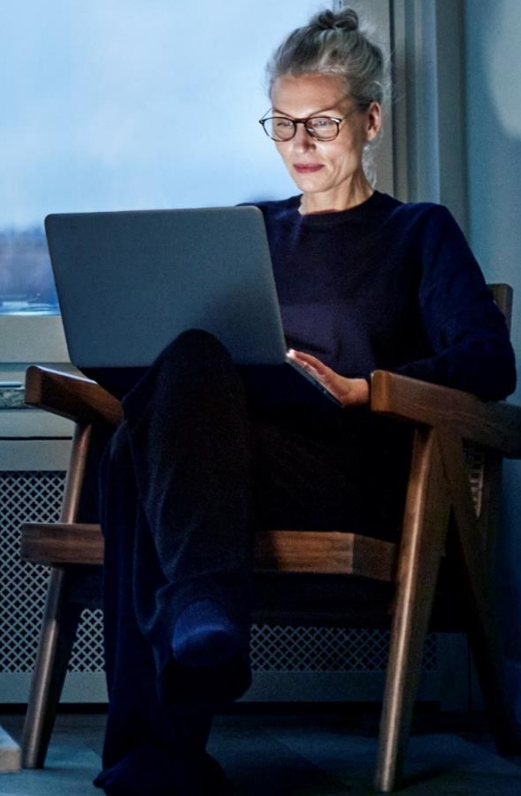


THIRD QUARTER 2023

October 18, 2023



TELE2

Q3 highlights

- 10th consecutive quarter of growth – 3% organic end-user service revenue growth
- 3% organic EBITDAaL growth
- Strong equity free cash flow
- Important spectrum secured – leverage remains at the lower end of our guidance range
- Launch of broadband Connection Guarantee – high customer value based on Tele2's unique FMC offering
- Tele2 awarded for the most transparent sustainability reporting on OMX Large Cap



Back to EBITDAaL growth – Strong cash generation

SEK (YoY growth*)	Q3 23	YTD	The Group in Q3	Sweden B2C in Q3
End-user service revenue (EUSR)	5.4bn (+3.4%)	15.8bn (+3.6%)	<ul style="list-style-type: none"> – EUSR growth of 3% driven by the Baltics and Sweden B2B – Underlying EBITDAaL growth of 3% as EUSR growth, transformation savings and lower energy costs exceeded inflationary pressures – Strong equity free cash flow in the quarter. Improvement YoY supported by solid working capital 	<ul style="list-style-type: none"> – Solid volume growth in Mobile postpaid and Fixed broadband – Solid EUSR growth in connectivity – Launched Connection Guarantee in fixed broadband – Introduced handset binding in Tele2 Mobile
Underlying EBITDAaL	2.8bn (+2.9%)	7.8bn (+0.9%)	<h3>Sweden B2B in Q3</h3> <ul style="list-style-type: none"> – Continued solid and broad-based EUSR growth – Sustained growth in Mobile postpaid customer base during seasonally slow Q3 – EUSR growth in Mobile and Solutions continued to exceed decline in Fixed legacy services 	<h3>The Baltics in Q3</h3> <ul style="list-style-type: none"> – Sustained strong EUSR growth driven by ASPU and volume growth – Volume growth in Mobile postpaid continued – Continued strong underlying EBITDAaL growth as EUSR growth and lower energy costs exceeded inflationary pressures
Capex ex. spectrum and leases	0.9bn	2.8bn		
EFCF	1.9bn	4.2bn		

*Organic growth rate

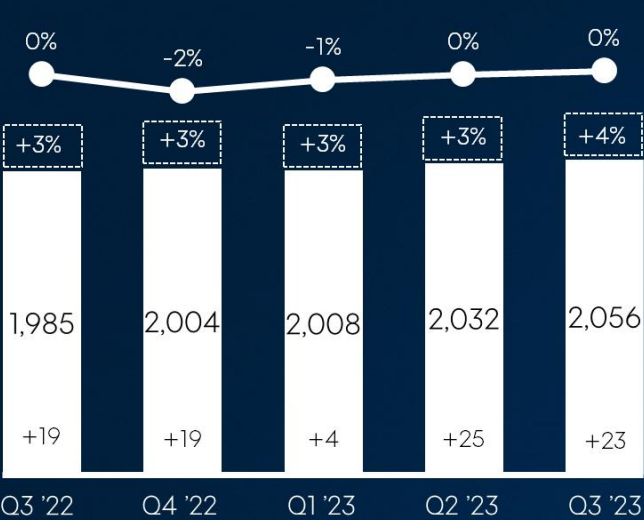
SWEDEN



Sweden consumer: Solid volume growth

Mobile postpaid RGU & ASPU

Thousand QoQ and YoY growth %



Mobile postpaid RGUs
 RGU growth YoY
 ASPU growth YoY

Fixed broadband RGU & ASPU

Thousand QoQ and YoY growth %



Fixed broadband RGUs
 RGU growth YoY
 ASPU growth YoY

Digital TV Cable & Fiber RGU & ASPU

Thousand QoQ and YoY growth %



Digital TV Cable & Fiber RGUs
 RGU growth YoY
 ASPU growth YoY

Q3 highlights

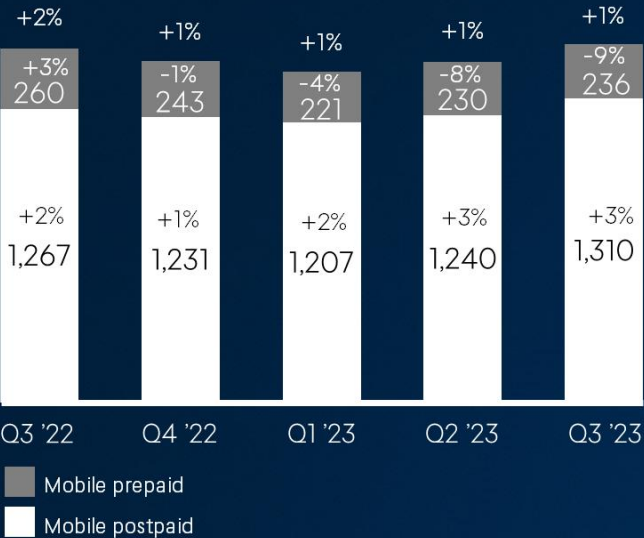
- Solid volume growth for Mobile postpaid driven by Tele2 including family proposition. Low-single digit ASPU growth excl. (abating) dilution from free MBB
- Solid volume growth for Fixed broadband driven by FMC and low churn. ASPU driven by back-book increases
- Stable development within Digital TV Cable & Fiber



Sweden consumer: Solid EUSR growth in connectivity

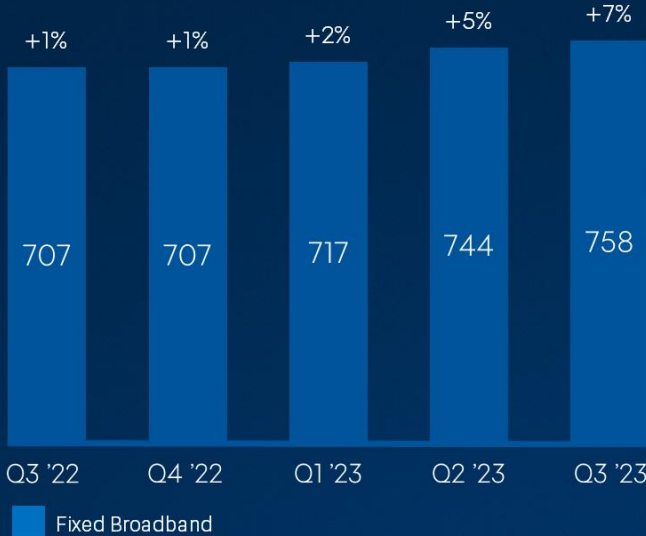
Mobile EUSR

SEK million, YoY growth %



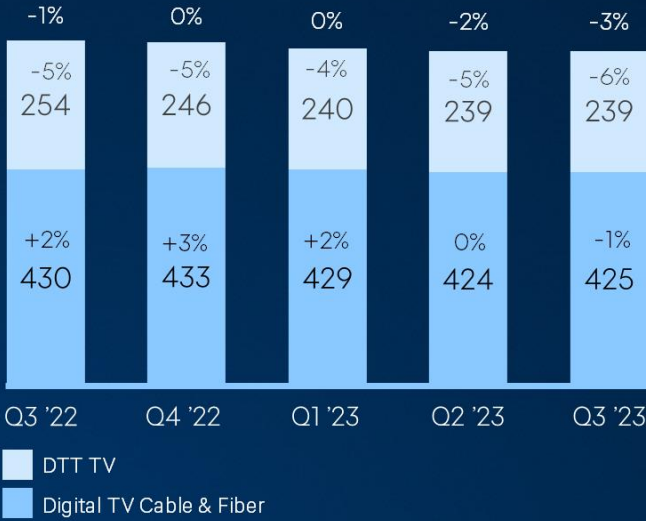
Fixed broadband EUSR

SEK million, YoY growth %



Digital TV EUSR

SEK million, YoY growth %



Q3 highlights

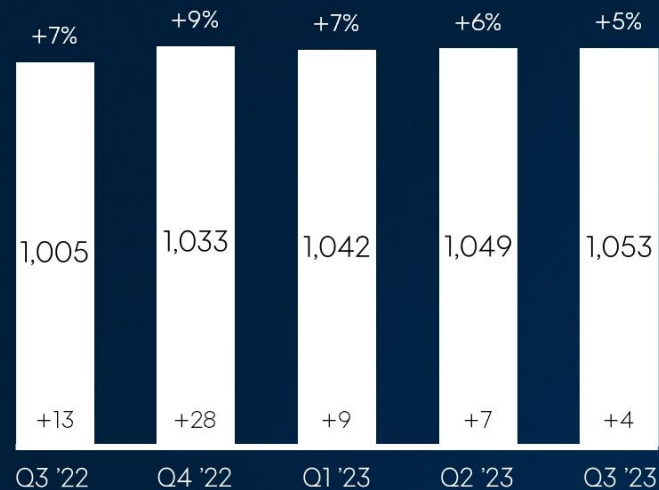
- Mobile EUSR grew slightly thanks to improving postpaid growth, exceeding another full quarter of prepaid registration impact
- Fixed broadband EUSR grew 7% driven by solid volume and ASPU growth
- EUSR for Digital TV declined slightly with stable sales in Digital TV Cable & Fiber and continued decline in the legacy DTT business



Sweden business: Continued healthy topline growth

Mobile RGU & net intake

Thousand QoQ and YoY growth %



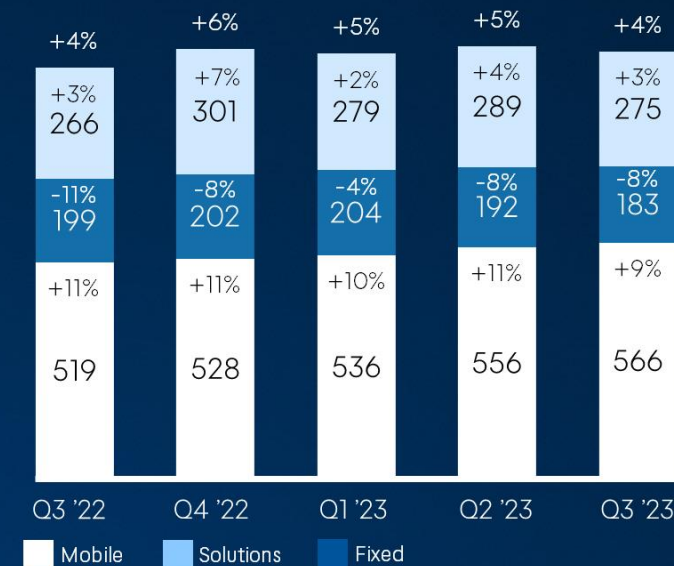
Mobile ASPU

YoY growth %



End-user service revenue

SEK million, YoY growth %



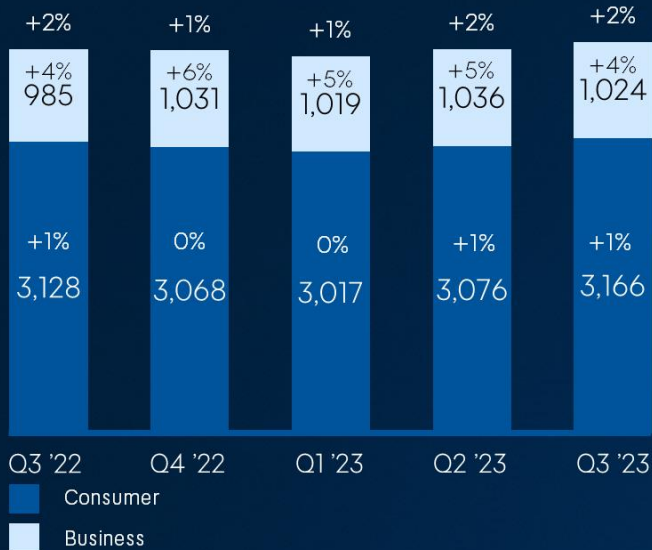
Q3 highlights

- Continued solid EUSR growth of 4% supported by all customer segments
- Net intake of 4,000 Mobile RGUs during a seasonally slow quarter. Mobile ASPU increasing slightly
- Some RGUs previously reported as Mobile have been reclassified to IoT. The reclassification has also been done retroactively

Sweden financials: Recovering EBITDAaL trajectory

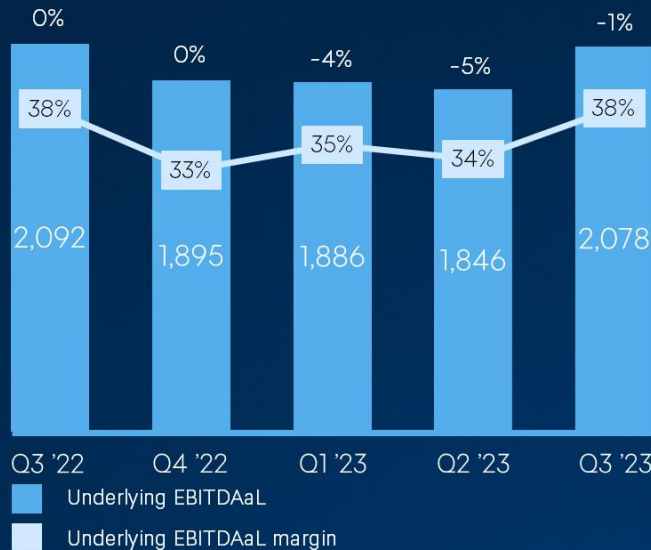
End-user service revenue

SEK million, YoY growth %

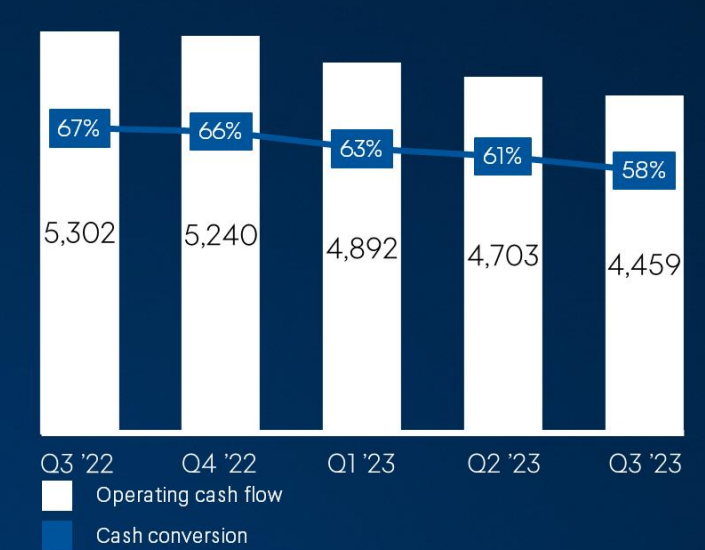


Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million



Q3 highlights

- EUSR grew by 2% driven by continued solid performance in B2B and slightly improving performance in B2C
- Underlying EBITDAaL declined by 1% as higher EUSR, continued benefits from transformation, and lower energy costs were more than offset by inflationary pressures and continued margin pressure from product mix changes as legacy services decline
- Cash conversion of 58% reflecting group capex to sales of 14% LTM

Cash conversion = operating cash flow / underlying EBITDAaL

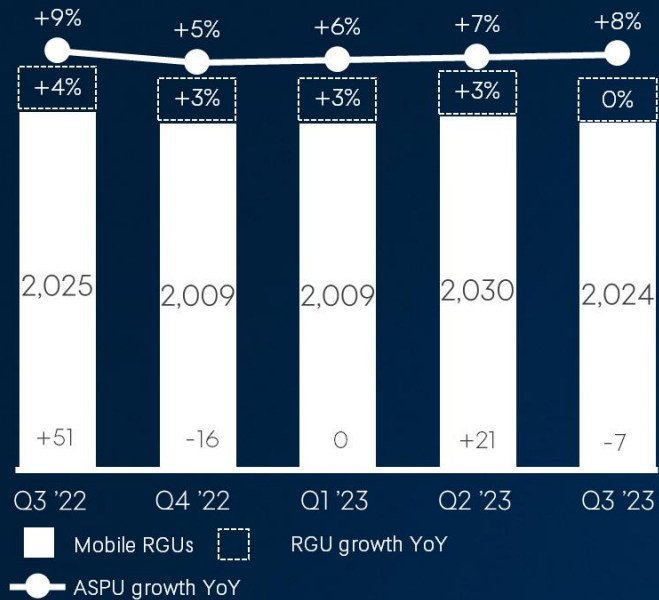
BALTICS



Baltics operational highlights: Strong ASPU growth

Lithuania – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



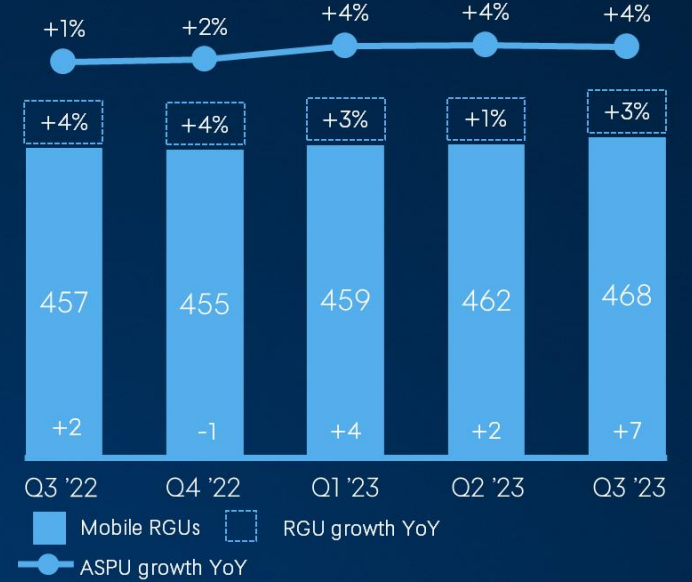
Latvia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



Estonia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



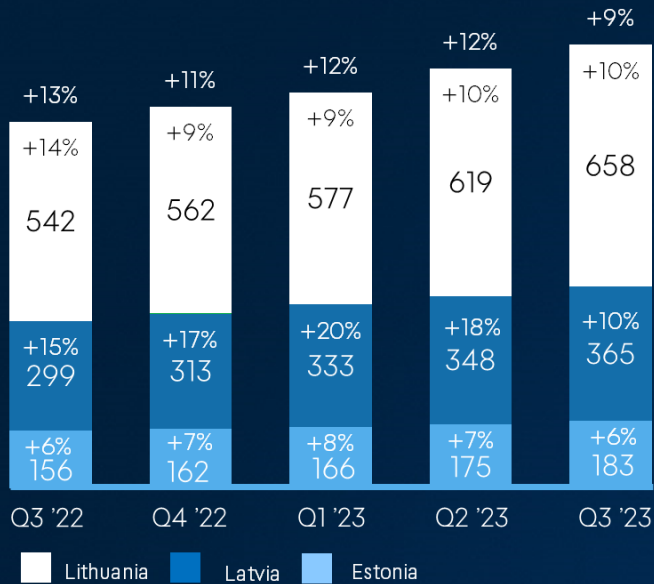
Q3 highlights

- The overall Baltic mobile postpaid customer base continued to increase
- Continued strong blended organic ASPU growth of 8% driven by more-for-more strategy, price adjustments and prepaid to postpaid migration

Baltics financials: Continued outstanding track record

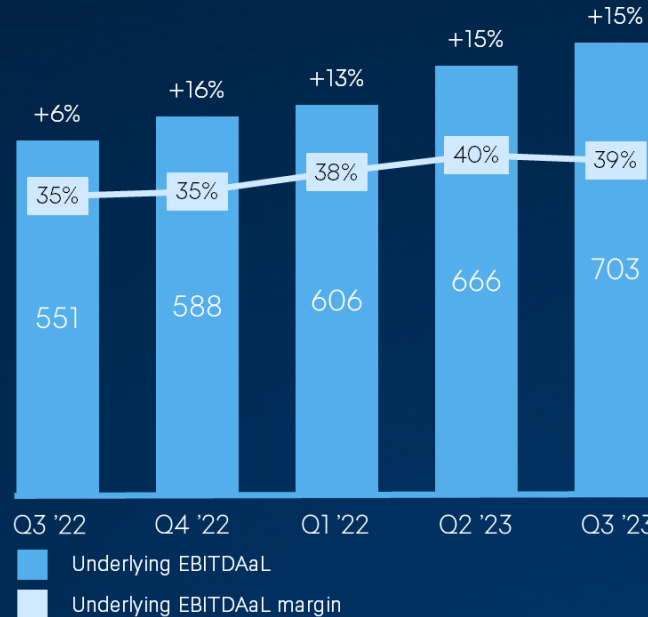
End-user service revenue

SEK million, YoY growth %



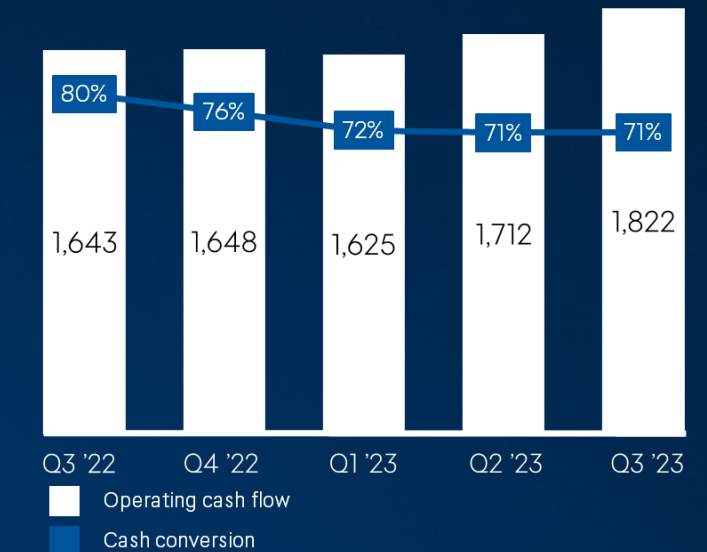
Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million

SEK million, LTM



Q3 highlights

- Continued strong end-user service revenue growth of 9% driven by both ASPU and volume growth in all markets
- Underlying EBITDAaL grew by 15% as end-user service revenue growth and lower energy costs exceeded inflationary pressures
- Continued strong cash conversion of 71% despite significant capex runrate

FINANCIAL OVERVIEW

Group results

SEK million		Q3 2023	Q3 2022
Revenue		7,253	7,084
Underlying EBITDA		3,150	2,974
Margin (%)		43.4%	42.0%
Items affecting comparability		-44	-86
D&A		-1,552	-1,539
Associated companies & JVs		0	0
Operating profit		1,554	1,350
Net interest and other financial items	1	-259	-159
Income tax		-234	-191
Net profit, continuing operations		1,061	1,000
Net profit, discontinued operations		1	-6
Net profit, total operations		1,063	994

Comments

- 1 Net interest and other financial items increased due to higher financing costs for outstanding debt

Group cash flow

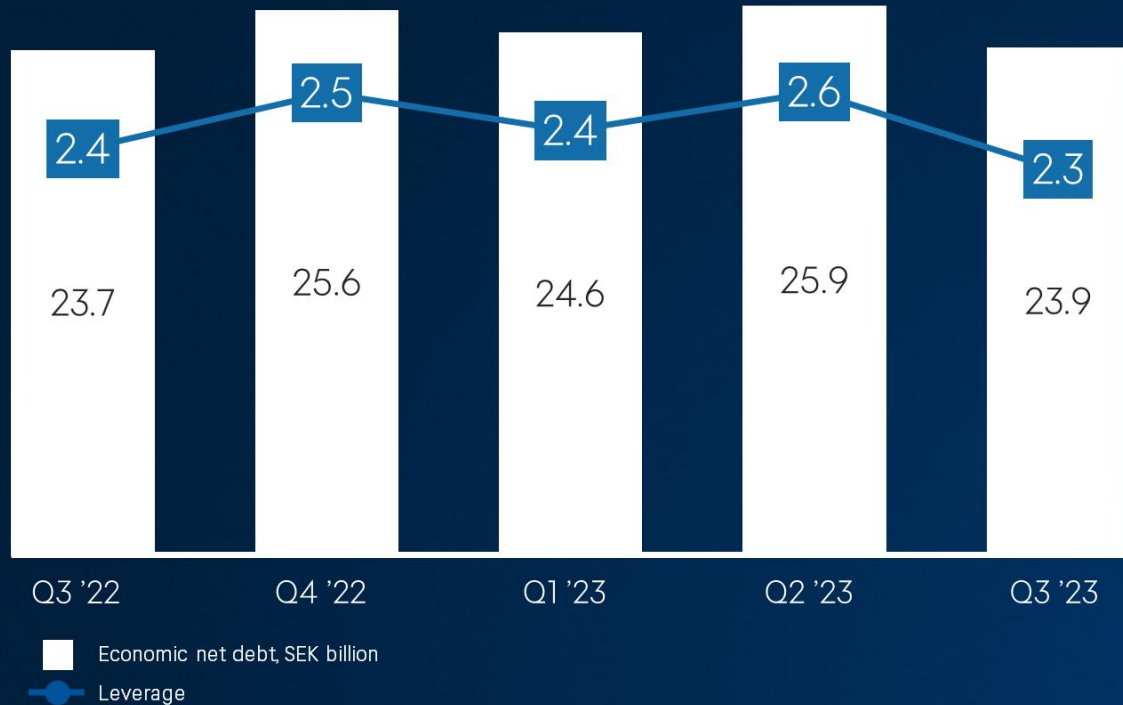
SEK million		Q3 2023	Q3 2022
Underlying EBITDA		3,150	2,974
Items affecting comparability		-44	-86
Amortization of lease liabilities		-295	-281
Capex paid	1	-766	-807
Changes in working capital	2	185	-200
Net financial items paid	3	-122	-49
Taxes paid		-259	-254
Other cash items		45	50
Equity free cash flow		1,894	1,348
Equity free cash flow LTM		4,643	4,776
Equity free cash flow LTM / share (SEK)	4	6.7	6.9

Comments

- 1 Capex paid decreased slightly due to timing (whereas capex booked increased significantly)
- 2 Changes in working capital in the quarter were mainly impacted by unusually high levels of accounts payable
- 3 Net financial items paid increased due to higher interest rates both on loans and leases
- 4 Equity free cash flow over the last twelve months amounted to SEK 4.6 billion, equivalent to SEK 6.7 per share

Leverage at 2.3x

Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt decreased by SEK 1.8 billion compared to year-end 2022, driven by the cash generated in the business, exceeding the payout of the first tranche of the ordinary dividend
- Leverage of 2.3x is below the target range of 2.5-3.0x ahead of the second tranche of the ordinary dividend and the first installment of the acquired spectrum in Sweden. Adjusted for this, leverage would have been 2.6x
- Second tranche (SEK 3.40 per share) of the ordinary dividend was paid earlier in October

Financial outlook unchanged

	End-user service revenue	Underlying EBITDAaL	Annual capex ¹
2023 guidance	Low to mid-single digit growth	Low-single digit growth	<14% of revenue
Mid-term ambition	Low to mid-single digit growth	Mid-single digit growth	10-14% of revenue

In line with standard practice, we will announce our 2024 financial guidance in relation to the full-year 2023 results.

In 2023–2024, we expect capex to sales in the upper end of the 10%-14% target range. A gradual decline is then anticipated, moving towards the lower end of the 10-14% range in 2025–2026.

Key priorities going forward

Sustain growth momentum

Continued investments in network infrastructure

Rollout of real 5G and Remote-Phy

Healthy shareholder remuneration and investment capability

Efficient cash flow profile and solid balance sheet allows for healthy shareholder remuneration while investing

Operational efficiency with superior customer experience

Focus on the digital customer journey ahead with all main brands on the same platform

Leading in sustainability

Continue to expand our circular economy solutions to meet customer demands

Enabling a society of unlimited possibilities

Each era brings its own limitations. Breaking them means breaking new ground. We have always challenged limitations to realize new possibilities for our customers and society at large.

Today, we are deeply connected to the digital lifestyle of society and a foundation to businesses, institutions and the quality of life for millions of customers. Connectivity and digitalization is permeating every sector, every household. By making our technologies more powerful, reliable and sustainable, we enable society to become that as well.

A woman with glasses, wearing a dark blue sweater, is sitting in a wooden chair with a cane backrest, reading a laptop. She is positioned in a room with a large window overlooking a city at dusk. The room features a wooden desk with a white laptop and a small white box. In the foreground, there is a low wooden table with books and a small black container. The TELE2 logo is visible on the table.

TELE2