

## Telenor to acquire marketing technology firm Tapad

Telenor Group has on 29 January 2016 entered into an agreement to acquire approximately 95% of Tapad Inc., a leading marketing technology firm. The purchase price is USD 360 million, on a debt and cash-free 100% basis. The acquisition enables Telenor to take a position within the rapidly growing market for advertising technology, and secures important competence within digital marketing and analytics.

Tapad, a New York-based startup, was established in 2010 by Norwegian entrepreneur Are Traasdahl, the company's Chief Executive Officer. The company delivers unified cross-device marketing technology solutions that give publishers, marketers and technology providers a holistic view of consumers across devices and screens, including smartphones, tablets, home computers and smart TVs. Traasdahl and his Norwegian co-founder, Dag Liodden, have together retained a 5% stake in Tapad. "With the acquisition of Tapad, Telenor Group is taking a position within the rapidly growing market for advertising technology, and securing important competence within digital marketing and analytics. I believe significant value can be created from applying marketing technology to improve the digital capabilities of our core telecom business. This will improve our understanding of customer behaviour, and supports building a platform for other business areas," says Sigve Brekke, Chief Executive Officer of Telenor Group. Tapad is a market leader in the U.S., providing an accurate and unified approach to connecting with consumers across screens. Tapad's innovative device management solution, The Tapad Device Graph™, assimilates billions of data points from different devices and platforms, and helps customers recognize, measure and monetize their audiences across all of their internet connected devices, while at the same time respecting data privacy. "We are thrilled to join the Telenor family. With more than 200 million mobile subscribers in 13 markets, Telenor is one of the largest and most successful telecom companies globally. I am excited by what this acquisition means for our employees, our partners and our continued growth. This will accelerate our vision to become the world's leading provider of unified digital marketing solutions," says Are Traasdahl, CEO and founder of Tapad. Within its media business, Tapad currently has more than 160 of the top U.S. brands among its customers and benefits from over 50 data technology licensing partnerships. In 2015, the company is expected to report [1] revenues of USD 57 million, growing at 70% compared to 2014, and an EBITDA loss of USD 12 million. In 2016, revenues are estimated to increase to around USD 90 million. Telenor expects Tapad to reach EBITDA break-even in 2017. Tapad has approximately 160 employees, with offices in 13 key cities in the U.S. and Europe. The digital advertising market is sizeable and fast-growing, with mobile advertising driving the growth. The total global market amounted to approximately USD 160 billion in 2015 [2]. The market has seen a rapid development in recent years with the rise of algorithmic and automated buying at the expense of traditional advertising networks. This shift has enabled digital marketing operations, increasing the value of granular user data. The US digital advertising market is the most developed in terms of market size and competence. As emerging advertising markets are still small and underdeveloped, Telenor believes there are solid growth opportunities in both Tapad's established markets and within Telenor's footprint in emerging markets. Telenor's ambition is to deliver a broad range of relevant, personalized and engaging digital services for our customers, as well as to improve efficiency by further digitizing our core business, including important areas like sales, marketing and distribution. Telenor has previously taken positions within new digital business areas within the Internet of Things, Online Classifieds and Financial Services. The

acquisition of Tapad will give Telenor a solid position within advertising and marketing technology and strengthen Telenor's data analytics capabilities significantly. The main sellers are Are Traasdahl and his investment company Spring Capital (in total 46.5%), FirstMark Capital, Firsthand Technology, Avalon Ventures, WPP and Metamorphic Ventures. Tapad will be operated as a stand-alone company. Traasdahl, the current CEO of Tapad, and Dag Liodden, co-founder and CTO, will maintain their positions. The closing of the transaction is subject to regulatory approvals. Closing is expected in first quarter 2016. Investor Relations Marianne Moe, Head of Investor Relations, [marianne.moe@telenor.com](mailto:marianne.moe@telenor.com), (+47) 916 17 631 Helge Øien, Investor Relations Manager, [helge.oien@telenor.com](mailto:helge.oien@telenor.com), (+47) 913 19 242 Media Relations Atle Lessum, VP Telenor Group Communications; [al@telenor.com](mailto:al@telenor.com), (+47) 415 05 645 Tapad New York-based Tapad Inc is a leading marketing technology firm, renowned for its breakthrough, unified, cross-device solutions. Read more on [www.tapad.com](http://www.tapad.com) [1] 2015 figures yet to be audited. [2] Source: Magna Global