CMD 2020
CAPITAL MARKETS DAY

Modernising Norway

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Telenor Norway – a growth company

GROWTH

- Build the best network
- ARPU growth from service position
- Revenue renewal Fiber and FWA

MODERNISATION

- Modernize Networks & IT
- Digitalise operation and customer touchpoints
- Organisation and way of work

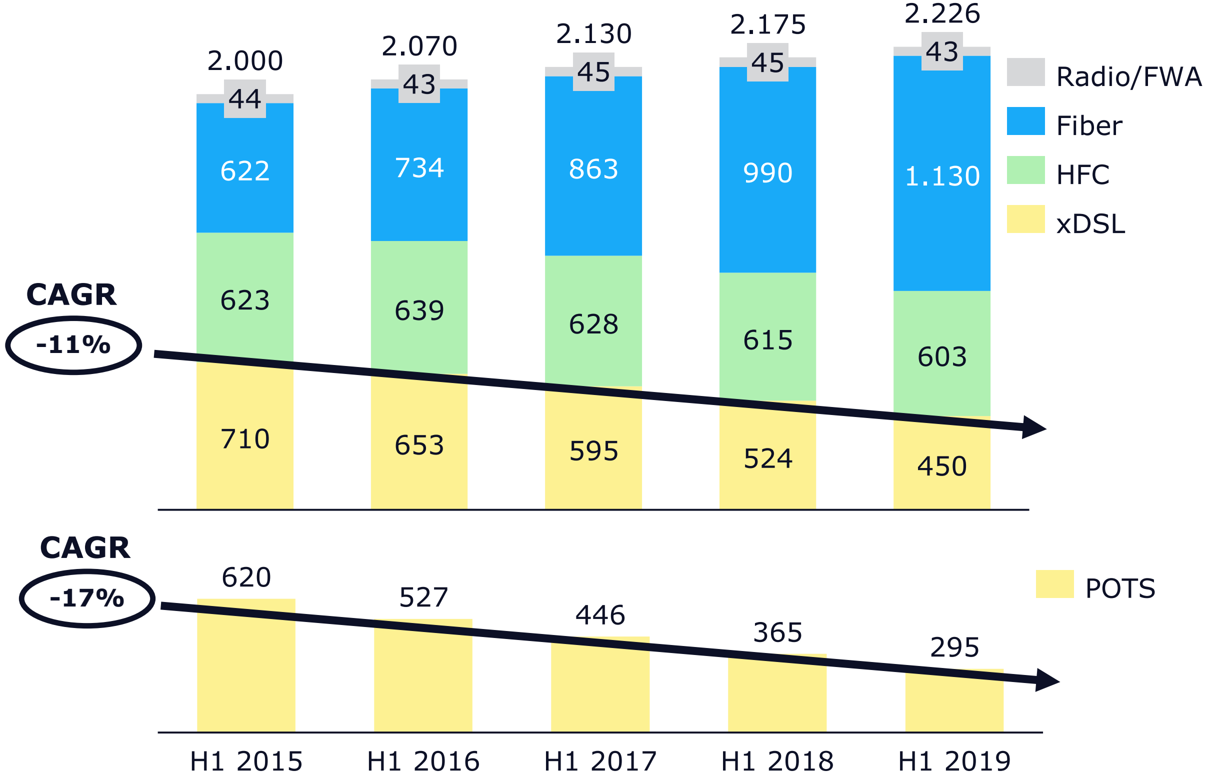
RESPONSIBLE BUSINESS

- Increased focus on coverage
- Secure and robust network and services

However, the total legacy fixed market has declined rapidly

Total Norwegian Telecom market – fixed subscribers ('000)

- Falling xDSL and POTS base
- Gradual cannibalization from HFC to fiber due to strong fiber preference
- Significant fiber ramp-up driven by SDU segment



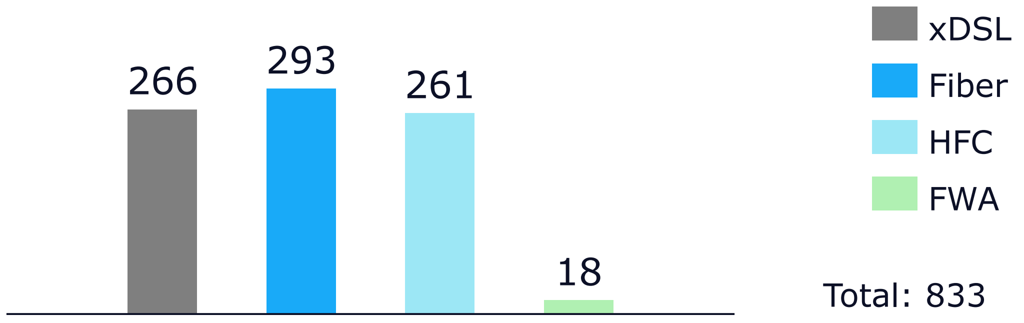
Source: nKOM H1 2019

Fixed market 2019 dominated by high-speed broadband, more consumers on fiber infrastructure than xDSL

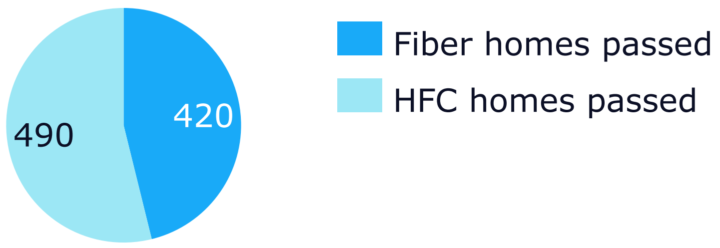
- Continued modernization of fixed broadband base
- Strong development through villa land-grab strategy
- Increased fiber market share from 18 % in 2015 to 23 % EoY 2019

***Fiber market share 2019** of*
***23 %** for FTTH and **24 %** for FTTB*

Telenor subscribers (B2B and B2C)



Telenor fiber homes passed (B2C)



Total: ~910

Source: Telenor estimates EoY2019

Accelerated Migration: Shifting customers to new technologies by end of 2023

Customers

Growth through shifting customers to future-proof solutions

60 %

Cost

Significantly reduce cost base associated with copper network

1,2 bNOK[1]

Operating model

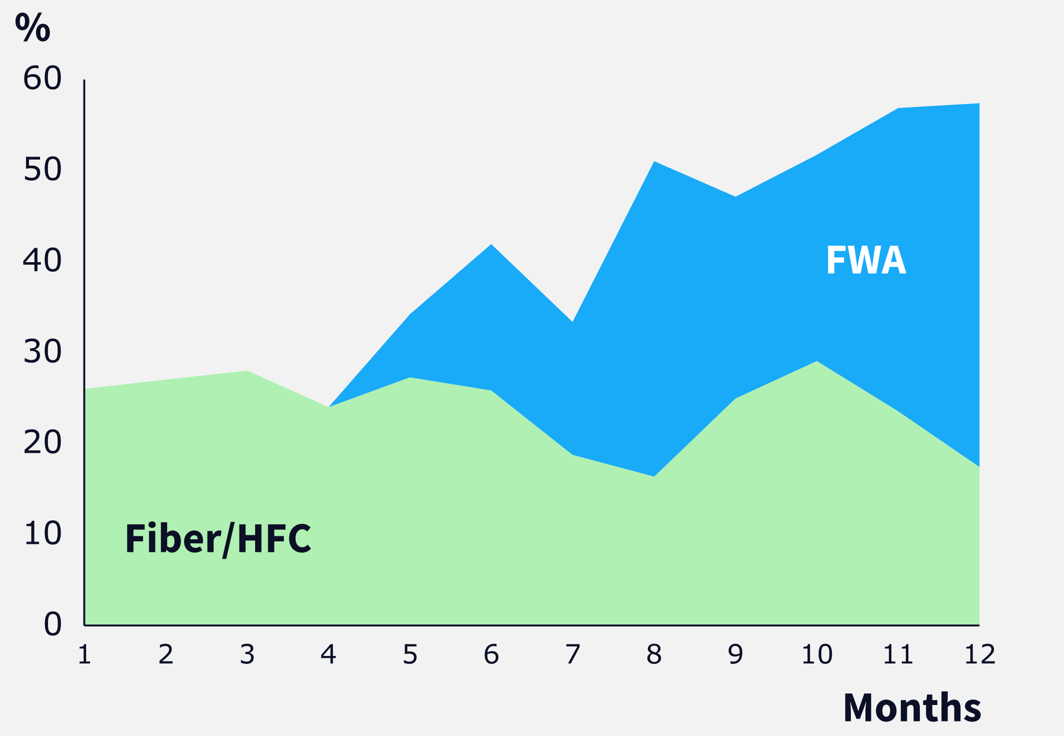
Simplify our operating model and value chains

4 years phase out

1. Pre IFRS16 number

A year with significant learnings;
Customers want to replace old technology with new!

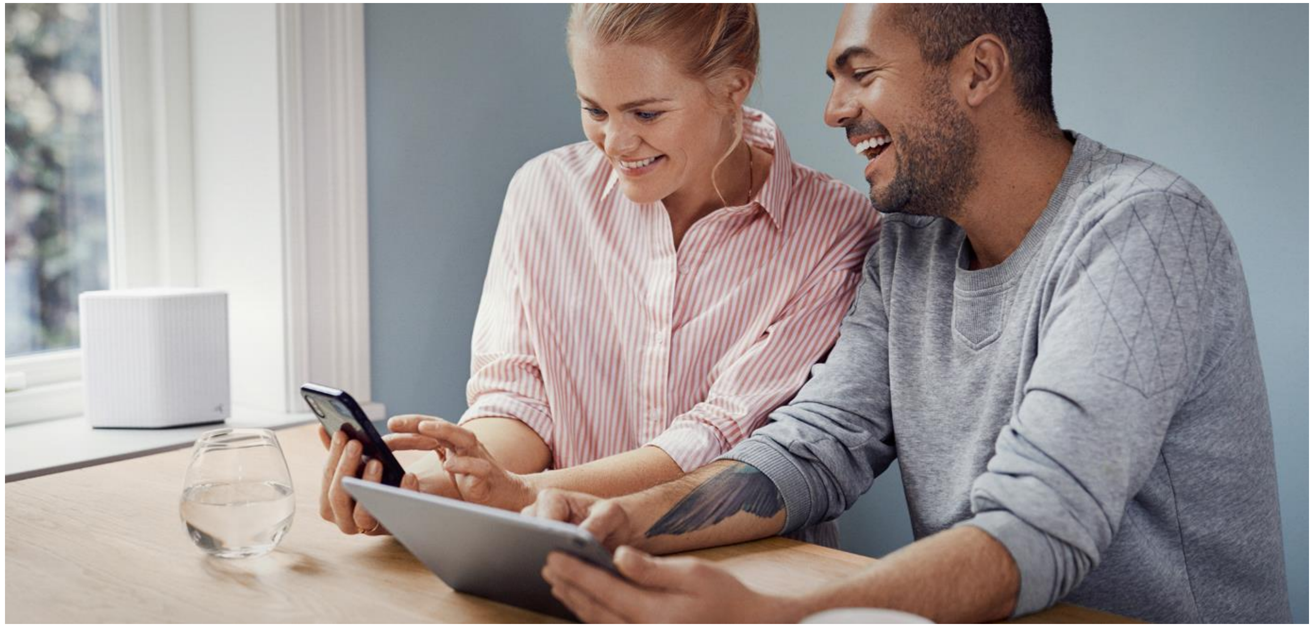
% Fiber/HFC and FWA hit-rate 2019



18 k FWA

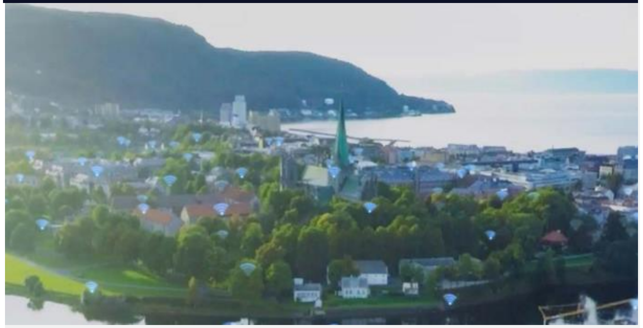
78 %
Satisfied with FWA product

70 %
Satisfied with the FWA process



Focus going forward

Network roll-out to support migration



- ✓ Continue fiber and FWA roll-out
- ✓ 4G capacity and coverage
- ✓ 5G roll-out

Services that meet customer requirements

- ✓ New FWA consumer portfolio
- ✓ FWA for Business and Wholesale
- ✓ TV over FWA

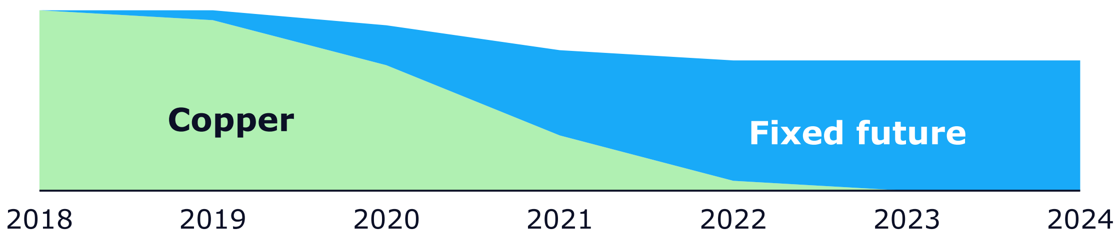
Simplification

- ✓ More efficient operations
- ✓ Take out cost effects

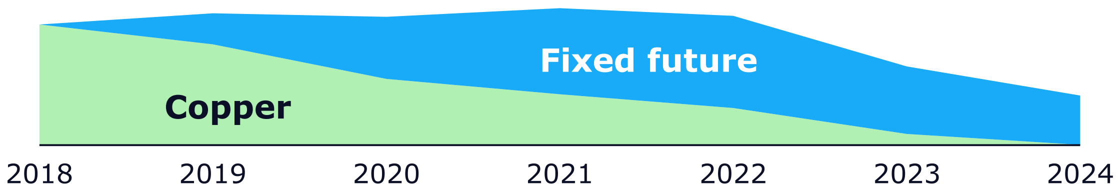
Estimated migration effects of the decommission base

- Ambition to retain ~60 % of customers
- Total copper addressable base of ~1.2bn
  - Post IFRS16 ~1bn
- Migration cost put pressure on EBITDA, stabilizing long term

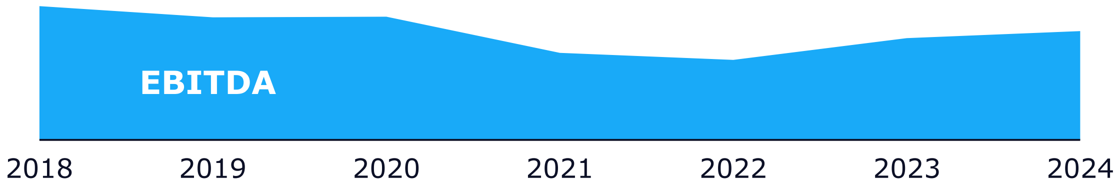
Revenue development - NOKbn



Cost impact - NOKbn



EBITDA development - NOKbn



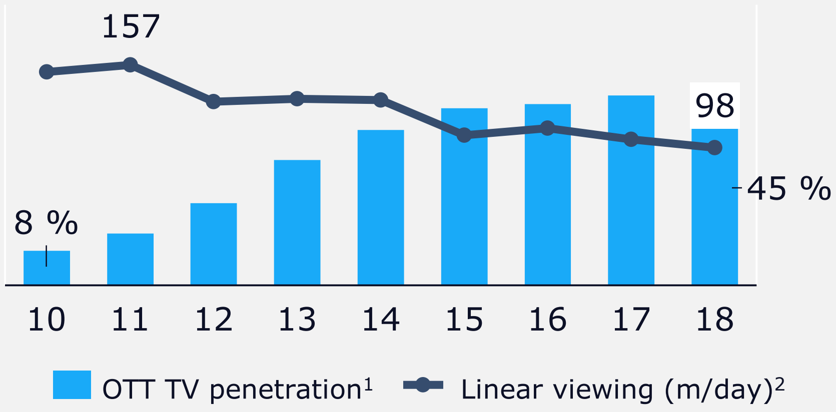
Source: Internal estimates, post IFRS15 & IFRS16 numbers

End game - accelerated migration

- Approximately 260’ xDSL customers left EoY 19
- Ambition to shift 60 % of the xDSL customers to future proof Telenor accesses
- TnN will end up with a small decline in fixed market share post copper decommission
- Potential upside from possible future open access network

Renewing our TV experience – aggregating in a streaming world

Customer behaviour and needs are changing



- Fragmentation of content consumption
- Administration, search and discovery emerging as new customer problems

A renewed T-We experience

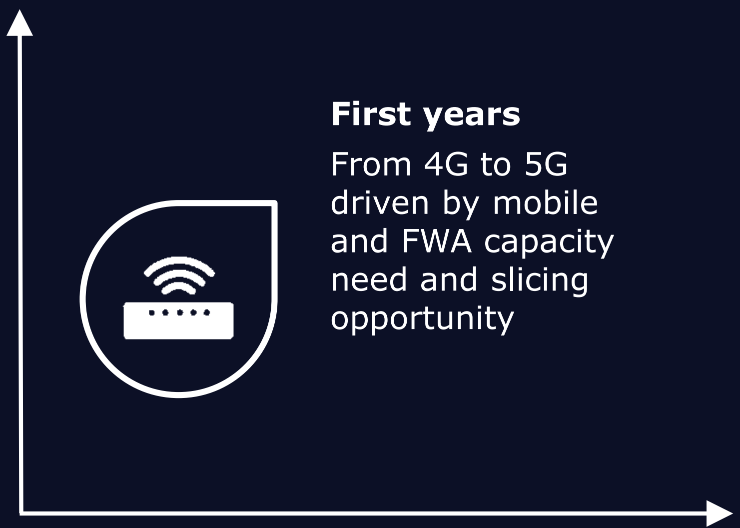
Offering a one-stop-shop for entertainment

- From channels to content focus
- New improved user interface - recommendations
- Increased flexibility with a points based system

1. Share of households with at least one SVOD TV subscription
2. Average daily minutes of linear TV viewing

Value-optimized 5G roll out

- We see 5G as an evolution rather than a revolution
- First phase driven by capacity need and slicing opportunity on 5G
- 11 pilots and use cases
- Ramp-up on 5G FWA in 2020



What are we building for the future?

- Telenor Norway will become the incumbent without legacy
- Customer base on fiber, FWA and mobile, efficient support systems and a solid ground for 5G services
- Leeway for efficiency through simplification of IT stack and organization