



Telenor consolidates the Nordic portfolio

Acquires majority stake in DNA in Finland

Investor Presentation, 9 April 2019

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Executing on a focused strategic direction

A focused strategy



GROWTH

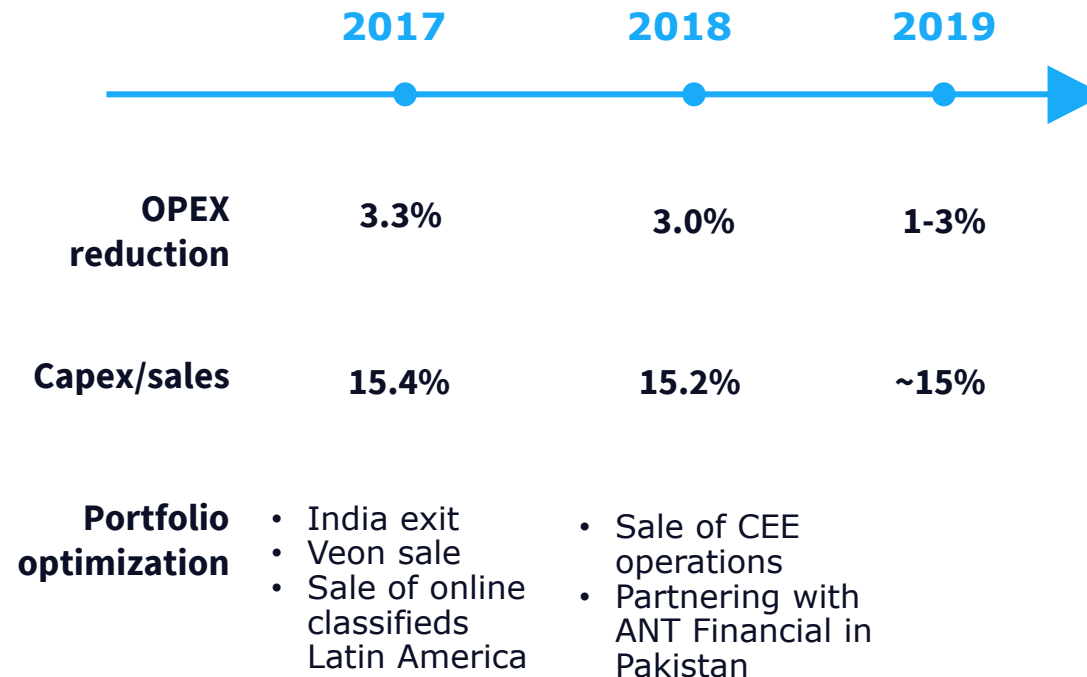


EFFICIENCY



SIMPLIFICATION

Delivering on stated ambitions



Value creating flexibility

- Progressive dividend policy
- Optimising capital structure
- Share buy-back of 2% + 2% + 3% last 3 years
- Selective and disciplined M&A, focused on core positions





Transaction overview

Transaction	<ul style="list-style-type: none">• Telenor to acquire a 54.0% majority stake in DNA from the two largest shareholders – Finda Telecoms Oy and PHP Holding Oy which own 28.3% and 25.8% stakes respectively
Consideration	<ul style="list-style-type: none">• EUR 20.90 per share in cash, in total EUR 1.5 billion.• Implied EQV and EV on a 100% basis €2.8 and €3.3 billion, respectively• Implied Pre-IFRS 16 and pre-synergies EV/EBITDA 2019* is 11.1x and EV/OpCF multiple is 20.9x corresponding post-synergy multiples are 10.7x and 18.5x• The offer represents a premium of 7% to the closing share price on 8 April, and a premium of 21% over the 90 day volume weighted average share price
Financial impact	<ul style="list-style-type: none">• NIBD/EBITDA increase of 0.4x. New pro forma 2018 leverage of 1.3x• Cash accretive from transaction date
Conditions	<ul style="list-style-type: none">• Subject to approval by General Meetings in Finda and PHP, customary irrevocables from the Boards and key shareholders• Review and approval by customary regulatory authorities
Mandatory offer	<ul style="list-style-type: none">• Mandatory public tender offer for remaining shares, following approval of transaction

* based on consensus EBITDA for 2019 of EUR 296 million, Operating Cash Flow of EUR 157 million and yearly run rate for opex and capex synergies of approximately EUR 20 million



An attractive and complementary business



1. Good fit

Consolidating Nordic position and balancing portfolio

2. Attractive market

Finland is an attractive and growing market

3. Quality asset

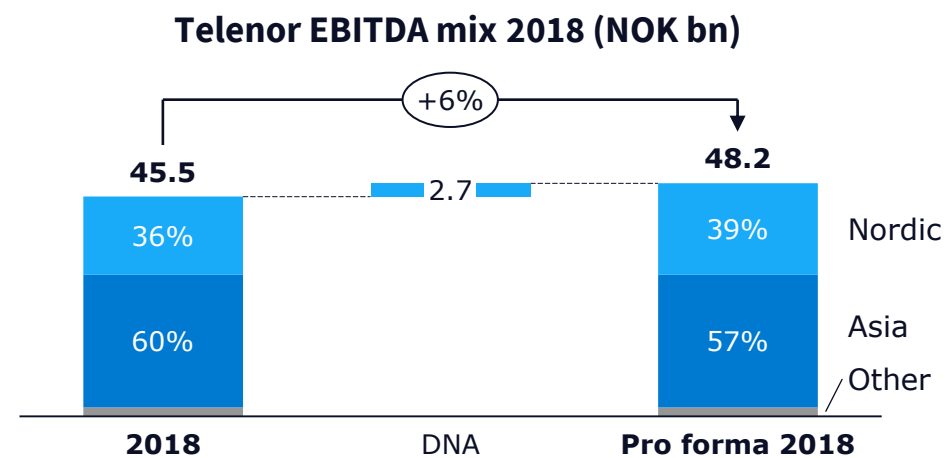
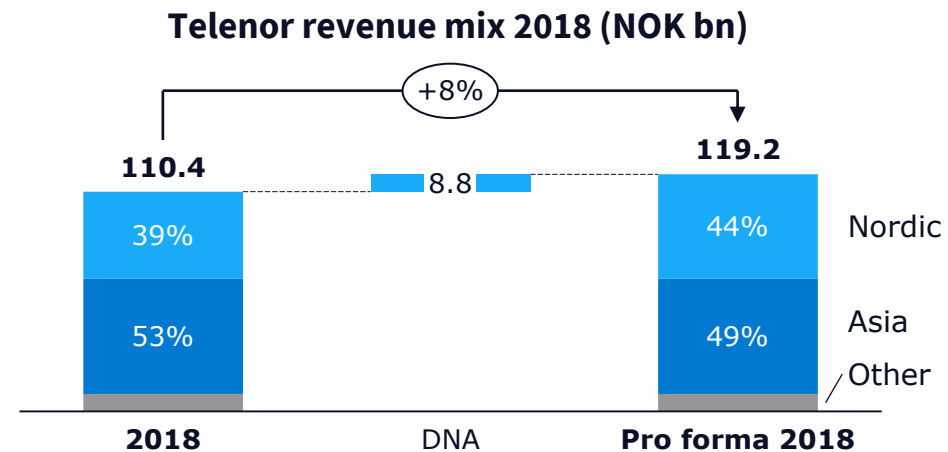
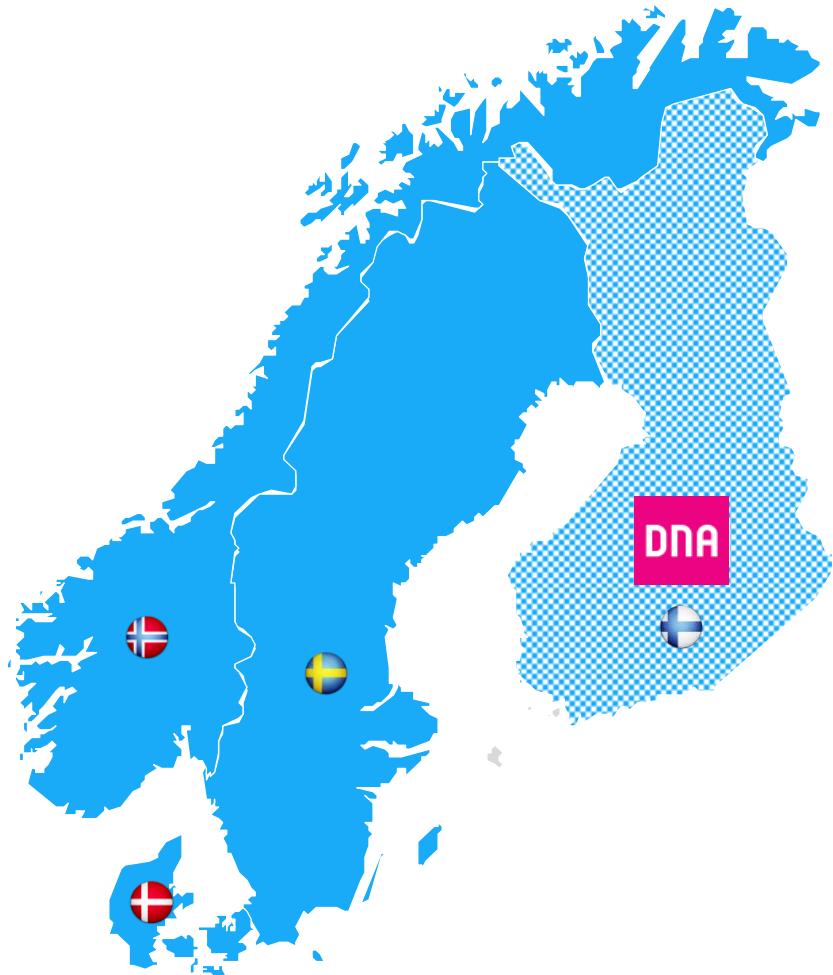
An integrated challenger with solid track record and growth potential

4. Value accretive

Value accretive transaction for Telenor - with synergies and growth opportunities

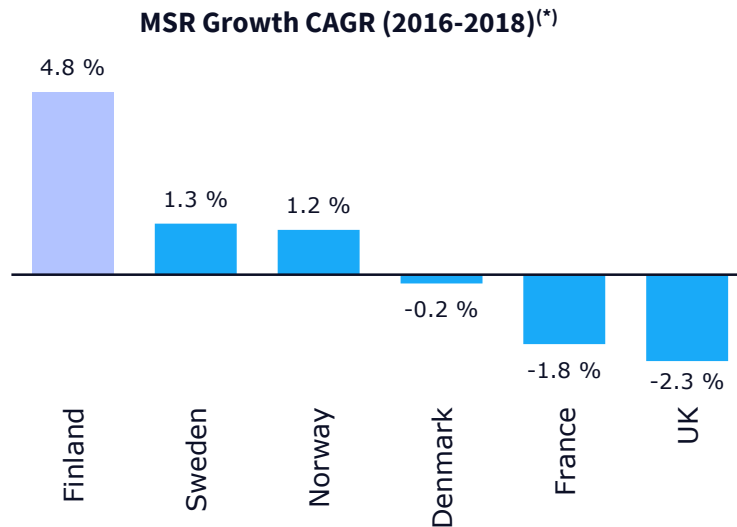


Consolidating Nordic position and balancing portfolio



Finland is an attractive and growing market

Fastest growing market in Europe

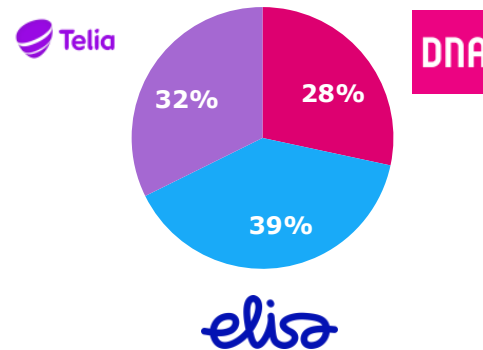


- Growth primarily driven by 3G to 4G migration, further potential from the remaining ~30% 3G base

^(*) Based on Mobile service revenues (MSR) of MNOs in each country.

Converged 3 player market

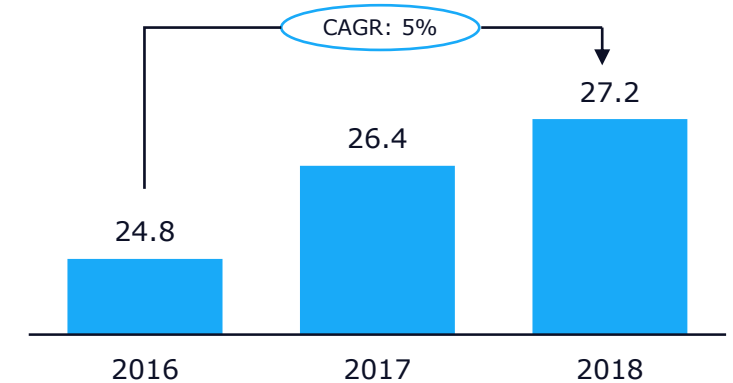
Mobile Market Share by Operator (2018)



- Robust position in a market with 3 integrated players

Consistent upselling trend

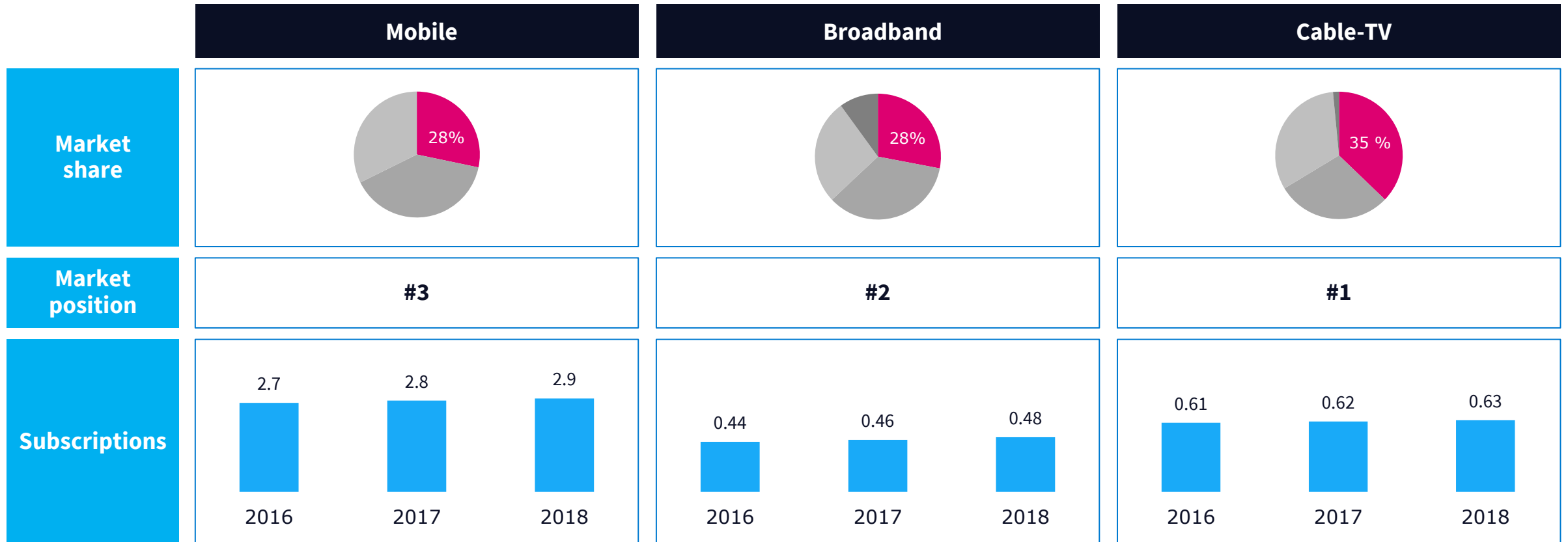
Mobile service revenue per capita (EUR / month)



- Success of 'more for more' strategy
- 3G to 4G migration increase ARPU >EUR 2.0



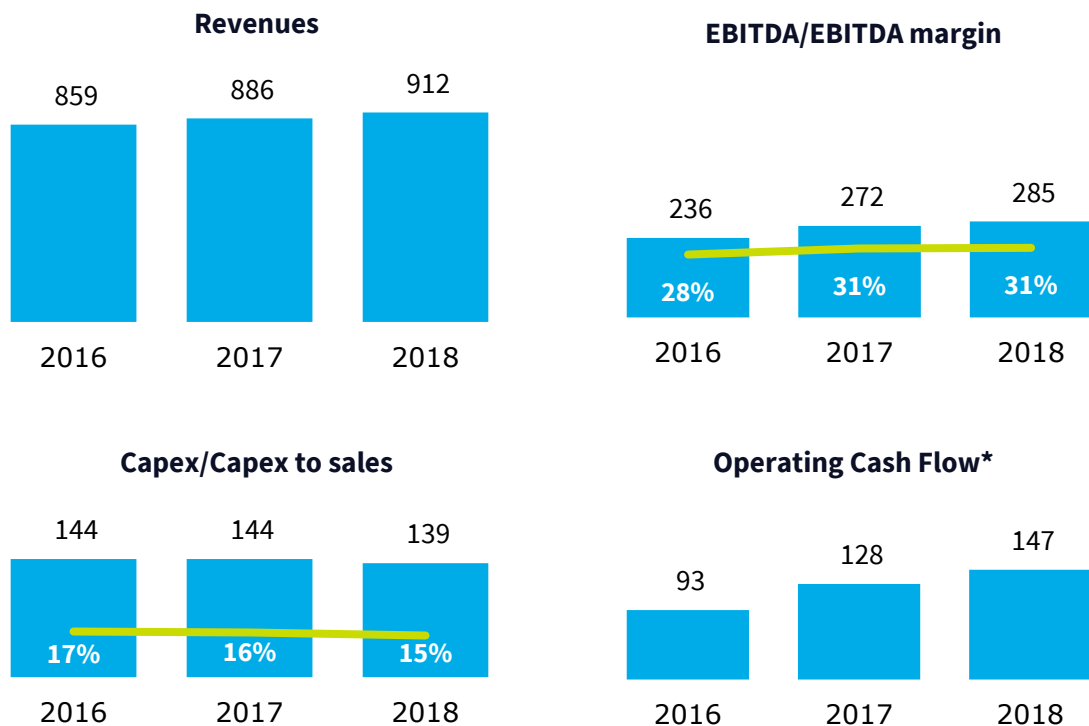
DNA – A strong integrated challenger in Finland



Solid track record of strong operating performance

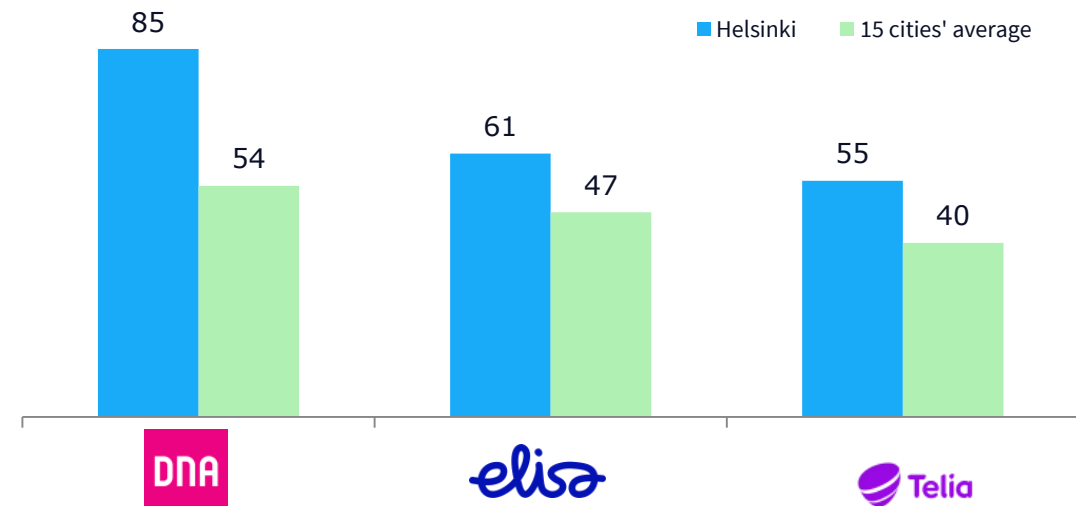
- Leveraging on a best-in-class network

Strong operating performance (EUR m)



* EBITDA less Capex

Mobile broadband speed (Mbps)



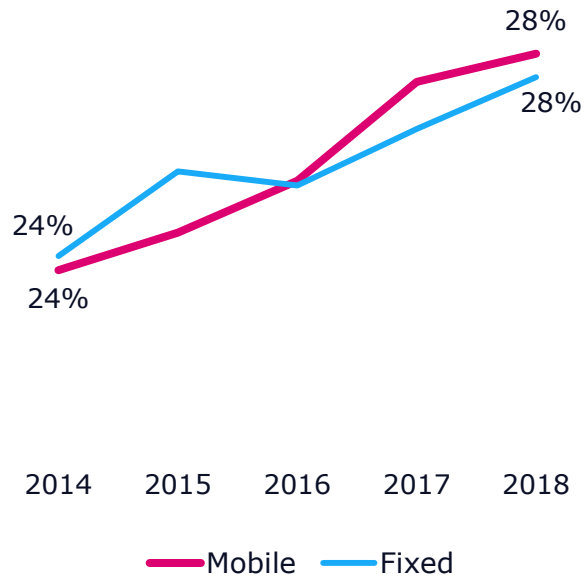
Source: Omnitele

- Strong spectrum portfolio and a fully invested 4G mobile network



Further growth potential

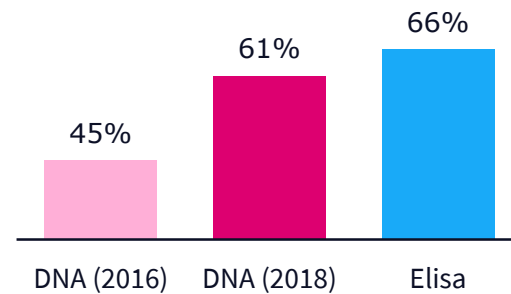
Increasing market shares



- Strong market performance

B2C upselling

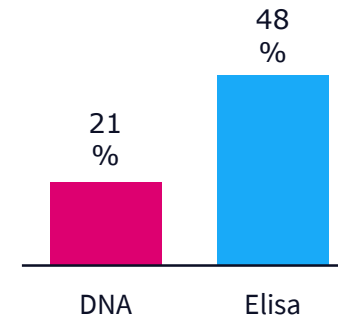
Subscribers on 4G tariffs



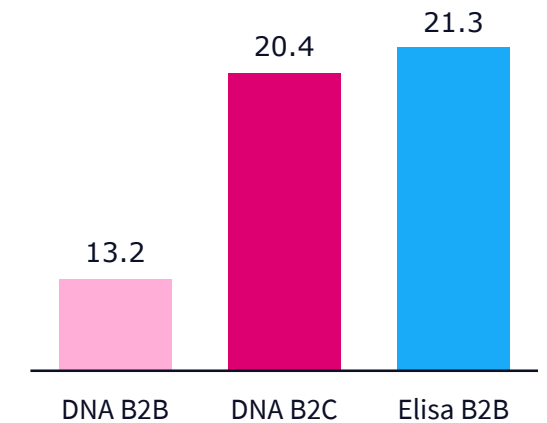
- Further upside from continued migration of the remaining 2G and 3G base to 4G and 5G

B2B opportunity

Market Share*



ARPU (EUR)*



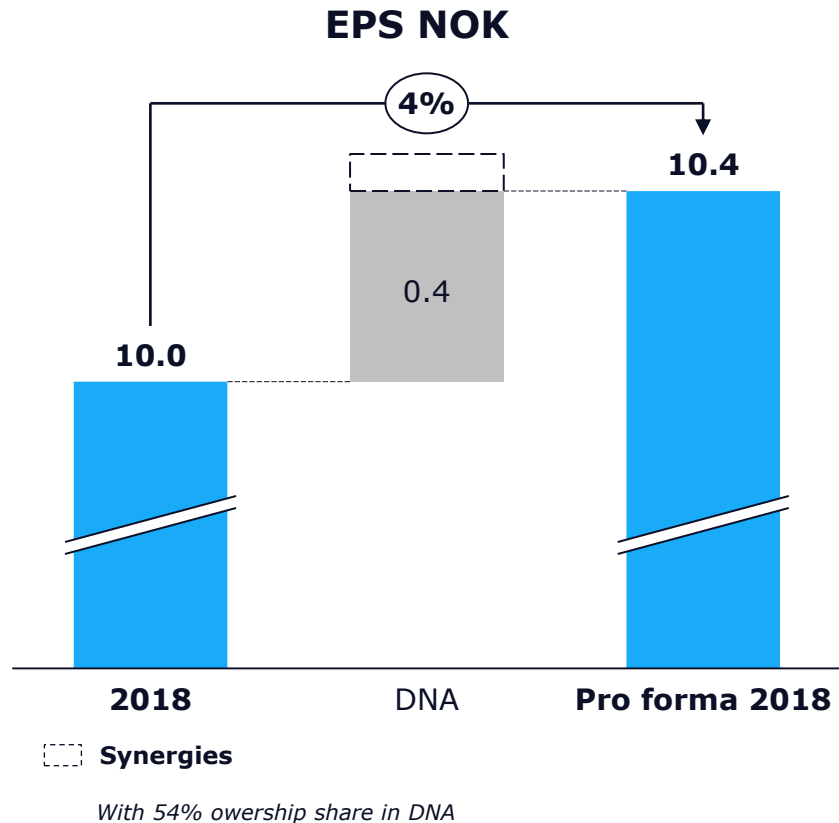
- Opportunity to leverage on Telenor's B2B capabilities

*) Based on Analysys Mason market data. Market shares as of December 2017.



Value accretive transaction for Telenor

- With synergies and growth opportunities



- Accretive to Telenor EPS from year one, supporting dividend policy
- Cost synergies from procurement and roaming with expected yearly run-rate approx. NOK 200 m
- Additional growth opportunities from strengthening the B2B position
- Premium of 7% to the 8 April closing price and 21% on the 90 day volume weighted average price



Next steps

- General Meetings of Finda and PHP to be held on or about 6 May 2019
- Regulatory approvals expected in Q2-Q3 2019
- Completion of transaction and launch of mandatory tender offer in Q3 2019





Summary

- Telenor to acquire 54% stake in DNA from the two largest shareholders, Finda and PHP
- The transaction consolidates Telenor's position in the Nordics, and balances the portfolio
- A quality asset in an attractive and growing market with synergies through leveraging Telenor's scale and capabilities
- Growth opportunities from subscriber growth, upselling existing customers and strengthening B2B position
- Accretive to both earnings and free cash flow. 2018 Pro Forma Net Debt to EBITDA increasing by 0.4x to 1.3x



Appendix



Pro forma 2018 financials

NOK million <i>(IFRS 15)</i>	Telenor Group 2018	DNA 2018^{1,2)}	Pro forma Telenor Group 2018^{1,2)}
Revenues	110,362	8,750	119,112
EBITDA before other items	45,451	2,734	48,185
Other items	(3,204)	-	(3,204)
EBITDA	42,247	2,734	44,981
Depreciation & amortization	(20,160)	(1,401)	(21,561)
Operating profit	22,088	1,333	23,421
Net financials	(3,158)	(107)	(3,265)
Taxes	(6,179)	(245)	(6,424)
Profit (loss) from discontinued operations	4,773	-	4,773
Minorities	2,711	450	3,161
Net income - Telenor equity holders	14,731	531	15,262
Earnings per share (NOK)	10.00	0.36	10.36

1) With a 54.0% ownership share in DNA

2) Not taking into account elimination effects after consolidation

