities				Ineffectiveness recognized in profit or loss
	Change in the hedged item during the year	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for closed hedges	Change in value on hedged item during the year via other comprehensive income	
Line item in balance sheet					
Long/Short-term borrowings					
Equity	-	21	-339	-	-
Line item in income statement					
Finance net	-	-	-	-	-
Other comprehensive income	860	-	-	860	-

Hedged items 2020

SEK in millions Cash flow hedges, foreign exchange risk	Liabilities				Ineffectiveness recognized in profit or loss
	Change in the hedged item during the year	Cash flow hedge reserve for continuing hedges	Cash flow hedge reserve for closed hedges	Change in value on hedged item during the year via other comprehensive income	
Line item in balance sheet					
Long/Short-term borrowings					
Equity	-	-128	-3	-	-
Line item in income statement					
Finance net	-	-	-	-	-
Other comprehensive income	-1,813	-	-	-1,813	-

Hedged items 2021

SEK in millions Net investment hedges, foreign exchange risk	Assets				
	Change in value on the hedged item during the year	Foreing currency translation reserve	Foreign currency translation reserve closed hedges	Change in value on hedged item during the year via other comprehensive income	Amount reclassified from translation reserve to profit or loss
Line item in balance sheet					
Equity	-	4,409	-	-	-
Line item in income statement					
Finance net	-	-	-	-	-
Other comprehen- sive income	414	-	-	414	-

Hedged items 2020

SEK in millions Net investment hedges, foreign exchange risk	Assets				
	Change in value on the hedged item during the year	Foreing currency translation reserve	Foreign currency translation reserve closed hedges	Change in value on hedged item during the year via other comprehensive income	Amount reclassified from translation reserve to profit or loss
Line item in balance sheet					
Equity	-	4,081	-	-	-
Line item in income statement					
Finance net	-	-	-	-	-
Other comprehen- sive income	-635	-	-	-635	-

C28. Leases

Telia Company as lessee

The group leases various types of assets, such as technical space (e.g. technical sites, roof-tops, co-locations, space on towers and data centers), technical equipment (e.g. copper, dark fiber, IRU, ducts, towers, base stations and servers), non-technical space (e.g. office space, stores and parking space) and land. Other leases mainly relate to cars, office equipment and IT equipment. Lease agreements are negotiated on individual basis and contain a wide range of different lease terms and conditions. The lease contracts often include renewal options for various periods of time. The lease liabilities (and the right-of-use assets) include the non-cancellable period of the lease together with both extension periods (if Telia Company is reasonable certain to

exercise the extension option) and termination periods (if Telia Company is reasonable certain to exercise the termination option). Details of the lease term therefore requires materiality, see Note C2. Apart from short-term leases, estimated lease terms including extension and termination periods range from 4 to 40 years. The average useful life of assets 2021 range between 4 and 10 years. Approximately 45 percent of the total lease right of use assets relate to extension periods. Telia Company has made an assessment of the extension periods and is reasonable certain that the extension periods will be exercised. This portion of the lease right of use assets mainly relates to technical and technical equipment.

Amounts recognized in the consolidated statement of financial position

The carrying value of Right-of-use assets were distributed as follows.

SEK in millions	Dec 31, 2021
Right-of-use assets	
Technical space	7,331
Technical equipment	3,331
Non-technical space	3,331
Land	1,331
Other	1,331
Total	15,331

Additions to the right-of-use assets during 2021 amounted to SEK 4,440 million (4,533), whereof SEK 2,385 million (2,385) related to new contracts, mainly for technical and non-technical spaces well

The carrying value of lease liabilities were distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Lease liabilities¹		
Non-current	12,859	12,183
Current	2,872	2,671
Total	15,731	14,854

1) Included in the line items long- and short-term borrowings in the consolidated statements of financial position.

For expected maturities of the lease liabilities, see Note C27.

Amounts recognized in the consolidated statements of comprehensive income

The consolidated statement of comprehensive income includes the following amounts relating to leases:

SEK in millions, except for average useful life	Average useful life (years) 2021	Dec 31, 2021	Dec 31, 2020
Depreciation of right-of-use assets			
Technical space	8	1,144	1,294
Technical equipment	5	799	815
Non-technical space	7	807	883
Land	16	80	80
Other	4	135	132
Total depreciation		2,964	3,205
Interest expense (included in finance cost)		391	441
Expenses relating to short-term leases, low-value assets and variable lease payments ¹		51	68
Total expenses		3,406	3,714

t) Expenses related to short-term leases, leases of low-value assets and variable lease payments are included in the line items Cost of sales, Selling and marketing expenses and Administrative expenses.

There was no material income related to subleases or sale or lease back transactions during 2021 or 2020.

Amounts recognized in the consolidated

statements of cash flow
The total cash outflow for leases in 2021 amounted to SEK 3,091 million (3,490). Repayments of lease liabilities have been recognized as cash flow from financing activities and paid interest has been recognized as cash flow from operating activities.

Telia Company as lessor
Finance leases

The lease portfolio of Telia Company comprises operations in Sweden, Finland and Norway. The operations in Sweden comprise financing related to Telia Company's product offerings such as devices and customer equipment.

The term of the contract stock is a 13 quarters (12). The term of new contract 2021 was 13 quarters (12). Of all contracts (72) carry a fixed interest rate and 28 floating interest rate. Many contracts options.

	Dec 2020
SEK in millions	
Selling profit	
Finance income on the net investment in the lease	
Total	
Finance lease maturity analysis	
Lease payments receivable have the following maturities.	
SEK in millions	Dec 2020
Less than 1 year	
1-2 years	
2-3 years	
3-4 years	
4-5 years	
5 years+	
Total undiscounted lease payments receivable	
Unearned finance income	
Net investment in the lease	

As of December 31, 2021, expected credit losses for lease payments receivables totaled SEK 3,992.

Credit losses on leasing receivables are reduced by gains from the sale of equipment returned.

Operating leases

Telia Company as lessor, is leasing out various types of assets to customers such as technical equipment and space (i.e. copper, dark fibre, IRU, ducts and space on towers). The lease portfolio also referred to the international Carrier business which was divested during 2021. Apart from this, Telia Company has operating lease agreements related product offerings

to end-customers in Sweden and Finland. Contract periods range between 2 and 5 years, with an average term of approximately 3 years. In addition, Telia Company has operating lease contracts of handsets in Norway, which include a right for the customer to swap to a new handset by returning the current handset and entering into a new lease contract. Contract periods range between 1 and 2 years. For information on assets subject to operating leases, see Note C13.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Lease income	2,545	2,780

There were no material variable lease payments related to operating leases during 2021 or 2020.

Maturity analysis for operating lease payments

SEK in millions	Dec 31, 2021	Dec 31, 2020
Less than 1 year	2,227	2,276
1-2 years	1,475	1,602
2-3 years	1,078	991
3-4 years	732	701
4-5 years	579	521
5 years+	344	480
Total undiscounted lease payments receivables	6,435	6,570

C29. Related party transactions

The Swedish State

At year-end, the Swedish State held 39.5 percent of total shares in Telia Company. The remaining 60.5 percent of the total shares are widely held.

The Telia Company group's services and products are offered to the Swedish state, their agencies, and state-owned companies in competition with other operators and on conventional commercial terms. Certain state-owned companies run businesses that compete with Telia Company. Likewise, Telia Company buys services from state-owned companies at market prices and on otherwise conventional commercial terms. Neither the Swedish State and their agencies, nor state-owned companies represent a significant share of Telia Company's net sales or earnings.

The Swedish telecommunications market is governed mainly by the Electronic Communications

Act and ordinances, regulations and in accordance with the Act. Notified operators are required to pay a fee to finance measures to counter serious threats and disruptions to electronic communications during peacetime. The fee from Telia Company was SEK 35 million in 2021 and SEK 36 million in 2020. In addition, Telia Company, like other operators, pays annual fees to the National Post and Telecom Agency (NPTS) for the Agency's activities under the Electronic Communications Act and the Radio and Telecommunications Terminal Equipment Act. Telia Company paid SEK 39 million in both 2021 and 2020.

Associated companies and joint ventures
Telia Company sells and buys services to and from associated companies. Transactions are based on commercial terms

Summarized information on transactions and balances with associated companies was as follows.

SEK in millions	January–December or December 31	
	2021	2020
Sales of goods and services		
Valokuitu Kotlin Holding	5	1
Operators Clearing House	3	3
Tet (former Lattelecom)	1	1
Other	0	1
Total sales of goods and services	9	6
Purchases of goods and services		
Mediamätning i Skandinavien	24	23
Tet (former Lattelecom)	2	4
Other	4	0
Total purchases of goods and services	30	27
Total trade and other receivables	1	2
Total trade and other payables	12	5

Pension and personnel funds

As of December 31, 2021, Telia Company's Finnish pension fund held 366,802 shares and its Finnish personnel fund 834,704 shares in the company, respectively, in total representing 0.03 percent of total shares. For information on transactions and balances, see Note C22.

Key management

See section "Remuneration to corporate officers" in Note C32 for further details.

C30. Contingencies, other contractual obligations and litigation

Contingent assets and contingent liabilities

As of the end of the reporting period, Telia Company had no contingent assets, while financials reported as contingent liabilities were distributed as follows.

SEK in millions	Dec 21
Credit and performance guarantees, etc.	
Subtotal (see Liquidity risk – Note C27)	
Guarantees for pension obligations	
Total contingent liabilities	

As of December 31, 2021, credit and performance guarantees amounts to 1 MSEK, expected to third quarter 2022.

Some loan covenants agreed limit the scope for divesting or pledging certain assets. Some of Telia Company's more recent bond issuances include change-of-control provisions which under certain conditions allow the lenders to call back the bond before scheduled maturity. Conditions stipulated include a new owner taking control of Telia Company, as such also resulting in a lowering of Telia Company's official credit rating to a "non-investment grade" level.

For all financial guarantees issued, amounts equal the maximum potential amounts that Telia Company could be make under the respective guarantee.

Collateral pledged

As of the end of the reporting period, pledged for blocked funds in bank a SEK 38 million (43).

Other unrecognized contractual obligations

As of December 31, 2021, unrecognized contractual obligations regarding future acquisitions (or equivalent) of non-current assets (excluding film and program rights) represented the following expected maturities.

Expected investment period SEK in millions	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	2023	2024	2025	2026	Later years	Total
Intangible assets	57	18	8	4	-	-	-	-	-	87
Property, plant and equipment	1,810	1,048	421	504	726	219	17	-	-	4,746
Leases	7	6	6	9	137	143	143	143	415	1,010
Total	1,874	1,072	436	517	864	362	160	143	415	5,843

As of December 31, 2021, contractual obligations totaled SEK 20,399 million (21,765), of which SEK 14,556 million (15,728), related to film and program rights. The decrease in contractual obligations is mainly related to film and program rights. See Note C14 for further information.

Legal and administrative proceedings

In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial contract and commercial law issues and matters relating to telecommunications regulations and copyright laws.

Except for the proceedings described here, Telia Company or its subsidiaries are not involved in any legal, arbitration or regulatory proceedings which management believes could have a material adverse effect on Telia Company's business, financial condition or results of operations.

The arbitration proceedings against Telia Company and Turkcell under the Share Purchase Agreement related to the divestment of the subsidiary Kcell in Kazakhstan in 2018 was settled during the second quarter 2021. As part of the settlement Telia Company paid SEK 131 million (equivalent to USD 16 million) and consequently all related provisions were released. The gain from net changes in

provisions is recognized within discontinued operations (see Note C35).

Further, 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 before the end of 2022. However, no material provision has been recognized since it is deemed probable that the amount will be repaid.

C31. Cash flow information

Non-cash transactions, continuing and discontinued operations

Asset retirement obligations (AROs)

In 2021 and 2020, obligations regarding future dismantling and restoration of technical sites entailed non-cash investments of SEK 151 million and SEK 311 million, respectively, see Note C23.

Building-infrastructure exchange transactions

Telia Company provides and installs infrastructure in buildings and as compensation is granted an exclusive right to deliver services for 5–10 years through this infrastructure. These activities entailed non-cash exchanges of SEK 40 million in 2021 and SEK 36 million in 2020.

Dividends, interest and income taxes, continuing and discontinued operations

SEK millions	Jan-Dec 2021	Jan-Dec 2020
Dividends received	152	219
Interest received	212	375
Interest paid	-2,682	-3,009
Income taxes paid	-1,946	-1,374

Dividends to holders of non-controlling interests, continuing and discontinued operations

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Subsidiaries		
Latvijas Mobilais Telefons SIA	-139	-156
Telia Lietuva, AB	-70	-66
Other subsidiaries	-	-18
Total dividends to holders of non-controlling interests	-209	-240

Liabilities and cash flows arising from financing activities

SEK in millions	Dec 31, 2020	Cash flows ³	Acquisitions/ Divestments	New and changed lease contracts	Foreign exchange changes	Fair value changes	Other changes ¹	Dec 31, 2021
Non-cash changes								
Long-term borrowings	100,239	-1,134	32	3,247	695	-2,465	-8,977	91,637
Long-term lease liabilities	12,183	-	6	3,247	271	-	-2,849	12,859
Long-term borrowings less lease liabilities	88,055	-1,134	26	-	424	-2,465	-6,128	78,778
<i>of which derivatives hedging long-term borrowings</i>	<i>3,650</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-1,426</i>	<i>-570</i>	<i>-121</i>	<i>1,533</i>
Short-term borrowings	8,345	-7,826	6	-	202	-23	9,313	10,017
Short-term lease liabilities	2,671	-2,574	6	-	58	-	2,711	2,872
Short-term borrowings less lease liabilities	5,674	-5,252	-	-	144	-23	6,602	7,145
<i>of which derivatives hedging short-term borrowings</i>	<i>151</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-32</i>	<i>-8</i>	<i>90</i>	<i>200</i>
Total liabilities from financing activities	108,584	-8,960	38	3,247	897	-2,488	337	108,554
Assets hedging borrowings²	-4,205	-1,087	-	-	1,237	2,556	-211	2,7710
<i>of which derivatives hedging long-term borrowings</i>	<i>-3,059</i>	<i>9</i>	<i>-</i>	<i>-</i>	<i>-48</i>	<i>20,86</i>	<i>39</i>	<i>972</i>
<i>of which derivatives hedging short-term borrowings</i>	<i>-70</i>	<i>-819</i>	<i>-</i>	<i>-</i>	<i>544</i>	<i>448</i>	<i>-158</i>	<i>9-56</i>
Total liabilities from financing activities net of assets hedging borrowings²	104,379	-10,047	38	3,247	2,134	67	125	98,944

1) Other changes mainly refer to reclassification between long- and short-term borrowings due to maturity.

2) Assets held to hedge borrowings has been added to table to clarify that they are included in cash flow from financing activities.

3) Cash flows includes repayment of lease liabilities related to Telia Carrier which was classified as asset held for sale up until the disposal with SEK 143 million.

Non-cash changes

SEK in millions	Dec 31, 2019	Cash flows	Acquisitions/ Divestments	New and changed lease contracts	Foreign exchange changes	Fair value changes	Other changes ¹	Reclassified to Asset-held-for-sale ²
Long-term borrowings	99,899	7,866	-27	3,925	-3,257	723	-8,474	-416
Long-term lease liabilities	12,046	-	-27	3,925	-414	-	-2,930	-416
Long-term borrowings less lease liabilities	87,853	7,866	-	-	-2,843	723	-5,544	-
<i>of which derivatives hedging long-term borrowings</i>	<i>2,770</i>	<i>24</i>	<i>-</i>	<i>-</i>	<i>901</i>	<i>99</i>	<i>-144</i>	<i>-</i>
Short-term borrowings	19,779	-19,865	135	-	-1,199	78	9,692	-275
Short-term lease liabilities	2,968	-2,955	135	-	-104	-	2,902	-275
Short-term borrowings less lease liabilities	16,811	-16,910	-	-	-1,096	78	6,790	-
<i>of which derivatives hedging short-term borrowings</i>	<i>22</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>185</i>	<i>18</i>	<i>-73</i>	<i>-</i>
Borrowings discontinued operations	124	-2	-130	-	-2	-	10	-
Long-term lease liabilities	81	-	-85	-	-1	-	5	-
Short-term lease liabilities	43	-2	-45	-	-1	-	5	-
Short-term borrowings	-	-	-	-	-	-	-	-
Total liabilities from financing activities	119,803	-12,001	-23	3,925	-4,458	802	1,227	-692
Assets hedging borrowings²	-3,717	165	-	-	-389	-509	245	-
<i>of which derivatives hedging long-term borrowings</i>	<i>-3,269</i>	<i>-31</i>	<i>-</i>	<i>-</i>	<i>585</i>	<i>-432</i>	<i>88</i>	<i>-</i>
<i>of which derivatives hedging short-term borrowings</i>	<i>-382</i>	<i>175</i>	<i>-</i>	<i>-</i>	<i>-56</i>	<i>-28</i>	<i>222</i>	<i>-</i>
Total liabilities from financing activities net of assets hedging borrowings²	116,086	-11,836	-23	3,925	-4,847	293	1,473	-692

1) Other changes mainly refer to reclassification between long- and short-term borrowings due to maturity.

2) Assets held to hedge borrowings has been added to table to clarify that they are included in cash flow from financing activities.

3) Reclassification of lease liabilities Telia Carrier to liabilities associated with Assets-held-for-sale.

Business combinations, other acquisitions and disposals

The Telia Company group is continually restructured by acquiring and divesting equity instruments or operations.

In 2021, the total net cash outflow from business combinations and other equity instruments acquired

was SEK 394 million mainly related to the acquisition of Santa Monica Networks.

In 2020, the total net cash outflow from business combinations and other equity instruments acquired was SEK 717 million mainly related to an additional (deferred) consideration connected to the acquisition

of Bonnier Broadcasting. For information on business combinations, see Note C34.

The total cash inflow from divested operations and other equity instruments in 2021 amounted to SEK 9,353 million mainly related to the disposal of Telia Carrier.

The total cash inflow from divested operations and other equity instruments in 2021 amounted to SEK 5,285 million mainly related to the disposal of Turkcell and Moldcell. For more information on divested operations, see Note C15 and C35.

C32. Human resources

Employees, salaries, and social security expenses
During 2021, the number of employees in continuing operations decreased by 1,175 to 19,566 at year-end

from 20,741 at year-end 2020. The number of employees in discontinued operations were 0 at year-end 2021 and 2020.

The average number of full-time employees by country was as follows.

Country	Jan-Dec 2021		Jan-Dec 2020	
	Total (number)	of whom men (%)	Total (number)	of whom men (%)
Sweden	7,550	63.4	7,654	63.4
Finland	4,244	67.6	4,144	68.1
Norway	1,882	72.6	1,960	73.2
Denmark	887	71.3	929	68.2
Lithuania	2,762	53.2	2,778	53.8
Latvia	1,047	50.7	1,018	48.3
Estonia	1,432	58.2	1,630	55.0
Russian Federation	14	50.0	34	50.0
United Kingdom	23	65.2	58	60.1
Other countries	157	76.4	268	72.8
Total, continuing operations	19,998	63.2	20,473	62.9
Moldova	-	-	30	33.3
Other countries	-	-	2	100.0
Total, discontinued operations	-	-	32	37.5
Total	19,998	63.2	20,505	62.8

Operations were conducted in 24 countries for both 2021 and 2020, of which continuing operations were conducted in 24 and 23 countries, respectively, for 2021 and 2020.

The share of female and male senior executives was as follows. Boards of directors refer to board

members in all consolidated group of companies. Other senior executives include president and other members of executive management, the group level, region level and country level.

Percent	Dec 31, 2021	
	Boards of directors	Other senior executives
Women	34.1	35.6
Men	65.9	64.4
Total, continuing operations	100.0	100.0

Total salaries and other remuneration, along with social security expenses and other personnel expenses, were as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Salaries and other remuneration	12,018	12,077
Social security expenses		
Employer's social security contributions	2,270	2,291
Pension expenses	1,684	1,648
Total social security expenses	3,954	3,939
Capitalized work by employees ¹	-1,429	-1,181
Other personnel expenses	186	287
Total personnel expenses, continuing operations^{1,2}	14,729	15,121
Total personnel expenses, discontinued operations	-	24

1) 2020 is restated, see Note C1, 2) Of which SEK 562 million (401) recognized within Other operating expenses.

Salaries and other remuneration were divided between senior executives and other employees as follows. Variable pay was expensed in the respective year, but disbursed in the following year.

SEK in millions	Jan-Dec 2021			Jan-Dec 2020		
	Senior executives (of which variable pay)	Other employees	Other	Senior executives (of which variable pay)	Other employees	Other
Salaries and other remuneration, continuing operations ¹	170 (80)	11,848		231 (91)	11,846	
Salaries and other remuneration, discontinued operations	-(-)	-		-(-)		22

1) Of which Corporate Officers SEK 11 million (54) and Other employees SEK 448 million (267) recognized in Other operating expenses.

Pension expenses for all senior executives totaled SEK 34 million in both 2021 and 2020.

In 2021 and 2020, employee profit-sharing costs in Telia Company's Finnish subsidiaries amounted to SEK 14 million and SEK 7 million, respectively. In addition to this employee profit-sharing system, all Telia Company regions apply performance-based variable compensation for different groups of employees. In Sweden, for example, all permanent employees are included in variable compensation schemes, one type for the sales force and one for all other staff.

Long-term incentive program (LTI)

The 2010 to 2021 Annual General Meetings in Telia Company resolved to implement performance share programs (PSP), to be offered to a selected group of senior executives and key position holders within the group. Members of the Group Executive Management team are excluded. If the pre-defined financial performance conditions are met during the defined performance period, participants in the programs shall receive a number of Telia Company shares (performance shares) at a share price of SEK 0. The financial targets include a minimum level which must be achieved in order for any allotment of performance shares to occur at all, as well as a maximum level over which no additional allotment of performance shares will occur. Each program shall in total comprise no more than 2,413,597 (PSP 2018), 2,194,830 (PSP 2019), 2,355,802 (PSP 2020) and 2,764,502 (PSP 2021) Telia Company shares, corresponding to approximately 0.06 percent of the total

number of outstanding shares for PSP 2018, 0.06 percent for PSP 2019, 0.06 percent for PSP 2020 and 0.07 percent for PSP 2021 respectively. Recalculation of final allotments of shares shall take place in the event of bonus issue, a split, a rights issue and other events.

Performance share program 2015 to 2021
Financial targets for the 2015 to 2021 are earnings before interest, tax, depreciation and amortization (EBITDA) and total share-based compensation (TSR). The final allotments of performance shares will be based on 50 percent of performance share targets and 50 percent on TSR during the full period of three years. TSR is measured as a group of comparable telecommunication companies, as defined by the Board of Directors. Telia Company's performance measures with the Group's subsidiaries, a Return on Capital Employed (ROCE) was introduced for the 2015 program to the EBITDA and the TSR targets. The performance measures in the programs will be based on 25 percent weighted EBITDA, 50 percent TSR and 25 percent ROCE. The maximum number of shares a participant can receive corresponds to 10 percent of the participant's annual bonus. Participants are not required to surrender Company shares. The final number of shares awarded shall be capped at 1 percent of the aggregated market value where the aggregated market value is 60 percent of each participant's base

PSP 2018 vested during the spring 2021 and final rewards were distributed to 146 participants remaining in the program. Four participants received cash payments equivalent to the value of 23,807 shares. During the second quarter 2021 Telia Company transferred 595,632 shares to the participants in the "Long Term Incentive program 2018/2021" (LTI)

program) at an average price of SEK 35.32 per share. The total cost for the transferred shares was SEK 21 million and transaction costs, net of tax, amounted to SEK 0 million.

The summarized performance share program activity in 2021 was as follows.

Performance share program		2021/2024	2020/2023	2019/2022	2018/2021
Participants					
Number of participants, December 31, 2020 ¹			205	175	153
New participants in 2021	210		-	-	-
Terminated employments in 2021	10	27	28	7	
Final allotments in 2021	-	-	-	146	
Number of participants, December 31, 2021		200	178	147	-
Total outstanding share rights, December 31, 2021		2,653,525	2,031,482	1,547,787	-
Preliminary allotments, December 31, 2020		-	-	-	650,559
Preliminary allotments in 2021	2,820,484	-	418,874	-	
Forfeited shares	-2,653,525	-	-	-	-
Cancelled shares	-166,959	-330,175	-50,893	-31,120	
Final allotments	-	-	-	619,439	
Number of allotted shares, December 31, 2021		0	0	367,981	-

1) One participant, in total for all performance share programs, was part of discontinued operations

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The estimated fair value at the date of allotment and the assumptions used when estimating the amounts of the performance conditions were as follows.

Performance share program	2021/2024	2020/2023	2019/2022	2018/2021
Fair value at the date of allotment (SEK in millions)	16	11		
Assumptions used (percentages)				
Achievement of EBITDA-based performance condition	0	0		
Achievement of ROCE-based performance condition	0	-		
Achievement of TSR-based performance condition was based on				
Estimated volatility, Telia Company	22	20		
Estimated volatility, peer group companies	17-29	16-39		
Average reciprocal correlation between Telia Company and the peer group companies	47	50		
Risk-free interest rate	-0.1	-0.3		

The achievement of the TSR-based performance condition was estimated using a Monte Carlo simulation model. The estimated fair value of each performance

share program and related social security expenses are amortized to expense over the period. Total personnel expenses were as follows:

SEK in millions	Jan-22
Salaries and other remuneration	
Social security expenses	
Total personnel expenses, performance share programs	

Remuneration to corporate officers

Board of Directors

As resolved by the 2021 Annual General Meeting of shareholders (AGM) in Telia Company, annual remuneration is paid to the members of the Board of Directors in the amount of SEK 1,910,000 (1,825,000) to the Chair, SEK 900,000 (860,000) to the Vice-Chair and SEK 640,000 (610,000) to each of the other directors, elected by the AGM. In addition,

annual remuneration is paid to the members of the Board's Audit and Responsibility Committee in the amount of SEK 285,000 (270,000) to the Chair and SEK 160,000 (150,000) to the other members. Additional annual remuneration is also paid to the members of the Board of Directors in the amount of SEK 75,000 (70,000) to the Chair and SEK 75,000 (70,000) to the other members.

Remuneration to Board members

SEK in thousands	Board ¹	Audit and Responsible Business Committee	Remuneration Committee	Total remuneration
Board of Directors, 2021				
Lars-Johan Jarnheimer	1,885	–	73	1,958
Ingrid Bonde, Vice-Chair	888	157	–	1,045
Luisa Delgado from April 12	407	–	48	454
Rickard Gustafson	631	–	68	699
Jeanette Jäger	631	–	–	631
Nina Linander	631	282	–	913
Jimmy Maymann	631	157	–	788
Anna Settmann until April 12	173	–	–	173
Olaf Swantee until April 12	173	–	–	173
Martin Tivéus	631	–	–	631
Total	6,680	596	189	7,465

1) Board remuneration, remuneration for Audit and Responsible Business Committee and remuneration for Remuneration Committee are presented in separate columns above. The remuneration is paid monthly. Lars-Johan Jarnheimer, Ingrid Bonde, Rickard Gustafson, Jeanette Jäger, Nina Linander, Jimmy Maymann, Anna Settmann and Olaf Swantee were re-elected at the AGM 2021. New board member is Luisa Delgado. Numbers may not add up due to rounding.

Group Executive Management

The Chief Executive Officer (CEO) and the "Other members of the Group Executive Management" referring to the two EVPs and the nine SVPs directly reporting to the CEO, constituted the Telia Company Group Executive Management.

Guidelines for remuneration to Group Executive Management

The Annual General Meeting on April 12, 2021, decided on guidelines for remuneration to Group Executive Management. The Board of Directors has not seen the need to propose any changes to

the guidelines to the Annual General Meeting on April 6, 2022, and the previously adopted guidelines are therefore still applicable. Group Executive Management is defined as the president and the other members of the management team who report directly to the CEO. The guidelines shall be in force until new guidelines are adopted by the general meeting and valid for a maximum of four years. A successful implementation of the guidelines will ensure that the Company can attract and retain the best people, enabling the Company to execute its business strategies and serve the Company's long-term interests, including its sustainability goals¹⁾.

Total reward approach

Remuneration to Group Executive Management should be built on a total reward approach and be market relevant, but not leading. The remuneration guidelines should enable international hiring and should support diversity within Group Executive Management. The market comparison should be made against a set of peer group companies with

comparable sizes, industries and countries. The total reward approach should consist of salary, bonus, pension benefits, conditions for share plans, pension benefits, conditions for share plans as well as other benefits. The remuneration does not offer any variable remuneration. Executive Management

For employment governed by rules in the Swedish, pension benefits and other conditions should be duly adjusted for compliance with rules or established local practice, taking into account, to the extent possible, the overall objectives of these guidelines.

SEK in thousands	Board ¹⁾	Audit and Responsible Business Committee	Remuneration Committee
Board of Directors, 2020			
Lars-Johan Jarnheimer	1,825	38	7
Ingrid Bonde, Vice-Chair from April 2	643	112	
Olli-Pekka Kallasvuo, Vice-Chair until April 2	220	–	1
Rickard Gustafson	610	–	5
Jeanette Jäger from April 2	456	–	
Nina Linander	610	275	
Jimmy Maymann	610	150	
Anna Settmann	610	–	
Olaf Swantee	610	–	
Martin Tivéus	610	–	
Total	6,803	575	13

1) Board remuneration, remuneration for Audit and Responsible Business Committee and remuneration for Remuneration Committee are presented in separate columns above. The remuneration is paid monthly. Lars-Johan Jarnheimer, Ingrid Bonde, Rickard Gustafson, Jeanette Jäger, Nina Linander, Jimmy Maymann, Anna Settmann and Olaf Swantee were re-elected at the AGM 2021. New board member is Luisa Delgado. Numbers may not add up due to rounding.

Fixed salary

The fixed salary of a Group Executive Management member should be based on competence, responsibility and performance. The Company uses an international evaluation system in order to evaluate the scope and responsibility of the position. Market benchmark is conducted on a regular basis. The individual performance is monitored and used as a basis for annual reviews of fixed salaries. These are reviewed in relation to fulfilment of annual pre-defined goals (including financial, employee and sustainability-based).

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. This is done by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis for decision when evaluating if these guidelines and their limitations are reasonable. The Remuneration Committee regularly consults with the CEO and Head of People & Brand to be mindful of employee pay, conditions and engagement across the broader employee population.

Pension

Pension and retirement benefits should be based on a defined contribution model, which means that a premium is paid amounting to a certain percentage of the individual's annual salary, unless legal requirements and/or collective agreements state differently. When deciding the size of the premium the level of total remuneration should be considered. The level

of contribution should be benchmarked and may vary due to the composition of fixed salary and pension. The retirement age is normally 65 years of age but can vary based on regulatory requirements. The pension premiums for defined contribution pension shall amount to not more than 40 percent of the fixed annual cash salary.

Other benefits

The Company provides other benefits and programs in accordance with market practice which may change from time to time. A Group Executive Management member may be entitled to a company car, health and care provisions, etc. Premiums and other costs relating to such benefits may amount to not more than 10 percent of the fixed annual cash salary.

Internationally hired Group Executive Management members and those who are asked to move to another country can be offered mobility related benefits for a limited period of time. Such benefits may not in total exceed 25 percent of the fixed annual cash salary.

Notice of termination and severance pay

The termination period for a Group Executive Management member may be up to six (6) months (twelve (12) months for the President) when given by the employee and up to twelve (12) months when given by the Company. In case the termination is given by the Company the individual may be entitled to a severance payment. Fixed cash salary during the notice period and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years.

Severance pay shall not constitute a basis for calculation of vacation pay or pension benefits.

Remuneration during termination period and severance pay will also be reduced if the individual will be entitled to pay from a new employment or if the individual will be conducting own business during the termination period or the severance period.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

The decision-making process to determine, review and implementation of the guidelines

The Board of Directors has established a Remuneration Committee. The committee's task includes preparing the Board of Director's decision to propose guidelines for executive remuneration. Proposal for new guidelines shall be prepared at least every fourth year and submitted the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company.

Remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process related to their own remuneration.

The CEO's total remuneration paid by the Board of Directors based on the guidelines of its Remuneration Committee shall not deviate from the guidelines. Total remuneration to other members of Group Executive Management are approved by the Remuneration Committee based on the CEO's recommendation.

Deviation from the guidelines

The Board of Directors may temporarily deviate from the guidelines, in whole or in part, in an individual case are specified in the guidelines. There is no deviation where a deviation is necessary in order to ensure the Company's financial ability, or to ensure the Company's financial stability, or to ensure the Company's financial ability, or to ensure the Company's financial ability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. Proposal for new guidelines shall be prepared at least every fourth year and submitted the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company.

Remuneration and other benefits earned as member of Group Executive Management during the year and capital value of pension commitments

SEK in thousands	Base salary	Other remuneration ¹	Other benefits ²	Pension expense ³	Total remuneration	Capital value of pension commitment ⁴
Group Executive Management, 2021						
Allison Kirkby, CEO	18,000	602	75	7,069	25,746	
Other members of Group Executive Management (including 2 EVPs and 9 SVPs)	57,525	1,899	5,534	13,598	78,556	24,804
Total	75,525	2,501	5,609	20,668	104,303	24,804
Other former members of Group Executive Management						
Other former members of Group Executive Management (2 individuals) ⁵	21,830	897	204	5,621	28,552	149,171
Other former CEOs and EVPs (8 individuals)	21,830	897	204	5,621	28,552	149,171
Total	97,355	3,398	5,813	26,288	132,855	173,975

1) Other remuneration for other members of Group Executive Management mainly includes holiday allowance.

2) Other benefits refer to company car benefit, relocation benefits and a number of other taxable benefits. Other benefits for Allison Kirkby is mainly company car benefit and health insurance.

3) See further disclosures concerning the terms and conditions of pension benefits below.

4) Capital value of pension commitment includes defined benefit plans for eight former CEOs and EVPs (left: Telia Company before 2021) and one current SVP.

5) Other former members of the Group Executive Management includes members who left Telia Company and provisions during the notice period for base salary, benefits and pension costs as well as for provisions for severance pay are included in the amount. The salary during notice period and severance pay is other income. The provision will then be reduced.

Comments on the table related to 2020 can be found in the Annual and Sustainability Report 2020. Numbers may not add up due to rounding.

Pension benefits

Telia Company offers permanent members of the Group Executive Management defined contribution pension schemes. A defined contribution scheme provides premium contributions to the pension scheme as a percentage of the pensionable salary or as a fixed amount. The level of pension benefits at retirement will be determined by the contributions paid and the return on investments and the costs associated to the plan.

For defined benefit plans, the main drivers of the change in capital value for the obligation are the change in discount rate, paid out pension premiums and the fact that one member of group management has a defined benefit pension plan.

CEO

The CEO is eligible to a defined contribution pension scheme with contributions corresponding to 14.5 percent of base salary up to 7.5 income base amounts and to 40 percent for such salary above 7.5 income base amounts. These contributions for Allison Kirkby as CEO add up to a total pension contribution of SEK 7,069,571 (compared to a base salary of SEK 18,000,000 representing 39.3 percent).

The contributions into the scheme are vested immediately. The income base amount is determined annually by the Swedish Government and was SEK 68,200 for 2021. The retirement age is variable. Contributions to the pension scheme will cease at retirement or earlier if leaving the company for any other reason.

Other members of Group Executive Management

The EVPs and the SVPs based in Sweden are eligible to defined contribution pension schemes providing contributions corresponding to 4.5 percent of their base salary up to 7.5 income base amounts and 30 percent of such salary above 7.5 income base amounts. One member of Group Executive Management have an additional contribution of 5 percent of the base salary. Members of Group Executive Management in Sweden covered by the ITP plan are in addition to the pension contribution covered by all collective agreed benefits. One Group Executive Management member is covered by a defined benefit plan. Group Executive Management members based in other countries are also eligible for defined contributions pension schemes (with the exception of legally required defined benefit pension plans in Finland). One member based in another country received a cash allowance as part of the pension contribution. The contributions to the pension schemes are vested immediately. The retirement age for members of Group Executive Management is 65 or variable.

Other former members of Group Executive Management

Defined pension benefits earned by former CEOs and EVPs until 2008 are pledged and calculated as capital values (debt) until all their lifelong pensions are fully paid out by Telia Company. Their pensions are paid out from the age of 60. Since 2008, Telia Company does not offer any defined benefit pension schemes to CEOs and EVPs.

C33. Remuneration to audit firms

Remuneration to elected audit firms for audit and other reviews based on applicable legislation and for advice and other assistance resulting from observations in the reviews was as follows. Remuneration also includes independent advice, using group auditors or other locally elected audit firms, in the fields of Tax/Law and Corporate Finance as well as

other consulting services. Deloitte A at the Annual General Meeting as Telia group auditor. The remuneration to follows. For the review of interim ments, no separate remuneration ha Remuneration to other audit firms a sidiaries not audited by the group a

SEK in millions

Remuneration, continuing and discontinued operations

Deloitte

Audit

Audit-related services

Tax services

All other services

Total Deloitte

Other audit firms

Audit

Audit-related services

Tax services

All other services

Total Other audit firms

C34. Business combinations

Santa Monica Networks

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 at a price of EUR 36 million (SEK 366 million). The company's portfolio of services includes the development of innovative solutions, design, technical solution, installation, maintenance

and management of data transmission networks, cloud computing and IT security systems. The acquisition will enable Telia Company to introduce fifth generation network solutions faster and more efficiently in the region.

The cost of the combination, the preliminary fair values of net assets acquired and preliminary 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	
Non-current assets	9
Other current assets	136
Cash and cash equivalents	21
Current assets	158
Total assets acquired	166
Non-current liabilities	30
Current liabilities	178
Total liabilities assumed	208
Total fair value of net assets acquired	-42
Goodwill	408

The net cash flow effect from the business combination was SEK 345 million in 2021 (cash consideration SEK 366 million paid at closing less cash and cash equivalents SEK 21 million). The fair values of assets and liabilities have been determined provisionally, as they are based on preliminary appraisals and subject to confirmation of certain facts. Thus, the purchase price accounting is subject to adjustments. Goodwill mainly refers to knowledge of transferred personnel, customer service capability, market position and buyer specific synergies. From the acquisition date, revenues of SEK 70 million and net income of SEK 8 million are included in the consolidated statements of comprehensive income. If Santa Monica Networks had been acquired at the beginning of 2021, revenues and total net income for Telia Company for 2021 had been approximately SEK 88.5 billion and SEK 119 billion, respectively.

C35. Discounted operations and assets classified as held for sale

Classification

Region Eurasia

Former segment region Eurasia (including holding companies) was classified as held for sale and discontinued operations since December 31, 2015. Ncell in Nepal was disposed during 2016 and Tcell in Tajikistan was disposed in 2017. Azericell in Azerbaijan, Geocell in Georgia, the associated company Rodnik in Kazakhstan, Ucell in Uzbekistan and Kcell in Kazakhstan were disposed in 2018. Moldcell in Moldova was disposed on March 24, 2020. After the disposal of Moldcell, Telia Company has no operations classified as discontinued operations.

Presentation

Former segment region Eurasia (including holding companies), which was classified as discontinued operations, is presented as a single amount in the consolidated statements of comprehensive income. The consolidated cash flow statement is presented including region Eurasia, but with additional information on cash flows from operating, investing and financing activities and free cash flow for region Eurasia. Non-current assets and liabilities related to disposal groups classified as held for sale are presented separately in two line items in the consolidated statement of financial position. The amounts for discontinued operations and assets and liabilities held for sale in the consolidated financial statements are presented after elimination of intra-group transactions and intra-group balances.

Net income from discontinued operations (region Eurasia)

SEK in millions, except per share data

Net sales

Expenses and other operating income, net

Operating income

Financial items, net

Income after financial items

Income taxes

Net income before remeasurement and gain/loss on disposal

Loss on disposal of Moldcell in Moldova (including cumulative Moldcell exchange loss in equity reclassified to net income of SEK -172 million)¹⁾

Gain/loss from net changes in provisions for transaction warranties

Net income from discontinued operations

EPS from discontinued operations (SEK)

Adjusted EBITDA

¹⁾ Non-tax loss from the disposal of Moldcell in Moldova.

Assets and liabilities classified as held for sale

SEK in millions	Telia Carrier Dec 31, 2021	Telia Carrier Dec 31, 2020
Goodwill and other intangible assets	-	86
Property, plant and equipment	-	2,148
Right-of-use assets	-	1,097
Other non-current assets	-	534
Other current assets	-	891
Cash and cash equivalents	-	199
Assets classified as held for sale	-	4,957
Long-term borrowings	-	416
Long-term provisions	-	848
Other long-term liabilities	-	620
Short-term borrowings	-	275
Other current liabilities	-	1,166
Liabilities associated with assets classified as held for sale	-	3,325
Net assets classified as held for sale	-	1,631

Disposals

Moldcell in Moldova

On February 14, 2020, Telia Company signed an agreement to divest its holding in Moldcell S.A. (Moldcell) in Moldova to CG Cell Technologies DAC, for a transaction price of SEK 323 million (USD 31.5 million), corresponding to a cash and debt free value of SEK 0.4 billion. The transaction was not subject to any conditions and was completed on March 24, 2020. The disposal resulted in a capital loss of SEK -193 million for the group, whereof accumulated foreign exchange losses reclassified from equity to net income from discontinued operations of SEK -172 million. The reclassification of accumulated exchange losses had no effect on equity. The transaction had a positive cash flow effect for the group of SEK 312 million (price received less cash and cash equivalents in the entity sold).

Roshan

On July 31, 2020 Telia Company divested all of its 12.25 percent interest in the Afghan mobile operator Roshan to Aga Khan Fund for Economic Development. The transaction had no material effects on the financial statements.

Assets held for sale Telia Carrier

On October 5, 2020, Telia Company signed an agreement to sell its international carrier Telia Carrier, to Polhem Infra for a value of SEK 9,450 million on a cash and debt free basis. The transaction was classified as held for sale on October 5, 2020. The transaction was subject to regulatory approvals (relating to e.g., cross-border foreign direct investments) in, inter alia, the US and was closed on June 1, 2021. The transaction resulted in a capital gain of SEK 6 million for the group in the second quarter 2021. Cumulated foreign exchange losses of SEK 353 million to net income of SEK 353 million, reclassification of accumulated exchange losses to net income of SEK 353 million, and cash flow effect for the group of SEK 8,609 million. The transaction resulted in the disposal of cash and cash equivalents in the entities of the fourth quarter a final purchase price of SEK 9,450 million. The transaction was settled whereby Telia Company reported a loss of SEK 1 million to Polhem Infra. The adjustment resulted in a total capital gain of SEK 408 million for the group in the second quarter 2021. The transaction resulted in a cash flow of SEK 8,589 million in 2021.

Carrier disposal. The capital gain was recognized within Other operating income.

Alerta

On April 1, 2021, Telia Company disposed its Finnish alarm communication business Alerta for a price of EUR 32 million. The disposal resulted in a capital gain of SEK 309 million for the group in 2021. The capital gain was recognized within Other operating income. The transaction had a positive cash flow effect for the group in 2021 of SEK 329 million.

Partial disposal

Tower businesses in Finland and Norway

On June 30, 2021, Telia Company signed an agreement to dispose 49% of the tower businesses in Finland and Norway to Brookfield and Alecia, at a price corresponding to an enterprise value for 100% of EUR 1,524 million (approximately SEK 15.5 billion) on a cash and debt free basis. The transaction was subject to regulatory approvals and was closed on December 29, 2021. The transaction resulted in an increase of equity attributable to owners of the parent of SEK 6,221 million and an increase of equity attributable to non-controlling interests of SEK 1,640 million. The disposal had a positive cash flow effect for the group in 2021 of SEK 7,861 million and was recognized within financing activities. If, and when, there is a transfer of the tower

assets from their respective business units, there will likely be a need for a review of the remaining carrying values of the business units.

Transactions after the reporting period

SIA Telia Latvija

On January 4, 2022, Telia Company signed an agreement to divest its 100% ownership in SIA Telia Latvija to Telia Company's associated company SIA Tet at a price corresponding to an enterprise value of EUR 10.75 million (approximately SEK 110 million) on a cash and debt free basis. The price represents a FY 2021 (estimated) EV/EBITDA multiple of 10x. The transaction is subject to customary regulatory approvals and is expected to close during the second quarter of 2022. The net assets in SIA Telia Latvija have not been recognized as asset classified as held for sale based on materiality.

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. The transaction price corresponds to an enterprise value for 100 percent 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 third quarter of 2022.

Parent company income statements

Parent company statements of comprehensive income

SEK in millions	Note	Jan-Dec 2021	Jan-Dec 2020
Net sales	P2	982	564
Cost of sales	P3	-487	-
Gross income		495	564
Selling and marketing expenses	P3	-26	-43
Administrative expenses	P3	-617	-792
Research and development expenses	P3	-295	-
Other operating income	P4	229	194
Other operating expenses	P4	-354	-430
Operating loss/income		-568	-507
Finance income	P5	21,099	9,294
Finance costs	P5	-7,391	-17,927
Income after financial items		13,140	-9,140
Appropriations	P6	5,663	3,670
Income before taxes		18,804	-5,470
Income taxes	P6	-926	-706
Net income		17,877	-6,176

SEK in millions	Note	Jan-D 20
Net income		17,8
Items that may be reclassified to net income		
Cash flow hedges, net change in fair value		-2
Cash flow hedges, transferred to finance costs in net income		3
Cost of hedging		1
Debt instruments at fair value through OCI		-
Income taxes relating to items that may be reclassified		-
Items that may not be reclassified to net income		
Equity instruments at fair value through OCI		1
Income taxes relating to items that will not be reclassified		
Total other comprehensive income	P7	2
Total comprehensive income		18,1



Parent company balance sheets

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020
Assets			
Intangible assets	P8	2	3
Property, plant and equipment	P9	0	0
Deferred tax assets	P6	73	110
Other financial assets	P11	163,337	178,588
Total non-current assets		163,412	178,700
Film and program rights, current	P10	609	531
Trade and other receivables	P12	23,992	26,960
Current tax receivables		–	–
Short-term investments	P13	6,429	2,621
Cash and bank	P13	12,834	6,000
Total current assets		43,865	36,111
Total assets		207,277	214,811

SEK in millions	Note	Dec 31, 2021	Dec 31, 2020
Shareholders' equity and liabilities			
<i>Restricted equity</i>			
Share capital			13,811
Statutory reserve			1,811
Reserve for capitalized development expenses			
<i>Non-restricted equity</i>			
Fair value reserve			1,711
Retained earnings			50,011
Net income			17,811
Total shareholders' equity		85,411	85,411
Untaxed reserves	P6	6,711	6,711
Provisions for pensions and employment contracts	P15		311
Deferred tax liabilities	P6		
Other provisions	P16		
Total provisions		411	411
<i>Interest-bearing liabilities</i>			
Long-term borrowings	P17		78,211
Short-term borrowings	P17		33,711
Current tax payables			
<i>Non-interest-bearing liabilities</i>			
Long-term liabilities	P18		
Short-term provisions, trade payables and other current liabilities	P16, P19		2,611
Total liabilities		114,611	114,611
Total shareholders' equity and liabilities		207,277	207,277

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Parent company cash flow statements

SEK in millions	Note	Jan-Dec 2021	Jan-Dec 2020
Net income		17,877	-6,176
Adjustments for:			
Amortization, depreciation and impairment losses		4,514	14,975
Amortization film and programme right assets		487	-
Capital gains/losses on sales/disposals of non-current assets		-10,879	5
Pensions and other provisions		-321	197
Financial items		651	-293
Group contributions and appropriations		-5,663	-3,670
Income taxes		-234	282
Cash flow before change in working capital		6,431	5,319
Increase (-)/Decrease (+) in film and program right assets		-78	-531
Increase (-)/Decrease (+) in operating receivables		-300	-346
Increase (+)/Decrease (-) in operating liabilities		711	17
Change in working capital		332	-859
Adjustment for amortization film and programme rights		-487	-
Cash flow from operating activities		6,276	4,459
Intangible and tangible non-current assets acquired		-	-
Repayment of capital in subsidiary		1,000	-
Equity instruments acquired		-429	-855
Equity instruments and operations divested		16,751	81
Net change in loans granted and other similar investments		-12,989	3,948
Net change in interest-bearing current receivables		-3,465	6,616
Repayment of long-term loans		10,891	2,125
Cash flow from investing activities		11,760	11,915

SEK in millions	Note	Jan-D 20
Cash flow before financing activities		18,0
Repurchased treasury shares including transaction costs		-
Dividend to shareholders		-8,1
Group contributions net		4,4
Proceeds from borrowings		-
Repayment of borrowings		-6,6
Settlement of derivative contracts for economic hedges and CSA		-8
Cash received for repurchase agreements		79
Cash paid for repurchase agreements		-79
Cash flow from financing activities		-11,1
Change in cash and cash equivalents		6,8
Cash and cash equivalents, opening balance		6,3
Change in cash and cash equivalents		6,8
Exchange rate differences in cash and cash equivalents		-
Cash and cash equivalents, closing balance	P13	13,2
Dividends received		8,0
Interest received		2,2
Interest paid		-2,2
Income taxes paid		-1,1

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Parent company statements of changes in shareholders' equity

SEK in millions	Note	Share capital	Statutory reserve	Reserve for capitalized development expenses	Fair value reserve	Retained earnings	Total shareholders' equity
Closing balance, December 31, 2019		13,856	1,855	1	1,500	75,400	92,612
Dividend	P14	-	-	-	-	-10,020	-10,020
Share-based payments	P26	-	-	-	-	7	7
Treasury shares		-	-	-	-	-562	-562
Cancellation of treasury shares		-395	-	-	-	-	-395
Bonus issue		395	-	-	-	-395	-
Capitalized development expenses	P8	-	-	0	-	0	-
Total comprehensive income		-	-	-	20	-6,176	-6,156
Closing balance, December 31, 2020		13,856	1,855	1	1,520	58,256	75,487
Dividend	P14	-	-	-	-	-8,179	-8,179
Share-based payments	P26	-	-	-	-	4	4
Treasury shares		-	-	-	-	-21	-21
Changes in non-controlling interests		-	-	-	-	7	7
Bonus issue		-	-	-	-	-	-
Capitalized development expenses	P8	-	-	0	-	0	0
Total comprehensive income		-	-	-	260	17,877	18,137
Closing balance, December 31, 2021		13,856	1,855	1	1,780	67,943	85,434

Notes to parent company financial statements

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P1. Basis of preparation

General

The parent company Telia Company AB's financial statements have been prepared in accordance with the Swedish Annual Accounts Act, other Swedish legislation, and standard RFR 2 "Accounting for Legal Entities" and other statements issued by the Swedish Financial Reporting Board. The standard is applicable to Swedish legal entities whose equities at the end of the reporting period are listed on a Swedish stock exchange or authorized equity market place. In their consolidated financial statements such companies have to comply with the EU regulation on international accounting standards, while they still have to comply with the Annual Reports Act in their separate financial statements. RFR 2 states that as a main rule listed parent companies should apply IFRSs and specifies exceptions and additions, caused by legal provisions or by the connection between accounting and taxation in Sweden.

Measurement bases and significant accounting principles

With the few exceptions below, Telia Company applies the same measurement bases and accounting principles as described in Notes to consolidated financial statements, Notes C1 and C3, respectively.

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Amounts and dates

Unless otherwise specified, all amounts of Swedish kronor (SEK million) or other specified and are based on the twelve ended December 31 for income statement flow statement items, and as of December balance sheet items, respectively.

Recently issued accounting standards

For information relevant to Telia Company see Note C1.

Judgments and key sources of estimation uncertainty

For information relevant to Telia Company see Note C2.

Item Note Accounting treatment

Intra company lending and credit rating	P5, P17	Telia Company has an internal model for credit rating of subsidiaries used when pricing internal lending to subsidiaries. The model has two risk categories and, depending on risk rating, the model has a credit spread curve to be applied on top of the benchmark rate when lending money to subsidiaries. The model is based on pricing of inter-company lending at an arms-length basis and if the credit spreads used represent an unbiased pricing of credit risk, this is used for calculating expected credit losses on inter-company receivables.
Group contributions	P6	Under certain conditions, it is possible to transfer profits through group contributions between Swedish companies in a group. A group contribution is normally a deductible expense for the contributor and a taxable income for the recipient. Group contributions are recognized as appropriations in the income statement.
Borrowing costs	P5, P8, P9	Borrowing costs directly attributable to the acquisition, construction or production of an asset are not capitalized as part of the cost of that asset.
Investments in subsidiaries and associated companies	P5, P11	Shares in subsidiaries and associated companies are recognized at cost including related transaction expenses less any impairment. Dividends received are brought to income while repayment of certain contributed capital reduces the carrying value.
Provisions for pensions and employment contracts	P5, P15	Pension obligations and pension expenses are recognized in accordance with the simplification rule for pensions in RFR 2 "Accounting for legal entities."
Untaxed reserves and appropriations	P6	Untaxed reserves and appropriations are reported gross excluding deferred tax liabilities related to the temporary differences.
Capitalized development expenses	P8	The corresponding amount that has been capitalized as development expenses in the balance sheet as intangible assets have been recognized in the reserve for capitalized development expenses in equity.
Lease agreements	P22	All leasing agreements are accounted for as operating leases.

P2. Net sales

Net sales were mainly related to group common services to subsidiaries and were distributed among individually material countries as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Sweden	737	280
Finland	121	109
Norway	61	89
Denmark	25	38
Other countries	38	49
Total	982	564

P3. Expenses by nature

Operating expenses are presented on the face of the income statement using a classification functions "Cost of sales," "Selling and marketing expenses" and "Administrative expenses." Total function were distributed by nature as follows.

SEK in millions	Jan-Dec 2021
Other network expenses	-
Personnel expenses (see also Note P26)	-
Rent and leasing fees	-
Consultants' services	-
IT expenses	-
Other expenses and net of intra-group invoicing	-
Amortization, depreciation and impairment losses	-
Total	-1,
Amortization, depreciation and impairment losses were distributed by function as follows. Amortization and program rights is included in the function Cost of sales. For more information see Note P26.	
SEK in millions	Jan-Dec 2021
Cost of sales	-
Administrative expenses	-
Total	-

P4. Other operating income and expenses

Other operating income and expenses were distributed as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Other operating income		
Reversal of provisions ¹	176	–
Exchange rate gains	53	83
Other operating income	0	112
Total other operating income	229	194
Exchange rate losses	-47	-58
Capital losses	0	0
Restructuring costs - termination benefits	-36	-86
Other operating expenses ²	-271	-286
Total other operating expenses	-354	-430
Net effect on income	-125	-235

1) Mainly relates to gains from net changes in provisions for transaction warranties. 2) Mainly relates to transaction costs and transaction related warranties in business combinations.

P5. Finance income and finance costs

Finance income and finance costs were distributed as follows.

SEK in millions	Jan-Dec 2021
Finance income	
Dividends from subsidiaries	8
Capital gains from subsidiaries	10
Dividends from associated companies	2
Interest from subsidiaries	
Other interest income	
Net exchange rate gains	
Other financial revenues	
Total finance income	21
Finance costs	
Impairment losses from subsidiaries	-4
Capital losses from subsidiaries	
Impairment losses from other financial investments	
Other interest expenses	-2
Interest expenses related to subsidiaries	
Interest component of pension expenses	
Net exchange rate losses	-
Financial losses, financial instruments, net	0
Other financial expenses	
Total finance costs	-7
Net effect on income	13

Impairment losses from subsidiaries include impairment charges/reversed impairment charges. Impairment charges of SEK -17 million (2020) in accordance with IFRS 9. For more information regarding impairment losses from subsidiaries see Notes P11 and P12, respectively.

Details on interest related expenses, net exchange rate gains and losses and interest related income related to hedging activities, loan receivables, bonds and borrowings were as follows.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
	Interest related expenses	Interest related expenses	Net exchange rate gains and losses	Net exchange rate gains and losses	Interest related income	Interest related income
Fair value hedge derivatives	-1,058	868	0	-	-	-
Cash flow hedge derivatives	-461	-452	760	-1,127	-	-
Derivatives at fair value through income statement	-19	-284	-484	1,086	-1	-
Financial assets at amortized cost	-	-	1,201	-2,133	16	13
Bonds at fair value through OCI	-	-	-	-	-	34
Bonds at fair value through income statement	-	-	-	-	22	-
Borrowings in fair value hedge relationships	-769	-2,637	-1,571	3,093	-	-
Borrowings and other financial liabilities at amortized cost	-1	-573	-334	-130	2,097	2,188
Other	-83	-95	-	-	3	-
Total	-2,391	-3,174	-428	790	2,136	2,234

P6. Income taxes

Tax items recognized in comprehensive income

Tax items recognized in comprehensive income were distributed as follows.

SEK in millions	Jan-Dec 2021
Tax items recognized in net income	
Current tax	-
Adjustment of current tax related to prior years	-
Deferred tax	-
Effect on deferred tax from changes in tax rates ¹	-
Total tax expense recognized in net income	
Tax items recognized in other comprehensive income	
Current tax	-
Deferred tax	-
Total tax recognized in other comprehensive income	
Tax items recognized directly in equity	
Deferred tax	-
Total tax recognized directly in equity	

1) The impact 2020 relates to changed assessment of timing for release/settlement of deferred tax assets/ liabilities. Tax rate is settlement before 2021, tax rate 20.6 percent is applied to release/settlement from 2021 and onwards.



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Pre-tax income was SEK 18,804 million in 2021 (-5,470). The difference between the nominal Swedish income tax rate and the effective tax rate comprises the following components.

Percent	Jan-Dec 2021	Jan-Dec 2020
Swedish income tax rate	20.6	21.4
Underprovided or overprovided current tax expense in prior years	0.0	-0.1
Effect on deferred tax expense from changes in tax rates ¹	-	0.0
Non-deductible expenses	5.3	-59.3
Tax-exempt income	-21.0	25.0
Effective tax rate in net income	4.9	-12.9

¹⁾ The impact 2020 relates to changed assessment of timing for release/settlement of deferred tax assets/ liabilities. Tax rate 21.4 percent is applied to release/settlement before 2021, tax rate 20.6 percent is applied to release/settlement from 2021 and onwards.

Non-deductible expenses in 2021 and 2020 was mainly affected by impairment write-downs of subsidiaries. Tax-exempt income in 2021 and 2020 consisted primarily of dividends from subsidiaries.

Tax-exempt income 2021 included capital gains from the disposals of Telia Towers AB and the Carrier subsidiaries.

2021

SEK in millions	Opening balance	Recognized in income statement	Recognized in comprehensive income
Gross deferred tax assets			
Non-current assets	1	0	
Provisions	125	5	
Interest expense carry-forward	-	-	
Subtotal	126	5	
Offset deferred tax liabilities/assets	-17	-	
Total deferred tax assets	110	5	
Deferred tax liabilities			
Fair value adjustments, cash flow hedges and financial assets at fair value through OCI	17	-	
Subtotal	17	-	
Offset deferred tax assets/liabilities	-17	-	
Total deferred tax liabilities	-	-	
Net deferred tax assets (+)/liabilities (-)	110	5	

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2020

SEK in millions	Opening balance	Recognized in income statement	Recognized in other comprehensive income	Closing balance
Gross deferred tax assets				
Non-current assets	1	0	-	1
Provisions	124	1	-	125
Interest expense carry-forward	30	-30	-	-
Subtotal	156	-29	-	126
Offset deferred tax liabilities/assets	-36	-	18	-17
Total deferred tax assets	121	-29	18	110
Deferred tax liabilities				
Fair value adjustments, cash flow hedges and financial assets at fair value through OCI	36	-	-18	17
Subtotal	36	-	-18	17
Offset deferred tax assets/liabilities	-36	-	18	-17
Total deferred tax liabilities	-	-	-	-
Net deferred tax assets (+)/liabilities (-)	121	-29	18	110

In 2021 and 2020, there were no accumulated non-expiring tax loss carry-forwards or unrecognized deferred tax assets. As of December 31, 2021, the unrecognized deferred tax liability in untaxed reserves amounted to SEK 1,382 million (1,442).

Untaxed reserves and appropriations

As of December 31, 2021 and 2020, untaxed reserves in the balance sheet consisted of profit equalization reserves totaling SEK 6,707 million and SEK 7,002 million, respectively.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Change in profit equalization reserves	295	-756
Group contributions received	6,040	4,879
Group contributions paid	-671	-453
Net effect on income	5,663	3,670

P7. Other comprehensive income

Other comprehensive income was distributed as follows.

SEK in millions	Equity component	Jan-21
Other comprehensive income that may be reclassified to net income		
Cash flow hedges		
Net changes in fair value	Hedging reserve	
Transferred to financial items in net income	Hedging reserve	
Income tax effect	Hedging reserve	
Total cash flow hedges		
Cost of hedging		
Changes in fair value	Cost of hedging reserve	
Income tax effect	Cost of hedging reserve	
Total cost of hedging		
Debt instruments at fair value through OCI		
Net changes in fair value	Fair value reserve	
Transferred to financial items in net income	Fair value reserve	
Income tax effect	Fair value reserve	
Total debt instruments at fair value through OCI		
Other comprehensive income that will not be reclassified to net income		
Equity instruments at fair value through OCI		
Net changes in fair value	Fair value reserve	
Income tax effect	Fair value reserve	
Total equity instruments at fair value through OCI		
Total other comprehensive income		
<i>of which total income tax effects (see also Note P6)</i>		

P8. Intangible assets

No general changes of useful lives were made during the year. For useful lives applied, see Note C2. In the income statement, amortization and impairment losses are, if applicable, included in all expense line items by function as well as in line item Other operating expenses. Accelerated amortization, to the extent allowed by Swedish tax legislation, is recorded as untaxed reserves and appropriations, see this section in Note P6.

The carrying value of intangible assets was distributed as follows.

SEK in millions	Other intangibles ¹	
	Dec 31, 2021	Dec 31, 2020
Accumulated costs	16	22
Accumulated amortization	-14	-19
Carrying value	2	3
<i>of which work in progress</i>		
Carrying value opening balance	3	4
Investments	-	-
Disposals	-	-
Depreciation for the year	-1	-1
Carrying value, closing balance	2	3

1) Other intangibles are mainly related to IT-systems. As of December 31, 2021 carrying value of Capitalized development expenses amounted to SEK 1 million (1).

P9. Property, plant and equipment

The total carrying value was distributed and changed as follows.

SEK in millions	Plant and machinery		Equipment, tools and installations	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost	6	6	0	0
Accumulated depreciation	-6	-6	0	0
Carrying value	0	0	0	0
Carrying value, opening balance	0	0	0	0
Depreciation for the year	-	-	-	-
Carrying value, closing balance	0	0	0	0

No general changes of useful lives were made in 2021. For useful lives applied, see Note C2. In the income statement, depreciation and impairment losses are, if applicable, included in all expense line items by function as well as in line item Other operating expenses. Accelerated depreciation, allowed by Swedish tax legislation, is recorded as untaxed reserves and appropriations, see this section in Note P6.

P10. Film and program rights

The total carrying value for Film and program rights was distributed and changed as follows:

SEK in millions	Dec 31, 2021	Dec 31, 2020
Accumulated cost	1,096	–
Accumulated amortization	-487	–
Advances (Prepaid)	–	531
Carrying value	609	531
<i>of which non-current</i>	–	–
<i>of which current</i>	609	531
Carrying value, opening balance	531	–
Additions	566	531
Amortizations for the year (included in EBITDA)	-487	–
Exchange rate differences	–	–
Carrying value, closing balance	609	531

Amortization of film and program rights is included within the function Cost of sales and is classified as Cost of film and program rights (within EBITDA) in the distribution of operating expenses by nature in Note P3. Contractual obligations regarding future acquisitions (or equivalent) of film and program rights which are not included in the balance sheet represented the following expected maturities.

SEK in millions

Within 1-3 years
Within 4-10 years
Total

For other unrecognized contractual obligations, see Note P24.

P11. Other financial assets

The total carrying value changed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021
	Investments in associated companies and joint operations	Investments in other equity instruments	Investments in subsidiaries and other non-current financial assets	Investments in subsidiaries and other non-current financial assets	Investments in subsidiaries and other non-current financial assets	Investments in subsidiaries and other non-current financial assets	Total
Carrying value, opening balance	56	35	440	267	178,092	199,403	178,588
New share issues and shareholder contributions	11	13	37	-	257	12	304
Repayment of capital	-	-	-	-	-1,000	-	-1,000
Additions	3	8	12	100	17,351	9,555	17,366
Disposals	-	-	-68	-	-21,265	-8,089	-21,333
Impairment losses	-	-	-	-	-4,500	-14,965	-19,465
Reclassifications to short-term investments	-	-	-	-	-6,324	-6,643	-12,967
Other reclassifications	-	-	-	10	-89	293	-89
Changes in fair value	-	-	123	63	201	-1,475	324
Carrying value, closing balance	70	56	544	440	162,724	178,092	178,337

For other financial assets, fair values equal carrying values. Impairment losses were related to Telia Finland Oyj amounting to SEK 4,500 million (14,955). For more information regarding Equity instruments measured at fair value through OCI, see Note C26. The total carrying values of other financial assets were distributed as follows.

For Loans and receivables (including claims on associated companies), fair value is estimated at the present value of future cash flows discounted by applying market interest rates at the end of the reporting period.

For more information on financial instruments by category/fair value hierarchy level and exposed to credit risk, see Note P20 and section "Credit risk management" in Note P21, respectively. Conventional commercial terms apply for receivables from subsidiaries.

Investments in subsidiaries are specified below, while corresponding information on associated companies and other equity instruments is presented in Notes C15 and C16.

SEK in millions	Carrying value	
	Dec 31, 2021	Dec 31, 2020
Investments in other equity instruments at fair value through OCI	526	422
Investments in other equity instruments at fair value through income statement	18	18
Bonds at fair value through OCI	–	5,086
Bonds at fair value through income statement	5,149	–
Interest rate and cross-currency interest rate swaps at fair value	1,283	3,989
of which designated as fair value hedges	574	1,476
of which at fair value through income statement	310	930
of which designated as cash flow hedges	399	1,583
Subtotal (see Fair value hierarchy levels – Note P20)	6,976	9,516
Financial assets at amortized cost	407	394
Subtotal (see Categories – Note P20 and Credit risk – Note P21)	7,383	9,910
Investments in subsidiaries	100,483	111,401
Receivables from subsidiaries (see Note P23)	55,401	57,221
Investments in associated companies and joint operations	70	56
Total other financial assets	163,337	178,588
of which interest-bearing	62,235	66,690
of which non-interest-bearing	101,102	111,897



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Carrying value
(SEK in millions)

Subsidiary, Corp. reg. no., registered office	Participation (%)	Number of shares	Dec 31, 2021	Dec 31, 2020
Non-Swedish companies				
Telia Finland Oyj, 1475607-9, Helsinki	100	1,417,360,515	27,400	31,886
Telia Imics-Nebula Oy, 2546028-1, Helsinki	100	46,921,852	2,049	2,049
Telia Cygate Oy, 0752421-0, Helsinki	100	1,500,000	416	416
Assembly Organizing Oy, 2245136-3, Helsinki	100	1,256	36	23
Telia Carrier Finland Oy, 1649304-9, Helsinki	-	-	-	98
Telia Payment Oy, 1636595-2, Hämeenlinna	-	-	-	14
Telia Norge AS, 981929055, Oslo	100	30,000	32,675	32,675
Telia Company Danmark A/S, 18530740, Copenhagen	100	14,500	32	32
Argon A/S, 36462272, Copenhagen	100	500,000	1	1
Telia Carrier Denmark A/S, 24210413, Copenhagen	-	-	-	172
Telia Lietuva, AB, 121215434, Vilnius	88.2	513,594,774	4,144	4,144
Telia Global Services Lithuania, UAB, 134517169, Vilnius	100	192,414	12	12
SIA Telia Latvija, 000305757, Riga	100	353,500	24	24
Latvijas Mobilais Telefons SIA, 50003050931, Riga	24.5	200,165	2	2
Telia Carrier Latvia SIA, 40003251354, Riga	-	-	-	7
Telia Eesti AS, 10234957, Tallinn	100	137,954,528	5,691	5,691
Telia Carrier Estonia OÜ, 12606073, Tallinn	-	-	-	11
Telia Carrier France S.A.S., B421204793, Paris	-	-	-	482
Telia Carrier UK Ltd, 02796345, London	-	-	-	268
Telia Carrier Germany GmbH, HRB50081, Frankfurt am Main	-	-	-	249
AO Telia Carrier Russia, 1027809197327, Moscow	-	-	-	200
Telia Carrier U.S. Inc., 541837195, Herndon, VA	-	-	-	136
Telia Carrier Czech Republic a.s., 26207842, Praha	-	-	-	126

Subsidiary, Corp. reg. no., registered office	Participation (%)	Number of shares	Dec 31, 2021
Swedish companies			
Telia Carrier Austria GmbH, FN1917831, Vienna	-	-	-
Telia Carrier Netherlands BV., 34128048, Amsterdam	-	-	-
Telia Carrier Switzerland AG, CHE-105.398.242, Zürich	-	-	-
Telia Carrier Poland Sp.z o.o., 0000018616, Warszawa	-	-	-
Telia Carrier Italy S.p.A., 078993960018, Turin	-	-	-
Telia Carrier Hungary Kft, 01-09-688192, Budapest	-	-	-
Telia Carrier Turkey Telekomunikasyon L.S., 609188, Istanbul	-	-	-
Telia Carrier Ireland Ltd., 347074, Dublin	-	-	-
TOV Telia Carrier Ukraine, 34716440, Kyiv	-	-	-
Telia Carrier Romania S.R.L., 20974985, Bucharest	-	-	-
Telia Carrier Slovakia s.r.o., 36709913, Bratislava	-	-	-
Telia Carrier Belgium S.A., 0469422293, Brussels	-	-	-
Telia Carrier Canada Inc., BC0968600, Vancouver, British Columbia	-	-	-
Telia Carrier Singapore Pte. Ltd., 200005728N, Singapore	-	-	-
Telia Carrier d.o.o. Beograd-Stari Grad, 21372820, Belgrade	-	-	-
Telia Carrier Communications Mexico S.A. de C.V., TC-C1707186Y6, Mexico City	-	-	-
Telia Carrier Croatia d.o.o., 081061252, Zagreb	-	-	-
Telia Carrier Japan Godo-Kaisha, 10403018587, Tokyo	-	-	-
TeliaSonera Telekomunikasyon Hizmetleri A.S., 381395, Istanbul	99.0	79,190	-
Other operating, dormant and divested companies	-	-	-
Total			100.

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The decreased book values related to the shares in Telia Finland Oyj is related to an impairment made of the shares in March 2021 and in Telia Sverige AB mainly derived from a capital repayment made in June 2021. In June 2021 all shareholdings in Telia Carrier were disposed which included one Swedish and 32 foreign subsidiaries. Part of the disposed companies were included in "Other operating, dormant and divested companies". In August 2021 the shareholding in Assembly Organizing Oy increased from approx. 80% to 100%. In October 2021 the wholly-owned subsidiary Telia Payment Oy was merged into the wholly-owned subsidiary Telia Finland Oyj. In December 2021, 49% of the shares in Telia Towers Sweden AB was acquired. The wholly-owned subsidiaries Styx009 AB, Styx010 AB, Styx011 AB and Styx012 AB were liquidated in 2021. For information regarding

acquisitions see Note C34. Telia Danmark is a branch of Telia Nättjänster Norden AB. TeliaCompany's holdings in the networksharing operations in Sweden and Denmark are held through Telia Sverige AB and Telia Mobile Holding AB, respectively. Another 24.5 percent of the shares in Latvijas Mobilais Telefons SIA are owned by a subsidiary. Telia Company has a board majority in Latvijas Mobilais Telefons SIA. Remaining shares in TeliaSonera Telekomunikasyon Hizmetleri A.S. is owned by Telia Finland Oyj which also controls Sonera Holding BV. and TeliaSonera UTA Holding BV. Equity participation corresponds to voting rights participation in all companies. Other operating and dormant companies do not control group assets of significant value. In addition to companies mentioned above, Telia Company indirectly controls a number of operating and dormant subsidiaries of subsidiaries.

P12. Trade and other receivables

The carrying value of trade and other receivables were distributed as follows.

SEK in millions	Dec 2021
Currency- and interest rate swaps and forward exchange contracts designated as hedges	
Currency- and interest rate swaps and forward exchange contracts at fair value through income statement	
Subtotal (see Fair value hierarchy levels – Note P20)	
Accounts receivable at amortized cost	
Loans and receivables at amortized cost	
Subtotal (see Categories – Note P20 and Credit risk – Note P21)	
Receivables from subsidiaries (see Note P23)	23,167
of which cash-pool balances and short-term deposits	15,777
of which trade and other receivables	7,390
Other current receivables	
Deferred expenses	
Total trade and other receivables	23,167
of which interest-bearing	16,777
of which non-interest-bearing	7,390

For Accounts receivable and Loans and receivables, the carrying values equal fair value as the impact of discounting is insignificant. Receivables from subsidiaries includes impairment charges in accordance with IFRS 9, see Note P5. For Accounts receivable

and Loans and receivables including from associated companies and joint ventures, at the end of the reporting period, credit risk by geographical area and segment was as follows.

As of the end of the reporting period, ageing of Loans and receivables (including receivables companies) were as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Geographical area		
Sweden	9	3
Other countries	2	4
Total carrying value	11	7
Customer segment		
Other customers	11	7
Total carrying value	11	7

There were no expenses for credit losses and no recovered Accounts receivables within account or Loans and receivables at amortized cost in 2021 and in 2020.

For more information on financial instruments by category/fair value hierarchy level and exposed to credit risk, see Note P20 and section "Credit risk management" in Note P21, respectively. Conventional commercial terms apply for receivables from subsidiaries.

As of the end of the reporting period, allowance for expected credit losses and ageing of Accounts receivable, respectively, were as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Accounts receivable invoiced	11	7
Allowance for expected credit losses, accounts receivable	–	–
Total accounts receivable	11	7
Accounts receivable not due	10	3
Accounts receivable past due but not impaired	2	4
of which 30–180 days	0	4
of which more than 180 days	2	0
Total accounts receivable	11	7

P13. Short-term investments, cash and cash equivalents

Short-term investments, cash and cash equivalents were as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Short term investments with maturities longer than 3 months of which bonds at fair value through OCI	6,049	2,235
of which bonds at fair value through income statement	–	2,235
Short-term investments with maturities up to and including 3 months of which bonds at fair value through OCI	6,049	–
of which bonds at fair value through income statement	380	385
of which bank deposits at amortized cost	–	385
Total short-term investments	6,429	2,621
Cash and bank	12,834	6,000
Total (see Categories – Note P20 and Credit risk – Note P21)	19,263	8,620
of which cash and cash equivalents	13,214	6,385

Cash and cash equivalents are defined as the sum of Short-term investments with maturities up to and including 3 months and the balance sheet item Cash and bank. The carrying values are assumed to approximate fair values as the risk of changes in value is insignificant. As of December 31, 2021, there

were no blocked funds in Telia Company's bank accounts. For more information on financial instruments by category and exposed to credit risk, see Note P20 and section "Credit risk management" in Note P21, respectively.

P14. Shareholders' equity

Share capital, treasury shares, earnings per share and dividends
See Notes to consolidated financial statements (corresponding sections in Note C20).

At the disposal of the Annual General Meeting (AGM):

Non-restricted equity excluding net income
Net income
Total

The Board proposes that this sum be appropriated as follows:

SEK 2.05 per share ordinary dividend to the shareholders ¹⁾
To be carried forward
Total

¹⁾ Based on outstanding shares as per December 31, 2021.

The dividend is proposed to be split and distributed into two tranches one of SEK 1.00 per share in April 2022 and one of SEK 1.05 per share in November 2022.

The Board of Directors is of the opinion that the proposed dividend, according to Chapter 18 Section 4 of the Swedish Companies Act, is justifiable. After distribution of the proposed dividend, the equity of

the company and the group will be split and distributed with respect to the nature, scope and risk of the operations. Also, the company has the liquidity to have a satisfactory level of liquid assets to meet the financial position.

The full statement by the Board of Directors and the AGM documents will be included in the AGM documents.

P15. Provisions for pensions and employment contracts

Pension obligations and pension expenses

The employees in Telia Company AB are covered by one of the three occupational pension plans ITP1, ITP2 or ITP-Tele due to collective agreement. ITP2 and ITP-Tele are defined benefit pension plans which means that the individual is guaranteed a pension equal to a certain percentage of his or her salary. All employees born in 1979 or later are covered by ITP1.

Most pension obligations are secured by Telia Pension Fund. Certain commitments, such as certain supplementary individual pension benefits and a right under the employment contracts for certain categories of personnel to retire at age 55, 60, or 63, are provided for by taxed reserves in the balance sheet. Pension obligations are calculated annually, as of the end of the reporting period, based on actuarial principles.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Opening balance, pension obligations covered by plan assets	1,549	1,558
Opening balance, pension obligations not covered by plan assets	371	379
Opening balance, total pension obligations	1,920	1,937
Current service cost	11	11
Interest cost, paid-up policy indexation	80	105
Benefits paid	-127	-120
Other changes in valuation of pension obligations and termination benefits	-16	-15
Closing balance, pension obligations covered by plan assets	1,517	1,549
Closing balance, pension obligations not covered by plan assets	351	371
Closing balance, total pension obligations	1,868	1,920
of which PRI Pensionsgaranti pensions	1,330	1,351

The fair value of plan assets changed as follows.

SEK in millions, except return	Dec 31, 2021	Dec 31, 2020
Opening balance, plan assets	2,120	2,120
Payments from pension fund	-	-
Actual return	-	-
Closing balance, plan assets	2,120	2,120
Actual return on plan assets (%)	0	0

Provisions for pension obligations were recognized in the balance sheet as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Present value of pension obligations	1,120	1,120
Fair value of plan assets	-30	-30
Surplus capital in pension fund	1,120	1,120
Provisions for pension obligations	1,120	1,120

Total pension expenses (+)/income (-) were distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Current service cost	11	11
Interest cost, paid-up policy indexation	80	105
Less interest expenses recognized as financial expenses	-14	-15
Actual return on plan assets	-115	60
Divested operations, pension obligations	0	0
Other changes in valuation of pension obligations	-17	-15
Termination benefits	1	1
Payments from pension fund	-175	-100
Pension expenses (+)/income (-), defined benefit pension plans	-229	47
Pension premiums, defined benefit/defined contribution pension plans and other pension costs	93	81
Pension-related social charges and taxes	10	20
Less termination benefits (incl. premiums and pension-related social charges) reported as restructuring cost	-1	-2
Pension expenses (+)/income (-)	102	99
Decrease (-)/Increase (+) of surplus capital in pension fund	147	-51
Recognized pension expenses (+)/income (-)	19	94
<i>of which pension premiums paid to the ITP pension plan</i>	<i>5</i>	<i>5</i>

Principal actuarial assumptions

The actuarial calculation of pension obligations and pension expenses is based on principles set by PRI Pensions-garanti and the Swedish Financial Supervisory Authority, respectively. The principal calculation assumption is the discount rate which, as a weighted average for the different pension plans

and, as applicable, net of calculated was 3.3 percent in 2021 (3.3). Obligations were calculated based on the salary level December 31, 2021 and 2020, respectively.

Plan-asset allocation

At the end of the reporting period, plan assets were allocated as follows.

Asset category	Dec 31, 2021		Dec 31, 2020
	SEK in millions	Percent	SEK in millions
Fixed income instruments, liquidity	1,472	48.1	1,472
Shares and other investments	1,587	51.9	1,587
Total	3,059	100	3,059

Future contributions and pension payments

As of December 31, 2021, the fair value of plan assets exceeded the present value of pension obligations. Unless the fair value of plan assets during

2022 should fall short of the present value of pension obligations, Telia Company should make any contribution to the pension plan.

P16. Other provisions

Changes in other provisions were as follows.

SEK in millions	December 31, 2021				Total
	Payroll taxes on future pension payments	Restructuring provisions	Other provisions	Insurance provisions	
Opening balance	53	65	310	20	448
Provisions for the period	10	36	32		77
Utilized provisions	-2	-57	-307	-2	-367
Reclassifications	-	-	-	-	-
Exchange rate differences	-	-	5	-	5
Closing balance	61	44	41	18	163
<i>of which non-current portion</i>	<i>61</i>	<i>3</i>	<i>8</i>	<i>18</i>	<i>90</i>
<i>of which current portion</i>	<i>0</i>	<i>41</i>	<i>32</i>	<i>-</i>	<i>73</i>

For financial liabilities, the carrying value equals fair value as provisions are discounted to present value. See Note P20 for more information on financial instruments classified by category.

Full utilization of payroll taxes on future pension payments and insurance provisions is expected in the period 2022-2054. The provisions represent the present value of management's best estimate of the amounts required to settle the liabilities. Restructur-

ing provisions mainly refer to staff redundancy costs. The remaining provision as of December 31, 2021, is expected to be fully utilized in 2023. Other provisions include provisions for estimated expenses related to fulfilling representations made and warranties, i.e. transaction warranties in connection with acquisitions, disposals and winding-up of group entities.

P17. Long-term and short-term borrowings

Open-market financing programs

For information on Telia Company's open-market financing programs, see Note C21.

Borrowings

Long-term and short-term borrowings were distributed as follows.

SEK in millions	Dec 31, 2021		Dec 31, 2020
	Carrying value	Fair value	Carrying value
Long-term borrowings			
Interest rate derivatives at fair value	771		771
<i>of which designated as hedging instruments</i>	<i>768</i>		<i>768</i>
<i>of which at fair value through income statement</i>	<i>3</i>		<i>3</i>
Cross-currency interest rate derivatives at fair value	800		800
<i>of which hedging net investments</i>	<i>-</i>		<i>-</i>
<i>of which designated as hedging instruments</i>	<i>765</i>		<i>765</i>
<i>of which at fair value through income statement</i>	<i>35</i>		<i>35</i>
Subtotal (see Fair value hierarchy levels – Note P20)	1,571	1,571	1,571
Open-market financing borrowings in fair value hedge relationships	53,451		59,477
Open-market financing borrowings at amortized costs	23,215		28,083
<i>of which hedging net investments</i>	<i>5,589</i>		<i>7,598</i>
Total long-term borrowings (see Categories – Note P20)	78,237	89,133	87,996

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P18. Long-term liabilities

The carrying value of long-term liabilities were SEK 3 million (4). For liabilities to subsidiaries, For the years 2021 and 2020, no long-term liabilities fell due more than 5 years after the end period.

SEK in millions	Dec 31, 2021		Dec 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Short term Borrowings				
Interest rate derivatives at fair value	92	92	8	8
<i>of which designated as hedging instruments</i>	92	92	8	8
Cross-currency interest rate derivatives at fair value	223	223	143	143
<i>of which designated as hedging instruments</i>	108	108	143	143
<i>of which at fair value through income statement</i>	115	115	–	–
Subtotal (see Fair value hierarchy levels – Note P20)	315	315	151	151
Open-market financing borrowings in fair value hedge relationships	6,001	6,037	5,127	5,313
Subtotal (see Categories – Note P20)	6,316	6,352	5,278	5,465
Borrowings from subsidiaries (see note P23)	27,433		36,549	
<i>of which from cash pool</i>	26,913		36,434	
<i>of which other borrowings</i>	520		115	
Total short-term borrowings	33,749		41,827	

As of December 31, 2021 fully unutilized bank overdraft credit facilities had a total limit of SEK 1,013 million (1,011).

For additional information on financial instruments classified by category/fair value hierarchy level, see Note P20, and for information on matur-

ities and liquidity risks, see section “Liquidity risk management” in Note P21. See Note C21 for further information on borrowings and the swap portfolio. Conventional commercial terms apply for borrowings from subsidiaries, which comprise cash-pool balances and other borrowings.

P19. Short-term provisions, trade payables and other current liabilities

Short-term provisions, trade payables and other current liabilities were distributed as follows.

SEK in millions	Dec 31, 2021	Dec 31, 2020
Currency swaps, forward exchange contracts and currency options measured at fair value through profit or loss (income statement)	14	526
Subtotal (see Fair value hierarchy levels – Note P20)	14	526
Accounts payable at amortized cost	76	101
Current liabilities at amortized cost	597	12
Subtotal (see Categories – Note P20)	687	639
Liabilities to subsidiaries (see Note P23)	1,761	1,598
Other current liabilities and short-term provisions	215	404
Total short-term provisions, trade payables and other current liabilities	2,664	2,642

For Accounts payable and Current liabilities, the carrying value equals fair value as the impact of discounting is insignificant. For additional information on financial instruments classified by category/fair value hierarchy level and on liquidity risks, see Note

P20 and section “Liquidity risk management” in Note P21. As of December 31, 2021, contractual cash flows for liabilities at amortized cost represented the following expected maturities.

Expected maturity SEK in millions	Jan–Mar 2022	Apr–Jun 2022	Jul–Sep 2022	Oct–Dec 2022	Total
Liabilities at amortized cost	673	0	0	0	673

Corresponding information for currency derivatives held-for-trading is presented in section “Liquidity risk management” to Note P21.

Conventional commercial terms apply for trading with subsidiaries.

P20. Financial assets and liabilities by category and level

Categories

Carrying values of financial assets and liabilities were distributed by category as follows. Liabilities exclude pension obligations as presented in Note P15.

SEK in millions	Note	Dec 31, 2021
Financial assets		
Derivatives designated as hedging instruments	P11, P12	1,111
Financial assets at fair value through income statement		1,111
of which derivatives measured at fair value through income statement	P11, P12	1,111
of which other investments at fair value through income statement	P11, P12	1,111
Long- and short-term bonds measured at fair value through OCI ¹⁾	P11, P12	1,111
Long- and short-term bonds measured at fair value through income statement ¹⁾	P11, P12	1,111
Financial assets at amortized cost	P11, P12, P13	79,111
Financial assets measured at fair value through OCI	P11, P13	1,111
Total financial assets by category		93,111
Financial liabilities		
Derivatives designated as hedging instruments	P11, P12	1,111
Derivatives measured at fair value through income statement	P17, P18	1,111
Financial liabilities measured at amortized cost	P17, P18	112,111
Total financial liabilities by category		114,111

1) From January 1, 2021, Telia Company changed its business model for the liquidity portfolio. The portfolio was previously measured at fair value from January 1, 2021, measured at fair value through income statement, see Note C1.

Fair value hierarchy levels

The carrying values of classes of financial assets and liabilities were distributed by fair value hierarchy level as follows.

SEK in millions	Note	December 31, 2021			December 31, 2020			
		Fair value	of which		Fair value	of which		
			Level 1	Level 2		Level 3	Level 1	Level 2
Financial assets at fair value¹								
Equity instruments at fair value through OCI	P11	526	-	-	526	422	-	422
Equity instruments at fair value through income statement	P11	18	-	-	18	18	-	18
Long- and short-term bonds at fair value through OCI	P11, P13	-	-	-	-	7,706	6,457	1,250
Long- and short-term bonds at fair value through income statement	P11, P13	11,578	9,883	1,695	-	-	-	-
Derivatives designated as hedging instruments	P11, P12	1,034	-	1,034	-	3,129	-	3,129
Derivatives at fair value through income statement	P11, P12	462	-	463	-	1,049	-	1,049
Total financial assets at fair value by level		13,618	9,883	3,191	544	12,323	6,457	5,427
Financial liabilities at fair value								
Derivatives designated as hedging instruments	P17	1,734	-	1,734	-	3,802	-	3,802
Derivatives at fair value through income statement	P17, P19	166	-	166	-	917	-	917
Contingent consideration liabilities		-	-	-	-	-	-	-
Total financial liabilities at fair value by level		1,900	-	1,900	-	4,719	-	4,719

1) For information on fair value hierarchy levels and fair value estimation, see Note C3.

There were no transfers between Level 1, 2 or 3 in 2021 and 2020.

Level 3 financial assets changed as follows.

SEK in millions	Equity instruments at fair value through OCI	Equity instruments at fair value through OCI	Assets, December 31, 2021		Derivatives at fair value through income statement	Total
			Equity instruments at fair value through OCI	Equity instruments at fair value through OCI		
Level 3, opening balance	422	18	-	-	-	440
Changes in fair value of which recognized in other comprehensive income	126	-	-	-	-	126
Purchases/ capital contributions	50	-	-	-	-	50
Disposal	-71	-	-	-	-	-71
Other reclassifications	-	-	-	-	-	-
Level 3, closing balance	526	18	-	-	-	544

P21. Financial risk management

Principles, capital management and management of financial risks

For information relevant to Telia Company, see Note C27.

Credit risk management

Telia Company's exposure to credit risk is the fault of counterparties (including price movements in equity instruments), with investments equal to the carrying amount (detailed in the respective Note and receivables from subsidiaries), as follows:

SEK in millions	Note	Dec 31, 2020
Other financial assets excluding investments and receivables on subsidiaries and associated companies and investments in other equity instruments	p11	6,199
Trade and other receivables	p12	19,119
Short-term investments, cash and cash equivalents	p13	26,119
Total		51,437

Telia Company has an internal model for credit rating of subsidiaries used when pricing internal lending to subsidiaries. For information on the model, see Note P1 and for information on credit risk management relevant to Telia Company, see Note C27.

Liquidity risk management

Liquidity risk is the risk that Telia Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. For information on li-

quidity risk management relevant to Telia Company, see Note C27.

As of December 31, 2020, Telia Company's contracted cash flows for interest-bearing and non-interest-bearing derivatives (excluding intra-group derivatives) including expected maturities, including and estimated interest payments, within 12 months equal the carrying amount of the derivatives. The impact of discounting is insignificant.

SEK in millions	Equity instruments at fair value through OCI	Equity instruments at fair value through income statement	Derivatives at fair value through income statement	Total	Contingent considerations	Liabilities, December 31, 2020
Level 3, opening balance	253	13	-	266	41	-
Changes in fair value	63	-	-	63	-	-
<i>of which recognized in other comprehensive income</i>	63	-	-	63	-	-
Purchases/capital contributions	96	5	-	100	-	-
Disposal	0	-	-	0	-	-
Settlements	-	-	-	-	-41	-
Other reclassifications	10	-	-	10	-	-
Level 3, closing balance	422	18	-	440	-	-

The changes in fair value of equity instruments relate mainly to a Swappee Oy in 2021 and to Volterra Inc., Subspace Inc., Swappie Oy and Soundtrack your brand Sweden AB in 2020. In 2020 purchases include the acquisition of Volterra Inc., Vario Technologies Oy, and Challengermode AB.

Disposals in 2021 relates to Volterra Inc.. Changes in fair value recognized in net income are included in line item Financial income and expenses. For more information see Note P5 and Note C26.

P22. Operating lease agreements

Telia Company leases primarily office premises and company cars. Most of the leases are from outside parties. The leases are on commercial terms with respect to prices and duration.

Future minimum leasing fees under agreements in effect as of December 31, 2021 could not be canceled in advance and of one year were as follows.

Expected maturity SEK in millions	Jan- Mar 2022	Apr- Jun 2022	Jul- Sep 2022	Oct- Dec 2022	2023	2024	2025	2026	Later years	Total
Utilized bank overdraft and short-term credit facilities	-	-	-	-	-	-	-	-	-	-
Open-market financing program borrowings	-4,669	-487	-1,839	-7,579	-12,646	-8,460	-8,894	-6,124	-45,717	-96,415
Gross-currency interest rate swaps and interest rate swaps										
Payables	-4,283	-491	-3,167	-536	-13,202	-13,794	-5,764	-7,566	-13,271	-62,074
Receivables	4,230	447	2,899	613	12,787	13,828	5,462	7,284	12,656	60,206
Currency swaps and forward exchange contracts										
Payables	-32,749	-36	-326	-6	-	-	-	-	-	-33,117
Receivables	32,880	36	334	7	-	-	-	-	-	33,257
Total net	-4,591	-531	-2,099	-7,501	-13,061	-8,426	-9,196	-6,406	-46,332	-98,143

Expected maturities for and additional information on non-interest-bearing liabilities, guarantees and other contractual obligations are presented in Notes P16, P19 and P24, respectively.

Expected maturity SEK in millions	Jan- Mar 2022	Apr- Jun 2022	Jul- Sep 2022	Oct- Dec 2022	2023	2024	2025	2026
Future minimum leasing fees	1	1	1	1	2	-	-	-

In 2021 total rent and leasing fees paid were SEK 33 million (37).

P23. Related party transactions

General

Conventional commercial terms apply for the supply of goods and services to and from subsidiaries, associated companies and joint ventures.

Subsidiaries

In 2021 sales to subsidiaries totaled SEK 925 million (560), while purchases from subsidiaries totaled SEK 122 million (68). For information regarding receivables from and liabilities to subsidiaries see Notes P11, P12, P17, P18 and P19.

Commitments on behalf of related parties

Telia Company has made certain commitments on behalf of group companies and joint ventures. See Note P24 for further details.

Other transactions

For descriptions of certain other transactions with related parties, see Note C29.

P24. Contingencies, other contractual obligations and litigation

Contingent assets and financial guarantees

As of the end of the reporting period, Telia Company had no contingent assets, while financial liabilities reported as contingent liabilities were distributed as follows.

SEK in millions

Guarantees on behalf of subsidiaries	24
Guarantees for pension obligations	
Total financial guarantees	24

Some loan covenants agreed limit the scope for divesting or pledging certain assets. For information on change-of-control provisions included in some of Telia Company's more recent bond issuances, see Notes to consolidated financial statements (corresponding section in Note C30). For all financial guarantees issued, stated amounts equal the maximum potential future payments that Telia Company could be required to make under the respective guarantee. In addition to financial guarantees indicated above, guarantees for fulfilment of contractual undertakings are granted by Telia Company on behalf of subsidiaries, as part of the group's normal course of business. At the end of the reporting period, there was no indication that payment will be required in connection with any such contractual guarantee.

Collateral pledged and other contractual obligations

As of the end of the reporting period, no collateral pledged and no other contractual obligations regarding future acquisition of non-current assets. For additional information see Note P10.

Legal and administrative proceedings

For additional information relevant to litigation see Note C30.

P25. Cash flow information

Non-cash transactions

No non-cash transactions were performed during 2021 or 2020.

Liabilities and cash flows arising from financing activities

SEK in millions	Dec 31, 2020	Non-cash changes			Dec 31, 2021
		Cash flows	Foreign exchange movements	Fair value changes	
Long-term borrowings	87,014	-773	424	-2,465	-5,962
Long-term borrowings (excluding borrowings from subsidiaries)	87,014	-773	424	-2,465	-5,962
of which derivatives hedging long-term borrowings	3,650	-	-1,426	-570	-121
Short-term borrowings	41,827	-5,544	144	-23	-2,655
Short-term borrowings (excluding borrowings from subsidiaries)	5,278	-5,544	144	-23	6,461
of which derivatives hedging short-term borrowings	151	-	-32	-8	90
Borrowings from subsidiaries	36,549	-	-	-	-9,116
Total liabilities from financing activities	128,841	-6,317	568	-2,488	-8,617
Assets held to hedge borrowings²	-4,205	-1,087	1,237	2,556	-211
of which derivatives hedging long-term borrowings	-3,059	9	-48	2,086	39
of which derivatives hedging short-term borrowings	-70	-819	544	448	-158
Total liabilities from financing activities net of assets hedging borrowings²	124,636	-7,404	1,805	67	-8,829
					110,275

1) Other changes mainly refer to change in borrowing from subsidiaries and reclassification due to maturity from long- to short-term.

2) Assets held to hedge borrowings has been added to table to clarify that related cash flow is included in cash flow from financing activities.

SEK in millions	Dec 31, 2019	Cash flows	Non-cash changes		Fair value changes
			Foreign exchange movements	Fair value changes	
Long-term borrowings	86,348	8,251	-2,843	-2,843	723
Long-term borrowings (excluding borrowings from subsidiaries)	86,348	8,251	-2,843	-2,843	723
of which derivatives hedging long-term borrowings	2,770	24	901	901	99
Short-term borrowings	53,533	-16,600	-1,096	-1,096	78
Short-term borrowings (excluding borrowings from subsidiaries)	16,083	-16,600	-1,096	-1,096	78
of which derivatives hedging short-term borrowings	22	-	185	185	18
Borrowings from subsidiaries	37,450	-	-	-	-
Total liabilities from financing activities	139,881	-8,349	-3,939	-3,939	802
Assets held to hedge borrowings²	-3,717	165	-389	-389	509
of which derivatives hedging long-term borrowings	-3,269	-31	585	585	-432
of which derivatives hedging short-term borrowings	-382	175	-56	-56	-28
Total liabilities from financing activities net of assets hedging borrowings²	136,164	-8,184	-4,328	-4,328	293

1) Other changes mainly refer to change in borrowing from subsidiaries and reclassification due to maturity from long- to short-term.

2) Assets held to hedge borrowings has been added to table to clarify that related cashflow is included in cash flow from financing activities.

P26. Human resources

The number of employees was 279 at December 31, 2021 (286). The average number of full-time employees was as follows.

Country	Jan-Dec 2021		Jan-Dec 2020	
	Total (number)	of whom men (%)	Total (number)	of whom men (%)
Sweden	254	47%	267	48%
Total	254	47%	267	48%

The share of female and male Corporate Officers was as follows. Corporate Officers include all members of the Board of Directors, the President and the 6 other members (6) of Group Executive Management employed by the parent company.

Percent	Dec 31, 2021			Dec 31, 2020		
	Board of Directors	Corporate Officers	Other	Board of Directors	Corporate Officers	Other
Women	45.5%	42.9%	42.9%	41.7%	42.9%	42.9%
Men	54.5%	57.1%	57.1%	58.3%	57.1%	57.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Total salaries and other remuneration, along with social security expenses and other personnel expenses as follows.

SEK in millions	Jan-21
Salaries and other remuneration	
of which performance share programs	
Social security expenses	
Employer's social security contributions	
of which performance share programs	
Pension expenses	
Total social security expenses	
Other personnel expenses	
Total personnel expenses¹	

1) Of which SEK 3.6 million (86) recognized within in Other operating expenses.

Salaries and other remuneration were divided between Corporate Officers and other employees

SEK in millions	Dec 31, 2021		
	Corporate Officers (of which variable pay)	Other employees	Corporate Officers (of which variable pay)
Salaries and other remuneration ¹	77 (-)	285	122

1) Of which Corporate Officers SEK 11 million (54) and Other employees SEK 14 million (10) recognized in Other operating expenses.

Corporate Officers include members of the Board of Directors and, as applicable, former Board members (but exclude employee representatives), the President and, as applicable, former Presidents and Executive Vice Presidents; and the 6 other members (6) of Group Executive Management parent company. Pension expenses for Corporate Officers include pension commitments for Corporate Officers and, as applicable, former Presidents and Executive Vice Presidents. There are no pension benefits for external members of the Board of Directors.

P27. Remuneration to audit firms

SEK in millions	January–December or December 31,	
	2021	2020
Pension expenses ¹⁾	21	25
Outstanding pension commitments	149	165

1) Of which SEK 2 million (7) recognized within Other operating expenses.

For additional information, see sections "Performance share programs" and "Remuneration to corporate officers" in Note C32.

Remuneration to the elected audit firm was as follows. See additional information in Note C33.

SEK in millions	Jan-2
Remuneration	
Deloitte	
Audit	
Audit-related services	
Tax services	
All other services	
Total	



Board of Directors' and President's certification

The Board of Directors and the President and CEO certify that the consolidated financial statements have been prepared in accordance with IFRSs as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The Board of Directors' Report for the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Our Business

Our Strategy

Directors' Report

Sustainability

Financials

Other

Stockholm, March 9, 2022

Lars-Johan Jarnheimer
Chair of the Board

Ingrid Bonde
Vice-Chair of the Board

Agneta Ahlström
Board member,
employee representative

Stefan Carlsson
Board member,
employee representative

Luisa Delgado
Board member

Rickard Gustavsson
Board member

Jeanette Jäger
Board member

Nina Linander
Board member

Jenny Maymón
Board member

Martin Tivéus
Board member

Rickard Wäst
Board member,
employee representative

Allison Kirkby
President and CEO

Our auditors' report was rendered on March 9, 2022

Deloitte AB

Peter Ekberg
Authorized Public Accountant

Auditors' Report

To the general meeting of the shareholders of Telia Company AB (publ.) corporate identity number 556103-4249

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Telia Company AB (publ.) for the financial year 2021-01-01 - 2021-12-31 except for the corporate governance statement on pages 54-74-122. The annual sustainability report on pages 19-105, 110-111 and 124-250 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Our Business

Our Strategy

Our opinions do not cover corporate governance statement on pages 54-73 or the statutory sustainability report on pages 74-122. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Directors' Report

Sustainability

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

Risk description

There is an inherent risk around the accuracy of revenue recorded given the complexity of the systems generating the revenue, the impact of changing pricing models to revenue recognition (tariff structures, incentive arrangements, discounts etc.) and different revenue streams.

Telia Company's revenues comprise several revenue streams such as mobile service revenues, fixed service revenues, advertising revenues and equipment revenues. Telia Company may bundle services and products into one customer offering. Offerings may involve the delivery or performance of multiple products, services, or rights to use assets and as such revenue recognition requires significant judgements and estimates on behalf of management as to when, and to which amount revenues are recognized.

For further information, refer to notes C1 "Basis of preparation", C3 "Significant accounting policies", C6 "Net sales" and Note C18 "Trade and other current receivables and assets" of the consolidated accounts.

Financials

Audit procedures

Our audit procedures included, but not limited to:

- assessing the application of the group's accounting policies with respect to services, products and advertising the accounting implications of new models and revenue streams to verify accounting policies for these models are appropriate;
- evaluating the design and testing implementation of relevant internal controls for revenue recognition;
- with the support of our information specialists testing the IT environment for billing, rating and other relevant systems, including the change control in place around systems that bill in streams;
- analytical and detailed substantive testing on a sample basis for a selection of revenue; and
- evaluating the adequacy of disclosure the various revenue streams.

Carrying value of goodwill and non-current assets

Risk description

Telia Company's carrying values of goodwill and other non-current assets including financial rights represent a significant part of the group's total assets. Telia Company is required to test goodwill for impairment at least annually. Goodwill is an intangible asset that is not identifiable as a separate asset or circumscribed by legal rights.

that the carrying value of an asset may not be recoverable. The determination of recoverable amount, being the higher of fair value less costs of disposal and value in use, requires judgement on the part of management in both identifying and then valuing the relevant cash generating units ("CGUs"). Management normally determines recoverable amounts based on value in use. Calculations of value in use are based on management's view of variables such as sales growth, EBITDA margin development, weighted average cost of capital ("WACC"), CAPEX-to-sales ratio and terminal growth rate.

For further information, refer to notes C2 "Judgements and key sources of estimation uncertainty" and C12 "Goodwill and other intangible assets" as well as C14 "Film and program rights" of the consolidated accounts.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluating the appropriateness of management's identification of the Group's CGUs;

- with the support of our valuation specialists, benchmarking and challenging key assumptions in management's valuation models used to determine recoverable amount, including assumptions of sales growth, EBITDA margin, WACC, CAPEX-to-sales ratio, and terminal growth rate;
- comparing historical forecasting to actual results;
- testing mathematical accuracy of the cash flow models and challenging and agreeing key assumptions to the long-term business plans approved by the Board of Directors;
- evaluating the adequacy of disclosures related to those assumptions and CGUs to which the

outcome of the impairment tests are most sensitive; and

- evaluating the accounting principles for film and program rights related to acquisition value, timing of recognition in the balance sheet and amortization principles as well as assessing the need for impairment on individual film and program right assets.

Other information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for other information. The other information includes the Remuneration Report and the pages 1-17, 54-73, 74-122 and 256-265 in this document but does not include the Annual accounts and the consolidated accounts or our Auditors Report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered individually or in the aggregate, they can reasonably be expected to influence the decisions of users taken on the basis of the accounts and consolidated accounts.

A further description of our responsibilities is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorsinspektionen. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual consolidated accounts, we have also conducted an audit of the Board of Directors' administration of the Board of Directors' financial year 2021-01-01 to 2021-12-31.

We recommend to the general meeting of holders that the profit to be appropriated in accordance with the proposal in the status report and that the members of the Board of Directors and the Managing Director be liable for the financial year.

Basis for Opinions

We conducted the audit in accordance

Our review and our statement relating to the statutory requirement.

In our opinion, the ESEF report 2021 (c7206975fbce3174dc32b0ab53fa7a11bd99bbdbd12e9fb8) has been prepared in a format that essentially enables uniform reporting.

Basis for the statement

We performed the audit in accordance with the recommendation RevR 18 Auditor's ESEF report. Our responsibilities in connection with this recommendation are described in detail in the Auditor's responsibilities in connection with the audit in accordance with the recommendation RevR 18 Auditor's ESEF report. Our responsibilities in connection with this recommendation are described in detail in the Auditor's responsibilities in connection with the audit in accordance with the recommendation RevR 18 Auditor's ESEF report.

We believe that the evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with the Securities Market Act (2007:208), and that the Board of Directors has taken the necessary steps to ensure the accuracy and completeness of the information presented in the ESEF report.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Auditor's statement on the ESEF-report

Statement

In addition to our audit of the annual accounts and consolidated accounts, we have also performed a review of the fact that the Board of Directors and the President have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) in accordance with chapter 16 section 4 a of the Act (2007:528) on the securities market for Telia Company AB for the financial year 2021-01-01 - 2021-12-31.

fulfill the company's accounting in accordance with law and handle the management of assets in a reasonable manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionens website: www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

ally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reasonable manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to

Auditor's responsibility

Our task is to express ourselves with reasonable certainty if the ESEF report is in all material respects prepared in a format that meets the requirements in chapter 16 section 4 a of the Securities Market Act (2007: 528), on the basis of our review.

RevR 18 requires that we plan and implement our audit procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with RevR 18 and good auditing practice in Sweden will always detect a material error if such exists. Errors can occur due to irregularities or mistakes and are considered significant if they individually or together can reasonably be expected to influence the financial decisions that users make on the basis of the ESEF report.

The auditing firm applies ISQC 1 Quality control for audit firms that perform audits and review of financial reports as well as other certification assignments and related services and thus has a comprehensive quality control system which includes documented guidelines and routines regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements, and other statutes.

The review includes obtaining evidence through various measures that the ESEF report has been prepared in a format that enables uniform electronic reporting of annual accounts and consolidated accounts. The auditor chooses which measures are to be performed, among other things by assessing the risks of significant errors in the reporting, whether

these are due to irregularities or mistakes. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board and the CEO produce the documentation in order to design audit measures that are appropriate in the circumstances, but not in order to make a statement on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the Board of Directors' and the CEO's assumptions.

The audit measures mainly include a technical validation of the ESEF report, ie, if the file containing the EDF report complies with the technical specification set out in Commission Delegated Regulation (EU) 2019/815 and a reconciliation with the audited annual and consolidated financial statements of the EDF report.

Furthermore, the review also includes an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete machine-readable version of the Group's income statement, balance sheet and equity accounts and the cash flow analysis.

Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 54-73 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This

means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 74-105 and 110-111, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of AB by the general meeting of the shareholders April 12, 2021 and has been the company since April 2, 2014.

Stockholm, March 9, 2022
Deloitte AB

Peter Ekberg
Authorized Public Accountant



Auditor's Limited Assurance Report

on Telia Company ABs (publ) Sustainability Report

This is the translation of the auditor's report in Swedish.

To Telia Company AB (publ), corporate identity number 556103-4249

Introduction

We have been engaged by the Management of Telia Company AB (publ) to undertake a limited assurance engagement of the Telia Company's Sustainability Report for the year 2021. The Company has defined the scope of the Sustainability Report on page 74-122 in this report.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 107 in the Annual and Sustainability Report, and in the Telia Company Sustainability Reporting Framework 2021, available at www.teliacompany.com/sustainability/reporting, the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Telia Company

AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management

ment as described above. We consider the criteria suitable for the preparation of the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide the conclusion below.

Conclusion

Based on the limited assurance procedures performed, nothing has caused us to believe that the Sustainability Report is not prepared, in all material respects, with the criteria defined by the Board of Directors and Executive Management.

Stockholm, March 9, 2022

Deloitte AB

Signatures on Swedish original

Peter Ekberg
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR



Five-year summary

Telia Company group Financial data	2021	2020	2019	2018	2017
Income statement (SEK in millions)^{1, 8}					
Net sales	88,343	89,191	85,965	83,559	79,790
Operating income	15,232	-17,850	12,293	13,238	13,768
Adjusted EBITDA	29,861	30,482	31,017	26,540	25,151
EBITDA	35,151	29,974	30,017	25,933	25,519
Net income from continuing operations	11,661	-22,558	7,601	9,523	8,492
Net income from discontinued operations	176	-279	-341	-6,399	1,751
Total net income	11,836	-22,837	7,261	3,124	10,243
Financial position (SEK in millions)^{1, 8}					
Non-current assets	194,879	189,088	224,088	199,860	176,002
Current assets	42,146	37,014	39,984	47,681	69,365
Total assets	237,025	226,103	264,072	247,541	245,367
Total equity	83,544	63,496	92,455	102,438	106,517
<i>of which attributable to owners of the parent</i>	<i>80,731</i>	<i>62,378</i>	<i>91,047</i>	<i>97,387</i>	<i>101,226</i>
Non-current liabilities	110,736	122,505	121,330	106,250	106,946
Current liabilities	42,746	40,101	50,287	38,853	31,904
Total equity and liabilities	237,025	226,103	264,072	247,541	245,367
Net debt, continuing and discontinued operations	63,133	78,343	88,052	55,363	33,823
Cash flows (SEK in millions)³					
Cash flow from operating activities	27,376	28,604	27,594	26,696	23,204
Cash flow from investing activities	-10,908	-3,247	-30,543	-14,041	-9,750
Cash flow from financing activities	-10,600	-23,098	-14,712	-12,446	-13,905
Cash flow for the year	5,868	2,259	-17,661	209	-451
Free cash flow	11,729	15,114	12,369	11,902	7,164
<i>of which from discontinued operations</i>	<i>-131</i>	<i>17</i>	<i>-2,047</i>	<i>347</i>	<i>-4,640</i>

Other

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Directors' Report

Telia Company group Financial data	2021	2020	2019
Investments (SEK in millions)⁴			
CAPEX	22,441	18,137	16,076
Acquisitions and other investments	639	641	13,140
Total investments	23,080	18,778	29,214
Key ratios^{5, 8}			
Return on equity (%)	18.5	neg.	8.4
Return on capital employed (%)	9.1	neg.	6.6
Equity/assets ratio (%)	31.7	24.5	31.3
Net debt/Adjusted EBITDA	2.14	2.57	2.82
Owners' equity per share (SEK)	19.7	15.4	22.8
Share data			
Number of outstanding shares (millions)			
– at the end of the period	4,089.6	4,089.6	4,112.1
– average, basic and diluted	4,089.6	4,090.4	4,172.1
Basic and diluted total earnings per share (SEK) ^{5, 8}	2.86	-5.62	1.7
Cash dividend per share (SEK) ^{6, 7}	2.05	2.00	2.4
Total cash dividend (SEK in millions) ^{6, 7}	8,384	8,179	10,029

- 1) Former segment region Eurasia is classified as held for sale and discontinued operations since December 31, 2015, and is therefore presented as discontinued operations in the consolidated income statement 2015-2017. The above presented income statement line items for 2015-2017 refer to continuing operations if not otherwise stated.
- 2) Assets and liabilities in former segment region Eurasia are presented separately in two line items in the consolidated statements of financial position for 2015, 2016 and 2017. The Serget companies (Serget) was classified as assets held for sale starting June 30, 2016. Telia Company was classified as held for sale as of September 30, 2020. In the above presented balance sheet line items assets classified as held for sale and liabilities directly associated with the sale are included in current assets and current liabilities.
- 3) Cash flow information is presented including discontinued operations.
- 4) 2021-2017 including continuing operations only.
- 5) Key ratios are based on the total Telia Company group including both continuing and discontinued operations for 2021-2017.
- 6) For 2021 as proposed by the Board of Directors. For 2019 including dividend decided on an extra annual general meeting on December 10, 2020.
- 7) Note that the dividend policy was changed during 2017.
- 8) Only 2020 has been restated for changes in accounting principles related to Cloud computing costs.



Five-year summary, cont.

Telia Company group Operational data	Our Business			Our Strategy			Directors' Report	Sustainability	Financials		Other
	2021	2020	2019	2018	2017	2016			2021	2020	2019
Mobile services											
Total subscriptions (thousands)	18,112	16,968	16,741	16,804	16,734	16,734					
<i>of which Sweden</i>											
Mobile telephony, total subscriptions (thousands)	6,914	6,246	6,132	6,095	6,118	6,118					
Mobile telephony, blended churn (%)	18	17	18	19	19	19					
Mobile telephony, ARPU (SEK) ³	217	215	214	213	213	213					
<i>of which Finland</i>											
Mobile telephony, subscriptions (thousands) ²	3,234	3,165	3,184	3,278	3,278	3,278					
Mobile telephony, blended churn (%)	22	22	24	24	26	26					
Mobile telephony, ARPU (EUR) ³	18	19	18	18	18	18					
<i>of which Norway</i>											
Mobile telephony, subscriptions (thousands)	2,289	2,247	2,276	2,324	2,345	2,345					
Mobile telephony, blended churn (%)	19	24	27	31	32	32					
Mobile telephony, ARPU (NOK) ³	259	253	253	251	256	256					
<i>of which other countries</i>											
Mobile telephony, subscriptions, Denmark (thousands)	1,620	1,494	1,435	1,451	1,479	1,479					
Mobile telephony, subscriptions, Lithuania (thousands)	1,518	1,398	1,347	1,389	1,352	1,352					
Mobile telephony, subscriptions, Latvia (thousands)	1,347	1,307	1,299	1,281	1,237	1,237					
Mobile telephony, subscriptions, Estonia (thousands)	1,191	1,112	1,068	986	925	925					
Fixed services											
Broadband, total subscriptions (thousands)	2,944	2,900	2,925	2,925	2,925	2,925					
<i>of which</i>											
Broadband, subscriptions, Sweden (thousands)	1,248	1,242	1,263	1,263	1,263	1,263					
Broadband, subscriptions, Finland (thousands)	474	462	473	473	473	473					
Broadband, subscriptions, Norway (thousands)	492	469	445	445	445	445					
Broadband, subscriptions, Denmark (thousands)	66	68	81	81	81	81					
Broadband, subscriptions, Lithuania (thousands)	421	417	419	419	419	419					
Broadband, subscriptions, Estonia (thousands)	243	242	243	242	243	243					
Fixed telephony, total subscriptions (thousands) ¹	1,030	1,247	1,501	1,501	1,501	1,501					
<i>of which</i>											
Fixed telephony, subscriptions, Sweden (thousands)	509	665	831	831	831	831					
Fixed telephony, subscriptions, Finland (thousands)	17	20	20	20	20	20					
Fixed telephony, subscriptions, Norway (thousands)	32	40	40	40	40	40					
Fixed telephony, subscriptions, Denmark (thousands)	62	66	70	70	70	70					
Fixed telephony, subscriptions, Lithuania (thousands)	201	230	240	240	240	240					
Fixed telephony, subscriptions, Estonia (thousands)	209	226	245	245	245	245					
TV, total subscriptions (thousands)	3,377	3,235	3,041	3,041	3,041	3,041					
<i>of which</i>											
TV, subscriptions, Sweden (thousands)	997	929	880	880	880	880					
TV, subscriptions, Finland (thousands)	552	558	604	604	604	604					
TV, subscriptions, Norway (thousands)	477	469	481	481	481	481					
TV, subscriptions, Denmark (thousands)	24	29	31	31	31	31					
TV, subscriptions, Lithuania (thousands)	255	253	244	244	244	244					
TV, subscriptions, Estonia (thousands)	207	208	211	211	211	211					
TV, subscriptions, TV and Media (thousands)	865	789	695	695	695	695					

1) Fixed telephony subscriptions include PSTN and VoIP.

2) As a result of a review in the first quarter of 2018, an additional number of machine-to-machine subscriptions in Finland have started to be included in the reporting. Only 2017 subscription base has been restated.

3) Revenues from invoicing fees have been restated for 2018 and 2019 affecting Mobile ARPU.

Five-year summary, cont.

Telia Company group Operational data	2021	2020	2019	2018	2017
Human Resources¹⁾					
Number of employees as of December 31	19,566	20,741	21,232	20,836	25,021
Average number of full-time employees during the year	19,998	20,505	20,215	23,814	24,468
<i>of whom, in Sweden</i>	7,550	7,654	7,337	7,525	7,955
<i>of whom, in Finland</i>	4,244	4,144	3,890	3,899	3,463
<i>of whom, in other countries</i>	8,204	8,707	8,988	12,390	13,050
<i>of whom, women</i>	7,359	7,607	7,581	9,461	9,990
<i>of whom, men</i>	12,639	12,898	12,634	14,353	14,478
Salaries and remuneration (SEK in millions)	12,018	12,077	11,034	9,918	9,661
Employer's social security contributions (SEK in millions)	2,270	2,291	2,080	2,134	2,144
Salaries and employer's social security contributions as a percentage of operating costs	19.6	16.5	17.3	14.5	15.5
Net sales per employee (SEK in thousands)	4,418	4,354	4,282	3,790	3,722
Operating income per employee (SEK in thousands)	770	neg.	594	323	907
Net income per employee (SEK in thousands)	592	neg.	359	131	419

¹⁾ HR data is based on the total Telia Company group including both continuing and discontinued operations.



Alternative performance measures

Alternative performance measures

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 Annual 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 here and in the Definitions. These terms may be defined differently by other companies and are therefore not always comparable to similar measures used by other companies.

Service revenues

Service revenues, in constant currency and excluding Telia Carrier was part of Telia Company's Outlook for 2021.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Net sales	88,343	89,191
Excluded: Equipment revenues	-13,162	-11,848
Service revenues (external)	75,180	77,343
Excluded: Telia Carrier external service revenues	-1,597	-4,352
Excluded: Effects from changes in foreign exchange rates ¹⁾	626	0
Service revenues, in constant currency and excluding Telia Carrier	74,209	72,991

1) Changes in foreign exchange rates refers to full year average rates prior year.

EBITDA and Adjusted EBITDA

Telia Company considers EBITDA as a relevant measure for investors to be able to understand profit generation before investments in tangible, intangible and right-of-use assets. To assist the understanding of Telia Company's underlying financial performance we believe it is also useful to analyze Adjusted EBITDA.

Adjustment items within EBITDA are specified in Board of Director's Report, section "Adjustment items". Adjusted EBITDA, in constant currency and excluding Telia Carrier was part of Telia Company's Outlook for 2021.

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SEK in millions

Operating income

Income from associated companies and joint ventures
Total depreciation/amortization/write-down

EBITDA

Adjustment items within EBITDA

Adjusted EBITDA

Excluded: Telia Carrier adjusted EBITDA

Excluded: Effects from changes in foreign exchange rates²⁾

Adjusted EBITDA in constant currency and excluding Telia Carrier

1) Restated, see Note C1. 2) Changes in foreign exchange rates refers to full year average rates prior year.

Adjusted operating income

Telia Company considers Adjusted operating income as a relevant measure to be able to understand underlying financial performance of Telia Company. Adjustment items within operating income, exclusions are specified in Board of Director's Report, section "Adjustment items."

SEK in millions

Operating income

Adjustment items within operating income

Adjusted operating income

1) Restated, see Note C1.

**CAPEX and Cash CAPEX and Cash CAPEX to net sales (continuing operations)**

Telia Company considers CAPEX and Cash CAPEX measures below as relevant measures to understand the groups' investments in intangible, tangible and right-of-use assets (excluding goodwill, assets acquired in business combinations and asset retirement obligations). Cash CAPEX, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, was part of Telia Company's Outlook for 2021 and Cash CAPEX to net sales, excluding Telia Carrier and fees for license, spectrum and right-of-use assets, is part of Telia Company's Ambition 2021-2023, see Ambition for 2021-2023 in Director's Report.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020 ¹
Investments in intangible assets	5,008	2,692
Investments in property, plant and equipment	12,993	10,871
CAPEX excluding right-of-use assets	18,001	13,563
Investments in right-of-use assets	4,440	4,573
CAPEX	22,441	18,137
Excluded: investments in license and spectrum fees	-2,116	-142
CAPEX excluding fees for licenses and spectrum	20,325	17,995
Excluded: investments in right-of-use assets	-4,440	-4,573
CAPEX excluding fees for licenses and spectrum and right-of-use assets	15,885	13,421

1) Restated, see Note C1.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
CAPEX	22,441	-4,440
Excluded: investments in right-of-use assets	-4,440	-4,440
Net of not paid investments and additional payments from previous periods	-2,350	-2,350
Cash CAPEX	15,641	-1,260
Excluded: Cash CAPEX for licenses and spectrum fees	-18	-18
Excluded: Telia Carrier Cash CAPEX excluding fees for licenses and spectrum	-18	-18
Cash CAPEX, excluding Telia Carrier and fees for license and spectrum	14,199	14,199

Net sales	88,341	-1,591
Excluded: Net sales Telia Carrier (external)	-	-
Net sales excluding Telia Carrier	88,341	-1,591
Cash CAPEX to net sales, excluding Telia Carrier and fees for licenses and spectrum (%)	16.1	16.1

1) Restated, see Note C1.

Free cash flow (continuing and discontinued operations)

Telia Company considers free cash flow as a relevant measure to be able to understand the group from operating activities and after CAPEX.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020
Cash flow from operating activities	27,370	-15,641
Cash CAPEX (paid Intangible and tangible assets)	-15,641	-15,641
Free cash flow, continuing and discontinued operations	11,729	-31,282

1) Restated, see Note C1.



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Operational free cash flow

Telia Company considers Operational free cash flow as a relevant measure to be able to understand the cash flows that Telia Company is in control of. From the reported free cash flow from continuing operations dividends from associated companies are deducted as these are dependent on the approval of boards and the annual general meetings of the associated companies. Licenses and spectrum payments are excluded as they generally refer to a longer period than just one

year. Operational free cash flow in continuing operations represented earlier Telia Company's outlook and Telia Company intended to distribute a minimum of 80 percent of operational free cash flow including dividends from associated companies, net of taxes. Starting 2021 the dividend policy was updated, see Dividend policy in Director's Report. Telia Company consider the structural part of Operational free cash flow to be Operational free cash flow less contribution from change in working capital.

SEK in millions

	Jan-Dec 2021	Jan-Dec 2020 ¹
Cash flow from operating activities from continuing operations	27,507	28,583
Cash CAPEX from continuing operations	-15,647	-13,485
Free cash flow, continuing operations	11,861	15,097
Excluded: Cash CAPEX for licenses and spectrum fees from continuing operations	1,266	172
Excluded: Dividends from associates from continuing operations	-152	-218
Excluded: Taxes paid on dividends from associates from continuing operations	—	—
Repayments of lease liabilities	-2,574	-2,955
Operational free cash flow	10,401	12,095
Excluded: Changes in working capital	-3,020	-3,173
Structural part of Operational free cash flow	7,381	8,922

¹⁾ Restated, see Note C1.

Net debt

Telia Company considers Net debt to be an important measure to be able to understand the group's

indebtedness. Net debt presented both on the total Telia Company group for continuing and discontinued operations

SEK in millions

	Dec 31 2021
Long-term borrowings	91,633
of which lease liabilities, non-current	12,855
Less 50 percent of hybrid capital ¹	-10,421
Short-term borrowings	10,011
of which lease liabilities, current	2,877
Less derivatives recognized as financial assets and hedging long-term and short-term borrowings and related credit support annex (CSA)	-1,703
Less long-term bonds at fair value through income statement and OCI	-5,933
Less short-term investments	-6,091
Less cash and cash equivalents	-14,355
Net debt	63,133

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

²⁾ Net debt is based on the total Telia Company group including net debt related to discontinued operations and assets held for sale.

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 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.

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

Telia Company considers net debt in relation to adjusted EBITDA as a relevant measure to be able to understand the group's financial position.

SEK in millions, except for multiple	Jan-Dec 2021	Jan-Dec 2020 ¹⁾
Net debt	63,133	78,343
Adjusted EBITDA continuing operations	29,861	30,482
Adjusted EBITDA discontinued operations	–	30
Less disposed operations	-371	-30
Adjusted EBITDA rolling 12 months excluding disposed operations	29,491	30,482
Net debt/adjusted EBITDA ratio (multiple)	2.14x	2.57x

1) Restated, see Note C1.

Adjusted EBITDA margin

Telia Company considers Adjusted EBITDA in relation to net sales as a relevant measure to be able to understand the group's profit generation and to be used as a comparative benchmark.

SEK in millions	Jan-Dec 2021	Jan-Dec 2020 ¹⁾
Net sales	88,343	89,191
Adjusted EBITDA	29,861	30,482
Adjusted EBITDA margin (%)	33.8	34.2

1) Restated, see Note C1.

Definitions

Concepts and key ratios

Acquisitions and other investments

Investments in goodwill, intangible and tangible non-current assets and right-of-use assets acquired in business combinations, shares and participations, and asset retirement obligations.

Adjusted EBITDA

EBITDA adjusted for adjustment items within EBITDA.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage to net sales.

Adjusted equity

Reported equity attributable to owners of the parent less the (proposed) dividend. For the parent company also including untaxed reserves net of tax.

Adjusted operating income

Operating income adjusted for adjustment items within operating income.

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 ¹⁾ or other costs with the character of not being part of normal daily operations.

¹⁾ Costs for major group wide business transformations were added to the definition of Adjustment items in Q1 2021, see Director's Report, section Adjustment items.

Advertising revenues

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

ARPU

Average monthly revenue per user.

Blended churn

The number of lost subscriptions (postpaid and prepaid) expressed as a percentage of the average number of subscriptions (postpaid and prepaid).

Broadband revenues

External net sales related to fixed broadband services.

Business solutions

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

CAPEX

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

CAPEX excluding license and spectrum fees

CAPEX deducted by license and spectrum fees.

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

Capital employed

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions, and (proposed) dividend.

Cash CAPEX

CAPEX with addition/deduction of net of paid investments and additional payments from previous periods.

Earnings and equity per share

Earnings per share are based on the weighted average number of shares before and after dilution with potential ordinary shares, while equity per share is based on the number of shares at the end of the period. Earnings equal net income attributable to owners of the parent and equity is equity attributable to owners of the parent.

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.

EBITDA margin

EBITDA expressed as a percentage of net sales.

Equity/assets ratio
Adjusted equity and equity attributable to owners of the parent, controlling interests expressed as a percentage of total assets.

Free cash flow

The total of cash flow from operating activities and cash CAPEX.

Interconnect revenues

External net sales related to mobile services.

Internal net sales

Group internal net sales.

Like for like (%)

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

Mobile subscription revenues

External net sales related to voice, messaging and content (including machine-to-machine services).

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 percent 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.

Operating capital

Non-interest-bearing assets less non-interest-bearing liabilities, including (proposed) dividend, and non-interest-bearing provisions.

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.

Return on equity

Net income attributable to owners of the parent expressed as a percentage of average adjusted equity.

Segment assets and liabilities (Segment operating capital)

As Operating capital, but assets and liabilities excluding items related to foreign currency derivatives and accrued interest as well as to deferred and current tax, respectively, and liabilities excluding (proposed) dividend.

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.

Total equipment revenues

External equipment net sales.

Total service revenues

External net sales excluding equipment sales.

TV revenues

External net sales related to TV services.

Total shareholder return

Share price development during the year and dividend, in relation to shareprice at the beginning of the year expressed as a percentage.

Notation conventions

In conformity with international standards, this report applies the following currency notations:

SEK	Swedish krona	JPY	Japanese yen
DKK	Danish krone	NOK	Norwegian krone
EUR	European euro	TRY	Turkish lira
GBP	Pound sterling	USD	US dollar



Annual General Meeting 2022

Telia Company's Annual General Meeting will be held on Wednesday, April 6, 2022. The complete notice was published on Telia Company's website, www.teliacompany.com in the beginning of March 2022. Due to COVID-19, the Annual General Meeting will be held only through postal voting in accordance with temporary legislation. It will not be possible to attend the Annual General Meeting in person or by way of a proxy holder. Telia Company welcomes all shareholders to exercise their voting rights at the Annual General Meeting through postal voting. Information on the resolutions passed at the Annual General Meeting will be published on Wednesday, April 6, 2022, as soon as the result of the postal voting has been finally confirmed.

Participation

Those wishing to participate in the Annual General Meeting through postal voting must be recorded in the presentation of the share register prepared by the Swedish central securities depository Euroclear Sweden AB concerning the circumstances on Tuesday, March 29, 2022, and give notice of participation no later than on Tuesday, April 5, 2022, by casting their postal vote in accordance with the instructions under the below heading "Postal voting", so that the postal vote is received by Euroclear Sweden AB no later than that day.

Shareholding in the name of a nominee

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a nominee (including Finnish

shareholders that are registered within the Finnish book-entry system at Euroclear Finland Oy) must re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Tuesday, March 29, 2022. Such re-registration may be temporary (so-called voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected no later than Thursday, March 31, 2022, will be considered in the presentation of the share register.

Postal voting

Shareholders may only exercise their voting rights at the Annual General Meeting through postal voting in advance pursuant to the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form shall be used for postal voting. The postal voting form is available on Telia Company's website www.teliacompany.com. The completed and signed postal voting form must be received by Euroclear Sweden AB (administering the forms on behalf of Telia Company) no later than on Tuesday, April 5, 2022. The form can be submitted by e-mail to General MeetingService@euroclear.com, or by post to Telia Company AB, "AGM 2022", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their postal votes electronically through BankID verification via Euroclear Sweden's website, <https://anmalan.vpc.se/euro-clearproxy>. If the shareholder votes in postal by

proxy, a power of attorney shall be enclosed to the form. A template proxy form is available on Telia Company's website www.teliacompany.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. Further instructions and conditions are included in the postal voting form.

Decisions to be made by the annual general meeting

The Annual General Meeting determines, among other matters, the appropriation of the Company's profits and whether to discharge the Board of Directors and CEO from liability. The Annual General Meeting also appoints the Board of Directors and makes decisions regarding remuneration to the Board of Directors. The Board of Directors proposes that a dividend of SEK 2.05 per share is distributed to the shareholders in two payments of SEK 1.00 per share and SEK 1.05 per share, respectively, and that Friday, April 8, 2022, and Thursday, October 27, 2022, respectively, are set as the record dates for the dividend. If the Annual General Meeting adopts this proposal, it is estimated that disbursements from Euroclear Sweden AB will take place on Wednesday, April 13, 2022, and Tuesday, November 1, 2022.

