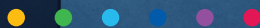


2023

Interim Report
Second Quarter



TELE2



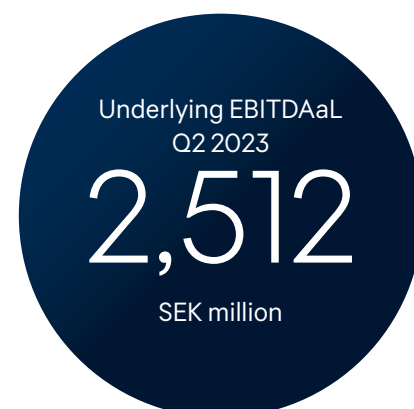
Q2 2023 HIGHLIGHTS

- End-user service revenue of SEK 5.3 billion increased by 4% organically compared to Q2 2022 due to strong performance in the Baltics and Sweden B2B. Total revenue of SEK 7.2 billion increased by 3% organically compared to Q2 2022.
- Underlying EBITDAaL of SEK 2.5 billion remained unchanged organically compared to Q2 2022 as end-user service revenue growth and cost savings related to the Business Transformation Program were offset mainly by inflationary pressures.
- Net profit from total operations of SEK 0.9 (0.8) billion and earnings per share of SEK 1.28 (1.23).
- Equity free cash flow of SEK 1.2 (0.8) billion. Over the last twelve months, SEK 4.1 billion was generated, equivalent to SEK 5.9 per share. Our first dividend tranche was largely covered by cash generated in H1 2023.
- Tele2 successfully issued a new EUR 500 million bond in the quarter.
- Full-year 2023 financial guidance updated on the following metrics:
 - Low to mid-single digit growth of end-user service revenue
 - Capex¹⁾ to sales below 14%.
- Mid-term financial ambition updated on the following metrics:
 - Low to mid-single digit growth of end-user service revenue
 - Capex¹⁾ to sales of 10% to 14% with 2024 in the upper end of the range, followed by a gradual decline towards the lower end of the range in 2025–2026.

¹⁾ Excluding spectrum and leases.

Key financial data

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % | Full year 2022 |
|--|--------------|--------------|-----------|--------------|--------------|-----------|----------------|
| Continuing operations | | | | | | | |
| End-user service revenue | 5,254 | 4,969 | 4% | 10,367 | 9,850 | 4% | 20,097 |
| Revenue | 7,153 | 6,820 | 3% | 14,162 | 13,565 | 3% | 28,102 |
| Operating profit | 1,243 | 1,140 | | 2,507 | 4,044 | | 6,596 |
| Profit after financial items | 1,086 | 1,022 | | 2,137 | 3,695 | | 5,907 |
| Underlying EBITDAaL | 2,512 | 2,463 | 0% | 5,004 | 4,934 | 0% | 10,060 |
| Capex excluding spectrum and leases | 888 | 737 | | 1,951 | 1,407 | | 3,171 |
| Operating cash flow | 1,624 | 1,726 | | 3,054 | 3,527 | | 6,889 |
| Operating cash flow, rolling 12 months | | | | 6,416 | 6,754 | | 6,889 |
| Equity free cash flow | 1,176 | 750 | | 2,296 | 1,660 | | 3,461 |
| Equity free cash flow, rolling 12 months | | | | 4,097 | 5,331 | | 3,461 |
| Total operations | | | | | | | |
| Net profit | 887 | 847 | | 1,736 | 3,322 | | 5,574 |
| Earnings per share (SEK) | 1.28 | 1.23 | | 2.51 | 4.81 | | 8.07 |
| Equity free cash flow | 1,176 | 750 | | 2,296 | 1,660 | | 3,461 |
| Economic net debt to underlying EBITDAaL | | | | 2.6x | 2.5x | | 2.5x |



Continuing and discontinued operations

Figures presented in this report refer to the period April-June 2023 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2022. For discontinued operations, see Note 10.

Non-IFRS measures

This report contains certain non-IFRS measures which are defined and reconciliated to the closest reconcilable line items in the section *Non-IFRS measures*. Note that organic growth rates exclude effects from currency movements. For further definitions of industry terms and acronyms, please refer to the Investor section at www.tele2.com or see section *Other financial metrics*.

CEO LETTER – Q2 2023



“

I am glad to see that we can uphold the growth momentum at Tele2.

As we are passing the half-way point of 2023, I am glad to see that we can uphold the growth momentum at Tele2. During Q2, we have also secured long-term financing at attractive margins that replaces the financing put in place at the time of the Tele2-Com Hem merger in 2018. Coupled with our efficient revenue to cash conversion profile and prudent balance sheet management over time, this means that Tele2 is well prepared to invest in 5G networks and radio spectrum while continuing to pay healthy dividends to our shareholders. Tele2 has also progressed well within our sustainability agenda and was rated No. 1 in the Financial Times overview of climate leaders in Europe.

Investing with maintained dividend capacity

Our commercial priority is to build sustainable growth. We can all read in the newspapers about higher interest rates, inflation and general uncertainties affecting societies. It is likely that the next couple of quarters will see challenges to many retail exposed companies and industries. At Tele2, we choose to see this as an opportunity. Through prudent fiscal management over time, we enter this period with a strong balance sheet and a high pace of development both with respect to 5G rollout and IT transformation. We have bought important radio spectrum over the last year, at attractive prices, and intend to maintain a competitive portfolio in all our markets going forward. Having entered this investment period at the lower end of our leverage range makes us confident about seeing the next quarters as an opportunity to invest for a strengthened Tele2 in the longer term, while upholding our dividend and remaining within our leverage guidance.

Improved customer experience

We will continue our transformation at pace also through 2024. There is a need to be steadfast and carry out our transition towards a model that is less dependent on third party retail and brings more customers over to our own digital channels. Customer satisfaction measurements also show that customers appreciate a digital interface. When making these transitions, we prepare ourselves to lead a multi-year journey in the Swedish market towards convergent, easy to understand and reliable services that cater for a growing segment of the market that Tele2 has unique capabilities to serve. Our mobile, broadband and aggregated TV & streaming services represent powerful building blocks for a converged strategy.

We will have put together all of the Tele2, Com Hem and Comviq consumer businesses on one platform within the next six to nine months, as communicated previously. We will have a 5G population coverage in Sweden by the end of this year that compares well with many European countries

that started building networks ahead of us and the Tele2 network is a real 5G network based on high frequency spectrum, which contrasts to many other operators.

Continued growth and an updated guidance

When it comes to the numbers, we see that we are growing topline close to 4%, while our underlying EBITDAaL is flat, mostly due to timing, and we succeed in keeping a good pace in our network rollout and IT transformation. Building on our ability to grow and continue strengthening our foundations, this leads to an updated 2023 guidance of:

- End-user service revenue: Low to mid-single digit growth
- Underlying EBITDAaL: Low single-digit growth (unchanged)
- Capex to sales: < 14%

As usual, we will provide our guidance for the upcoming year in relation to the Q4 presentation, but we expect long term capex to sales to be in the range of 10–14%, with the upper level relevant for 2023–2024 and a gradual decline towards the lower level in 2025–2026.

Tele2 is Europe's #1 climate leader

In May, Financial Times ranked Tele2 as Europe's climate leader. We are proud of this achievement as it symbolizes our focus on sustainability. But we are not here for the awards, we are here to make an impact. That is why we recently announced our commitment to take back and recycle at least 30% of distributed mobile phones in 2030. Not only is increased circularity a necessity, but it also opens new business opportunities as our B2B customers increasingly demand circular flows and solutions. I am also proud to see how our 5G network enables new sustainable solutions, such as Zeam, the world's first fully electric and autonomous passenger ferry that premiered in Stockholm in June.

Tele2's strong and unique culture sets us up for future success

Finally, I just want to highlight how rewarding it was to gather all colleagues at the annual Tele2 Awards in June to celebrate collective and individual success from the past year. The event is an institution and a testimony to Tele2's unique culture, and feeling the energy from so many of our employees not only makes me proud, but it also gives me confidence that we are set up to leverage the challenges and opportunities ahead.

Kjell Johnsen
President and Group CEO

Financial overview

Analysis of revenue

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % | Full year 2022 |
|--------------------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|-------------------|
| Mobile | 1,470 | 1,453 | 1% | 2,898 | 2,862 | 1% | 5,862 |
| - Postpaid | 1,240 | 1,203 | 3% | 2,447 | 2,382 | 3% | 4,880 |
| - Prepaid | 230 | 249 | -8% | 451 | 480 | -6% | 983 |
| Fixed | 1,442 | 1,432 | 1% | 2,866 | 2,859 | 0% | 5,726 |
| - Fixed broadband | 744 | 708 | 5% | 1,461 | 1,412 | 3% | 2,826 |
| - Digital TV | 663 | 674 | -2% | 1,332 | 1,344 | -1% | 2,707 |
| - Cable & Fiber | 424 | 424 | 0% | 853 | 843 | 1% | 1,706 |
| - DTT | 239 | 250 | -5% | 479 | 501 | -4% | 1,001 |
| - Fixed telephony & DSL | 36 | 51 | -30% | 73 | 103 | -29% | 193 |
| Landlord & Other | 164 | 165 | -1% | 330 | 336 | -2% | 664 |
| Sweden Consumer | 3,076 | 3,050 | 1% | 6,094 | 6,056 | 1% | 12,252 |
| Sweden Business | 1,036 | 989 | 5% | 2,056 | 1,962 | 5% | 3,977 |
| Baltics | 1,141 | 929 | 12% | 2,218 | 1,832 | 12% | 3,867 |
| End-user service revenue | 5,254 | 4,969 | 4% | 10,367 | 9,850 | 4% | 20,097 |
| Operator revenue | 573 | 608 | -7% | 1,117 | 1,203 | -8% | 2,416 |
| Equipment revenue | 1,327 | 1,243 | 3% | 2,678 | 2,511 | 4% | 5,590 |
| Revenue | 7,153 | 6,820 | 3% | 14,162 | 13,565 | 3% | 28,102 |

Second quarter

End-user service revenue increased by 4% organically primarily driven by continued strong performance in the Baltics and Sweden B2B. International roaming revenue had a positive effect of around SEK 10 million compared to Q2 2022.

- **Sweden Consumer** increased by 1% as growth in Mobile and Fixed broadband exceeded continued decline in legacy services.
- **Sweden Business** grew by 5% as growth in mobile and solutions exceeded continued decline in fixed.
- **Baltics** grew by 12% in local currency driven by both volume growth and strong ASPU (Average Spend Per User) growth from price adjustments and upselling.

Total revenue increased by 3% organically driven by growth in end-user service revenue and equipment revenue whereas operator revenue declined.

Refer to Note 2 and Overview by segment for a breakdown of the segments.

First half year

End-user service revenue increased by 4% organically primarily driven by continued strong performance in the Baltics and Sweden B2B. International roaming revenue had a positive effect of around SEK 30 million compared to H1 2022.

- **Sweden Consumer** increased by 1% as growth in Mobile, Fixed broadband and Digital TV Cable & Fiber exceeded continued decline in legacy services.
- **Sweden Business** grew by 5% as growth in mobile and solutions exceeded continued decline in fixed.
- **Baltics** grew by 12% in local currency driven by both volume growth and strong ASPU growth from price adjustments and upselling.

Total revenue increased by 3% organically driven by growth in end-user service revenue and equipment revenue whereas operator revenue declined.

Refer to Note 2 and Overview by segment for a breakdown of the segments.

Analysis of income statement

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| Revenue | 7,153 | 6,820 | 14,162 | 13,565 | 28,102 |
| Underlying EBITDAaL | 2,512 | 2,463 | 5,004 | 4,934 | 10,060 |
| Reversal lease depreciation and interest | 370 | 326 | 731 | 653 | 1,335 |
| Underlying EBITDA | 2,882 | 2,790 | 5,735 | 5,588 | 11,395 |
| Items affecting comparability | -76 | -88 | -144 | -133 | -294 |
| EBITDA | 2,806 | 2,702 | 5,591 | 5,454 | 11,101 |
| Depreciation/amortization | -1,563 | -1,560 | -3,083 | -3,080 | -6,176 |
| - of which amortization of surplus from acquisitions | -420 | -433 | -841 | -866 | -1,725 |
| - of which lease depreciation | -326 | -301 | -642 | -607 | -1,231 |
| - of which other depreciation/amortization | -817 | -826 | -1,600 | -1,607 | -3,221 |
| Result from shares in associated companies and joint ventures | — | -1 | -1 | 1,670 | 1,672 |
| Operating profit | 1,243 | 1,140 | 2,507 | 4,044 | 6,596 |
| Net interest and other financial items | -156 | -118 | -370 | -349 | -689 |
| Income tax | -198 | -175 | -399 | -377 | -694 |
| Net profit | 888 | 847 | 1,738 | 3,318 | 5,213 |

Second quarter

Underlying EBITDAaL was unchanged organically as higher end-user service revenue and cost savings from the Business Transformation Program were offset by general inflation pressures including the weak Swedish krona, higher wage inflation and content costs.

We have so far received confirmation of SEK 10 million of electricity support in Sweden, which has been recorded during Q2. Despite this, our energy costs increased by SEK 13 million compared to Q2 2022.

Items affecting comparability of SEK -76 (-88) million was mainly driven by restructuring costs related to the Business Transformation Program in Sweden. Refer to Note 3 for more details.

Net interest and other financial items of SEK -156 (-118) million increased compared to Q2 2022 due to higher financing costs for outstanding debt despite a SEK 77 million other financial gain related to bond repurchase.

First half year

Underlying EBITDAaL was unchanged organically as higher end-user service revenue and cost savings from the Business Transformation Program were offset by general inflation pressures including the weak Swedish krona, higher wage inflation and content costs.

We have so far received confirmation of SEK 10 million of electricity support in Sweden, which has been recorded during H1. Despite this, our energy costs increased by SEK 21 million compared to H1 2022.

Items affecting comparability of SEK -144 (-133) million was mainly driven by restructuring costs related to the Business Transformation Program in Sweden. Refer to Note 3 for more details.

Result from shares in associated companies and joint ventures of SEK -1 (1,670) million decreased compared to H1 2022 as a result of the divestment of T-Mobile Netherlands.

Net interest and other financial items of SEK -370 (-349) million increased somewhat compared to H1 2022. Higher financing costs for outstanding debt were partly offset by significantly improving other financial items as 2023 was positively impacted by the gain related to bond repurchase, whereas 2022 was burdened by exchange rate losses from hedges related to the T-Mobile Netherlands transaction.

Analysis of cash flow statement

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 | Full year 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| Continuing operations | | | | | |
| Underlying EBITDA | 2,882 | 2,790 | 5,735 | 5,588 | 11,395 |
| Items affecting comparability | -76 | -88 | -144 | -133 | -294 |
| Amortization of lease liabilities | -293 | -275 | -679 | -657 | -1,226 |
| Capex paid | -889 | -855 | -1,814 | -1,609 | -3,561 |
| Changes in working capital | 158 | -323 | 215 | -546 | -1,380 |
| Net financial items paid | -220 | -162 | -411 | -270 | -389 |
| Taxes paid | -408 | -379 | -663 | -768 | -1,215 |
| Other cash items | 22 | 42 | 56 | 56 | 132 |
| Equity free cash flow | 1,176 | 750 | 2,296 | 1,660 | 3,461 |
| Equity free cash flow, rolling 12 months ¹⁾ | | | 4,097 | 5,331 | 3,461 |

No equity free cash flow has been reported related to discontinued operations.

¹⁾ Reconciliation of equity free cash flow rolling 12 months are presented in an Excel document (Q2-2023-financial-and-operational-data) on Tele2's website www.tele2.com.

Second quarter

Capex paid of SEK -889 (-855) million increased slightly compared to Q2 2022 due to higher network investments.

Changes in working capital of SEK 158 (-323) million were mainly impacted by lower levels of equipment receivable.

Net financial items paid of SEK -220 (-162) million increased compared to Q1 2022 due to higher interest rates both on loans and leases.

Taxes paid of SEK -408 (-379) million increased compared to Q2 2022.

First half year

Capex paid of SEK -1,814 (-1,609) million increased compared to H1 2022 due to higher network investments.

Changes in working capital of SEK 215 (-546) million were mainly impacted by lower levels of inventory and equipment receivable.

Net financial items paid of SEK -411 (-270) million increased compared to H1 2022 due to higher interest rates both on loans and leases.

Taxes paid of SEK -663 (-768) million declined compared to H1 2022, which was negatively impacted by timing of final tax payments relating to 2020.

Equity free cash flow over the last twelve months amounted to SEK 4.1 billion, equivalent to approximately SEK 5.90 per share.

Analysis of financial position

| Total operations SEK million | Jun 30 2023 | Dec 31 2022 |
|--|----------------|----------------|
| Bonds | 24,007 | 22,475 |
| Commercial papers | — | 796 |
| Financial institutions and other liabilities | 4,140 | 4,050 |
| Cash and cash equivalents | -1,473 | -1,116 |
| Other adjustments | -818 | -558 |
| Economic net debt | 25,855 | 25,647 |
| Lease liabilities | 4,958 | 5,460 |
| Net debt | 30,813 | 31,108 |
| Underlying EBITDAaL, rolling 12 months ¹⁾ | 10,130 | 10,060 |
| Economic net debt to Underlying EBITDAaL | 2.6x | 2.5x |
| Unutilized overdraft facilities and credit lines | 9,034 | 8,582 |

¹⁾ Includes all operations owned and controlled by Tele2 at the end of each reporting period.

Economic net debt was SEK 25.9 billion by the end of Q2 2023 (SEK 25.6 billion by the end of 2022). The first tranche of the ordinary dividend was largely covered by cash generated in the business.

Economic net debt to underlying EBITDAaL (financial leverage) of 2.6x by the end of Q2 2023 (2.5x by the end of 2022) was in the lower part of the target range of 2.5–3.0x.

Financial guidance

Financial guidance (updated)

Tele2 AB provides the following guidance for continuing operations in constant currencies.

Full year 2023

- Low to mid-single digit growth of end-user service revenue [previously low single digit growth]
- Low single digit growth of underlying EBITDAaL
- Capex to sales below 14% (excluding spectrum and leases) [previously capex excluding spectrum and leases of SEK 2.8–3.3 billion]

Mid-term ambition

- Low to mid-single digit growth of end-user service revenue [previously low single digit growth]
- Mid-single digit growth of underlying EBITDAaL
- Capex to sales of 10% to 14% (excluding spectrum and leases) [previously annual capex excluding spectrum and leases of SEK 2.8–3.3 billion during the roll-out of 5G and Remote-PHY]

Dividend

The Annual General Meeting on 15 May 2023 approved that an ordinary dividend of SEK 6.80 per share shall be paid out in two separate payments of SEK 3.40 per share. The first tranche was paid out on 22 May, and the second tranche is estimated to be paid out on 13 October 2023.

Guidance (updated)

Tele2 provides financial guidance for the inherent year and on a mid-term basis (three-year horizon). Reflecting our good topline momentum we expect low to mid-single digit growth in end-user service revenue. In 2023, we expect it to filter through to a low single digit growth in underlying EBITDAaL, as inflationary pressure weighs on the results.

In line with standard practice, we will announce our 2024 guidance in relation to the full-year 2023 results. However, in the mid-term our ambition is to return to mid-single digit underlying EBITDAaL growth.

In 2023–2024, while we are modernizing our network and roll out 5G, we expect capex to sales (excluding spectrum and leases) 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.

Financial policy

- Tele2 will seek to operate within a range for economic net debt to underlying EBITDAaL of between 2.5–3.0x, and to maintain investment grade credit metrics.
- Tele2's policy will aim to maintain target leverage by distributing capital to shareholders through:
 - An ordinary dividend of at least 80 percent of equity free cash flow, and,
 - Extraordinary dividends and/or share repurchases, based on remaining equity free cash flow, proceeds from asset sales and re-leveraging of underlying EBITDAaL growth.

Group summary

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
|--|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| END-USER SERVICE REVENUE | | | | | | |
| Sweden | 4,113 | 4,039 | 2% | 8,149 | 8,018 | 2% |
| Lithuania | 619 | 511 | 10% | 1,195 | 1,008 | 10% |
| Latvia | 348 | 269 | 18% | 681 | 530 | 19% |
| Estonia | 175 | 149 | 7% | 341 | 294 | 7% |
| Total | 5,254 | 4,969 | 4% | 10,367 | 9,850 | 4% |
| REVENUE | | | | | | |
| Sweden | 5,507 | 5,397 | 2% | 10,938 | 10,761 | 2% |
| Lithuania | 952 | 835 | 4% | 1,860 | 1,646 | 5% |
| Latvia | 487 | 398 | 11% | 959 | 785 | 13% |
| Estonia | 243 | 222 | 0% | 473 | 433 | 1% |
| Internal sales, elimination | -36 | -32 | 2% | -68 | -60 | 5% |
| Total | 7,153 | 6,820 | 3% | 14,162 | 13,565 | 3% |
| UNDERLYING EBITDAaL | | | | | | |
| Sweden | 1,846 | 1,938 | -5% | 3,732 | 3,903 | -4% |
| Lithuania | 399 | 317 | 15% | 760 | 622 | 13% |
| Latvia | 213 | 160 | 21% | 409 | 314 | 20% |
| Estonia | 54 | 48 | 1% | 104 | 95 | 1% |
| Total | 2,512 | 2,463 | 0% | 5,004 | 4,934 | 0% |
| CAPEX | | | | | | |
| Sweden | 724 | 627 | 15% | 1,604 | 1,237 | 30% |
| Lithuania | 60 | 50 | 10% | 145 | 79 | 70% |
| Latvia | 56 | 26 | 100% | 100 | 37 | 152% |
| Estonia | 48 | 35 | 25% | 102 | 54 | 73% |
| Capex excluding spectrum and leases | 888 | 737 | 19% | 1,951 | 1,407 | 37% |
| Spectrum | 18 | 64 | | 18 | 68 | |
| Right-of-use assets (leases) | 192 | 236 | | 399 | 398 | |
| Total | 1,099 | 1,037 | | 2,368 | 1,873 | |
| <i>of which:</i> | | | | | | |
| – Network | 591 | 439 | | 1,311 | 799 | |
| – IT | 210 | 170 | | 422 | 350 | |
| – Customer equipment | 82 | 112 | | 205 | 216 | |
| – Other | 4 | 16 | | 12 | 43 | |
| Capex excluding spectrum and leases | 888 | 737 | | 1,951 | 1,407 | |

Overview by segment

Sweden

Tele2 Sweden end-user service revenue increased by 2% in the second quarter driven by 5% growth in B2B and 1% in B2C. International roaming revenue continued to recover with a positive effect of SEK 7 million compared to Q2 2022.

Optimization within legacy IT and Network was executed in the quarter as part of the Business Transformation Program. Annualized run rate savings for the program reached SEK 1,005 million at the end of the quarter and the effect on underlying EBITDAaL was approximately SEK 240 million with a net effect of SEK 85 million year-on-year. The program has now been

successfully completed after reaching the target of at least SEK 1 billion in annual run-rate savings.

Underlying EBITDAaL declined by 5% in the quarter as higher end-user service revenue and continued execution of the Business Transformation Program was more than offset by general inflationary pressures including the weak Swedish krona, wage inflation and continued margin pressure from product mix changes as legacy services decline.

Capex excluding spectrum and leases amounted to SEK 724 million as our network investments continue at a high pace.

| Financials SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
|---|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| End-user service revenue | 4,113 | 4,039 | 2% | 8,149 | 8,018 | 2% |
| Revenue | 5,507 | 5,397 | 2% | 10,938 | 10,761 | 2% |
| Underlying EBITDA | 2,159 | 2,217 | | 4,352 | 4,459 | |
| Underlying EBITDAaL | 1,846 | 1,938 | -5% | 3,732 | 3,903 | -4% |
| Underlying EBITDAaL margin | 34% | 36% | | 34% | 36% | |
| Capex | | | | | | |
| Network | 457 | 358 | | 1,029 | 678 | |
| IT | 187 | 148 | | 374 | 314 | |
| Customer equipment | 76 | 108 | | 194 | 210 | |
| Other | 4 | 13 | | 7 | 36 | |
| Capex excluding spectrum and leases | 724 | 627 | | 1,604 | 1,237 | |
| Spectrum | — | 40 | | — | 40 | |
| Right-of-use assets (leases) | 147 | 213 | | 321 | 339 | |
| Capex | 871 | 880 | | 1,925 | 1,617 | |
| Capex excluding spectrum and leases / revenue | 13% | 12% | | 15% | 11% | |

Sweden Consumer

The quarter has been characterized by continued pricing activity in the market on mobile and broadband services as well as access services by communications operators. The slower demand on handsets continued as consumers have been more mindful about their spend. Despite this, overall commercial activity kept pace, with healthy demand for unlimited and family SIM only offers. For broadband and entertainment services demand remained intact for higher speeds and richer entertainment packages as the relevance of digital services for households continues to evolve.

Total end-user service revenue grew by 1% in the quarter from a combination of volume and ASPU performance in core connectivity, partly offset by declining legacy businesses.

Mobile postpaid net intake was positive with 25,000 RGUs in the quarter. Mobile end-user service revenue grew by 1% as postpaid RGU growth and a stable postpaid ASPU more than offset 8% end-user service revenue decline on prepaid, amplified by the registration requirement from 1 February.

Fixed broadband end-user service revenue grew by 5% on the back of solid RGU and ASPU growth, the latter supported by pricing.

Digital TV end-user service revenue declined by 2% with a flat development for Digital TV Cable & Fibre and a 5% decline for the legacy DTT business. The new Viaplay-infused packages continued to contribute positively to both sub-segments.

| | Apr-Jun 2023 | Apr-Jun 2022 | Jun 30 2023 | Jun 30 2022 | Organic % |
|-----------------------------|-------------------|-----------------|-----------------|----------------|--------------|
| RGUs (thousands) | Net intake | | RGU base | | |
| Mobile | -16 | 37 | 2,871 | 2,970 | -3% |
| – Postpaid | 25 | 21 | 2,032 | 1,966 | 3% |
| – Prepaid | -41 | 16 | 839 | 1,004 | -16% |
| Fixed | -8 | -13 | 1,975 | 2,016 | -2% |
| – Fixed broadband | 7 | 6 | 960 | 937 | 2% |
| – Digital TV | -8 | -13 | 871 | 905 | -4% |
| – Cable & Fiber | -1 | -5 | 630 | 631 | 0% |
| – DTT | -7 | -8 | 241 | 274 | -12% |
| – Fixed telephony & DSL | -7 | -6 | 143 | 174 | -18% |
| Total RGUs | -24 | 24 | 4,846 | 4,986 | -3% |
| Addressable fixed footprint | 45 | 32 | 3,833 | 3,688 | 4% |

| | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
|---------------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| ASPU (SEK) | | | | | | |
| Mobile | 170 | 164 | 4% | 167 | 161 | 3% |
| – Postpaid | 205 | 205 | 0% | 202 | 203 | 0% |
| – Prepaid | 89 | 83 | 7% | 85 | 80 | 7% |
| Fixed | 243 | 236 | 3% | 241 | 235 | 2% |
| – Fixed broadband | 259 | 253 | 3% | 255 | 252 | 1% |
| – Digital TV | 252 | 246 | 2% | 252 | 245 | 3% |
| – Cable & Fiber | 224 | 223 | 1% | 225 | 221 | 2% |
| – DTT | 325 | 301 | 8% | 321 | 297 | 8% |
| – Fixed telephony & DSL | 81 | 95 | -15% | 81 | 95 | -15% |
| Revenue (SEK million) | | | | | | |
| Mobile | 1,470 | 1,453 | 1% | 2,898 | 2,862 | 1% |
| – Postpaid | 1,240 | 1,203 | 3% | 2,447 | 2,382 | 3% |
| – Prepaid | 230 | 249 | -8% | 451 | 480 | -6% |
| Fixed | 1,442 | 1,432 | 1% | 2,866 | 2,859 | 0% |
| – Fixed broadband | 744 | 708 | 5% | 1,461 | 1,412 | 3% |
| – Digital TV | 663 | 674 | -2% | 1,332 | 1,344 | -1% |
| – Cable & Fiber | 424 | 424 | 0% | 853 | 843 | 1% |
| – DTT | 239 | 250 | -5% | 479 | 501 | -4% |
| – Fixed telephony & DSL | 36 | 51 | -30% | 73 | 103 | -29% |
| Landlord & Other | 164 | 165 | -1% | 330 | 336 | -2% |
| End-user service revenue | 3,076 | 3,050 | 1% | 6,094 | 6,056 | 1% |
| Operator revenue | 185 | 194 | | 368 | 382 | |
| Equipment revenue | 429 | 435 | | 907 | 873 | |
| Revenue | 3,691 | 3,679 | 0% | 7,368 | 7,311 | 1% |

Sweden Business and Wholesale

In Sweden B2B, we hold on to our overall strategy and all business segments are contributing to the solid end-user service revenue growth of 5% during the quarter. Our core services that have fuelled growth for a long time continued to do so also in this quarter, offsetting further decline in legacy services. While Mobile and Solutions largely maintained previous service revenue growth rates, we recorded increasing equipment sales growth associated with these services. In Q2, we continued the decommissioning of our legacy copper services across the board, and concluded several parts such as certain transmission migration, Fixed telephony and ADSL for the Micro segment. We have complemented our portfolio with new partners for

5G Private network, Networking, and value-added service for our Unified Communications business. We have also continued to invest in improving capabilities in sustainability and customer experience.

Mobile net intake was positive in the quarter with 11,000 RGUs. The macroeconomic situation, which we continue to monitor closely, is affecting some of our customer groups more than others, but so far without significant impact on our business.

Sweden Wholesale revenue declined 5% during the second quarter, mainly as we exited the legacy international voice business during 2022.

Sweden Business

| | Apr-Jun 2023 | Apr-Jun 2022 | | Jun 30 2023 | Jun 30 2022 | Organic % |
|---------------------------------|--------------|--------------|-----------|--------------|--------------|-----------|
| | Net intake | | | RGU base | | |
| RGUs (thousands) | | | | | | |
| Mobile (excluding IoT) | | | | | | |
| – Postpaid | 11 | 23 | | 1,127 | 1,060 | 6% |
| | | | | | | |
| | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
| ASPU (SEK) | | | | | | |
| Mobile (excluding IoT) | | | | | | |
| – Postpaid | 136 | 134 | 1% | 134 | 134 | 0% |
| Revenue (SEK million) | | | | | | |
| Mobile | 556 | 503 | 11% | 1,092 | 990 | 10% |
| Fixed | 192 | 207 | -8% | 395 | 419 | -6% |
| Solutions | 289 | 279 | 4% | 568 | 553 | 3% |
| End-user service revenue | 1,036 | 989 | 5% | 2,056 | 1,962 | 5% |
| Operator revenue | 24 | 26 | | 48 | 51 | |
| Equipment revenue | 483 | 417 | | 939 | 874 | |
| Internal sales | 1 | 1 | | 2 | 2 | |
| Revenue | 1,544 | 1,432 | 8% | 3,044 | 2,889 | 5% |

Sweden Wholesale

| Financials SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
|---------------------------|--------------|--------------|------------|--------------|--------------|------------|
| Operator revenue | 269 | 284 | | 521 | 558 | |
| Internal sales | 1 | 1 | | 3 | 2 | |
| Revenue | 271 | 286 | -5% | 524 | 560 | -6% |

Baltics

Lithuania

In Q2, we continued to execute on our more-for-more strategy by upselling and prolonging existing customers and by offering bundles to new customers. We also continued our 5G network rollout at a high pace. The market environment remained highly competitive in the quarter with key focus on 5G, B2B and mobile broadband.

Net intake in mobile postpaid was positive with 5,000 RGUs driven by successful activities in both consumer and business segments. Mobile ASPU grew by 7% in local currency due to price adjustments based on upselling and our more-for-more strategy in the consumer segment.

End-user service revenue grew by 10% in local currency driven by both ASPU and volume growth.

Underlying EBITDAaL increased by 15% in local currency driven by end-user service revenue growth and successful cost management.

| | Apr-Jun 2023 | Apr-Jun 2022 | | Jun 30 2023 | Jun 30 2022 | Organic % |
|---|-------------------|-----------------|--------------|-----------------|-----------------|--------------|
| RGUs (thousands) | Net intake | | | RGU base | | |
| Mobile | 21 | 26 | | 2,030 | 1,974 | 3% |
| – Postpaid | 5 | 14 | | 1,344 | 1,291 | 4% |
| – Prepaid | 16 | 12 | | 686 | 683 | 0% |
| | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
| ASPU (EUR) | | | | | | |
| Mobile | 8.9 | 8.3 | 7% | 8.7 | 8.1 | 6% |
| – Postpaid | 10.7 | 10.2 | 5% | 10.6 | 10.1 | 5% |
| – Prepaid | 5.2 | 4.7 | 10% | 4.9 | 4.6 | 7% |
| Revenue (SEK million) | | | | | | |
| Mobile | 615 | 509 | 10% | 1,189 | 1,003 | 10% |
| – Postpaid | 495 | 409 | 10% | 962 | 808 | 10% |
| – Prepaid | 120 | 99 | 10% | 227 | 196 | 7% |
| Fixed | 3 | 3 | 14% | 6 | 5 | 16% |
| End-user service revenue | 619 | 511 | 10% | 1,195 | 1,008 | 10% |
| Operator revenue | 43 | 48 | | 82 | 100 | |
| Equipment revenue | 270 | 257 | | 544 | 505 | |
| Internal sales | 20 | 18 | | 38 | 32 | |
| Revenue | 952 | 835 | 4% | 1,860 | 1,646 | 5% |
| Underlying EBITDA | 422 | 336 | | 803 | 662 | |
| Underlying EBITDAaL | 399 | 317 | 15% | 760 | 622 | 13% |
| Underlying EBITDAaL margin | 42% | 38% | | 41% | 38% | |
| Capex | 87 | 61 | | 179 | 108 | |
| Capex excluding spectrum and leases | 60 | 50 | | 145 | 79 | |
| Capex excluding spectrum and leases / revenue | 6% | 6% | | 8% | 5% | |

Latvia

In Latvia, the market environment continued to be highly competitive meanwhile consumers and businesses feel the pressure from persisting high inflation. While operators tended to protect market shares, both our consumer and business segments achieved good results thanks to a continued successful combination of new sales and customer retention. We also continued our significant investments into network capacity upgrades, swap related projects and 5G.

Net intake in mobile postpaid was positive with 8,000 RGUs in the quarter thanks to a combination of new sales and continued migration from mobile prepaid, which gained 6,000 RGUs in the quarter. Mobile ASPU grew

by 16% in local currency driven by our more-for-more strategy, the two price adjustments during 2022 in both consumer and business segments, as well as customer base mix shift towards more postpaid.

End-user service revenue grew by 18% in local currency mainly due to ASPU, but to some extent also due to a larger postpaid base.

Underlying EBITDAaL grew by 21% in local currency driven by end-user service revenue growth more than offsetting inflationary pressures.

| | Apr-Jun 2023 | Apr-Jun 2022 | | Jun 30 2023 | Jun 30 2022 | Organic % |
|---|-------------------|-----------------|--------------|-----------------|-----------------|--------------|
| RGUs (thousands) | Net intake | | | RGU base | | |
| Mobile | 15 | 10 | | 1,022 | 1,010 | 1% |
| – Postpaid | 8 | 11 | | 807 | 776 | 4% |
| – Prepaid | 6 | -0 | | 215 | 234 | -8% |
| | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
| ASPU (EUR) | | | | | | |
| Mobile | 9.9 | 8.5 | 16% | 9.8 | 8.4 | 17% |
| – Postpaid | 11.4 | 9.9 | 14% | 11.3 | 9.8 | 15% |
| – Prepaid | 4.5 | 3.9 | 15% | 4.2 | 3.7 | 13% |
| Revenue (SEK million) | | | | | | |
| Mobile | 346 | 268 | 17% | 678 | 528 | 19% |
| – Postpaid | 313 | 239 | 19% | 616 | 473 | 21% |
| – Prepaid | 33 | 29 | 4% | 62 | 55 | 5% |
| Fixed | 2 | 1 | 73% | 3 | 2 | 32% |
| End-user service revenue | 348 | 269 | 18% | 681 | 530 | 19% |
| Operator revenue | 29 | 35 | | 57 | 69 | |
| Equipment revenue | 99 | 85 | | 201 | 166 | |
| Internal sales | 11 | 9 | | 20 | 19 | |
| Revenue | 487 | 398 | 11% | 959 | 785 | 13% |
| Underlying EBITDA | 228 | 172 | | 436 | 338 | |
| Underlying EBITDAaL | 213 | 160 | 21% | 409 | 314 | 20% |
| Underlying EBITDAaL margin | 44% | 40% | | 43% | 40% | |
| Capex | 71 | 56 | | 127 | 81 | |
| Capex excluding spectrum and leases | 56 | 26 | | 100 | 37 | |
| Capex excluding spectrum and leases / revenue | 12% | 6% | | 10% | 5% | |

Estonia

In Estonia, we have successfully expanded our customer base, primarily within the consumer postpaid segment. Our position as a price leader has been instrumental in maintaining growth, even during periods of economic crises and high inflation. As part of efforts to maintain growth, we initiated price plan migrations and price increases towards the end of Q2. The economic situation, with inflation and consumer uncertainty, has adversely impacted our device business.

Mobile net intake was positive with 2,000 RGUs mostly driven by post-paid. Mobile ASPU grew by 4% in local currency driven by a combination of unlimited price plans, price adjustments and continued customer base mix shift towards more postpaid.

End-user service revenue grew by 7% in local currency driven by both ASPU and volume growth. Underlying EBITDAaL grew by 1% in local currency, driven by higher end-user service revenue, offsetting the pressure from an increased cost base due to high inflation.

| | Apr-Jun 2023 | Apr-Jun 2022 | | Jun 30 2023 | Jun 30 2022 | Organic % |
|---|-------------------|-----------------|--------------|-----------------|-----------------|--------------|
| RGUs (thousands) | Net intake | | | RGU base | | |
| Mobile | 2 | 10 | | 462 | 455 | 1% |
| – Postpaid | 2 | 8 | | 410 | 394 | 4% |
| – Prepaid | 1 | 2 | | 51 | 61 | -16% |
| | Apr-Jun 2023 | Apr-Jun 2022 | Organic % | Jan-Jun 2023 | Jan-Jun 2022 | Organic % |
| ASPU (EUR) | | | | | | |
| Mobile | 10.0 | 9.6 | 4% | 9.9 | 9.5 | 5% |
| – Postpaid | 10.8 | 10.5 | 3% | 10.7 | 10.4 | 3% |
| – Prepaid | 3.5 | 3.5 | 0% | 3.4 | 3.5 | -2% |
| Revenue (SEK million) | | | | | | |
| Mobile | 158 | 135 | 7% | 309 | 266 | 7% |
| – Postpaid | 152 | 128 | 8% | 297 | 254 | 8% |
| – Prepaid | 6 | 7 | -15% | 12 | 13 | -12% |
| Fixed | 17 | 14 | 4% | 32 | 28 | 7% |
| End-user service revenue | 175 | 149 | 7% | 341 | 294 | 7% |
| Operator revenue | 22 | 22 | -9% | 41 | 43 | -12% |
| Equipment revenue | 44 | 49 | -18% | 86 | 92 | -14% |
| Internal sales | 3 | 2 | 6% | 5 | 5 | 8% |
| Revenue | 243 | 222 | 0% | 473 | 433 | 1% |
| Underlying EBITDA | 74 | 65 | | 143 | 129 | |
| Underlying EBITDAaL | 54 | 48 | 1% | 104 | 95 | 1% |
| Underlying EBITDAaL margin | 22% | 22% | | 22% | 22% | |
| Capex | 70 | 40 | | 137 | 68 | |
| Capex excluding spectrum and leases | 48 | 35 | | 102 | 54 | |
| Capex excluding spectrum and leases / revenue | 20% | 16% | | 21% | 13% | |

Other items

Risks and uncertainty factors

The present challenging macro-economic and geo-political environment also affects Tele2, primarily through increasing energy costs, inflationary pressure, and changes in exchange rates. Tele2 has a resilient business model, offering services that are highly valued and prioritized by our customers. In addition, we have a solid balance sheet. We are convinced that we are able to navigate through these uncertain times. Please refer to the section Enterprise risk management on p. 27–29 and Note 2 on p. 111–115 in Tele2's Annual and Sustainability Report 2022 for more information about Tele2's risk exposure and risk management.

Events during the quarter

April 17. New research project demonstrates AI reduces energy consumption in Tele2's 5G network

Tele2 has led the European research project investigating how Artificial Intelligence (AI) can be used to reduce energy consumption in mobile networks while simultaneously optimizing capacity to meet consumer needs. The project demonstrated that smarter mobile networks can reduce energy consumption by between 30 to 40 percent in the long term. Tele2's participation in the AI4Green project is an important part of the company's sustainability efforts and a step along the way to building Europe's most modern 5G network.

May 15. Tele2 ranked number one in Europe's Climate Leaders 2023

For the third time The Financial Times in partnership with Statista ranked Europe top 500 Climate Leaders. Tele2 is ranked number one with a total score of 86,9. The list was compiled by calculating companies' performance in cutting their emissions intensity in scope 1, their own operations, and scope 2, the energy they buy, for the period 2016–21, but also by assigning a score to reflect transparency on scope 3, supply chain emissions, plus other indicators of commitment to reducing emissions.

May 19. Tele2 has successfully issued a new EUR 500 million bond

The bond was successfully placed with a broad range of institutional investors across Europe. With this transaction Tele2 successfully managed to further broaden its investor base.

June 27. Tele2 commits to reuse and recycle 30% of its distributed phones by 2030

Tele2 has made a commitment to take back and recycle 30% of its distributed mobile phones by 2030. In developing this commitment, Tele2 has co-led an international industry project organized by the global mobile network operator industry association GSMA, setting a new ambition for take back and recycling of devices for the global telecom sector.

Events after the end of the second quarter 2023

No significant events expected to have a material impact on Tele2's financial statements have occurred after the end of the second quarter 2023.

Financial calendar

October 18 Tele2 Q3 Interim Report 2023

Auditors' review

This report has been subject to a limited review by Tele2's auditors.

Board's assurance

The Board of Directors and CEO declare that the report provides a fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, July 18, 2023
Tele2 AB

Andrew Barron
Chairman

Stina Bergfors

Georgi Ganev

Sam Kini

Eva Lindqvist

Lars-Åke Norling

Kjell Johnsen
President and CEO

Auditors' review report

Introduction

We have reviewed the interim report for Tele2 AB (publ) for the period January 1 – June 30, 2023. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 18, 2023

Deloitte AB

Didrik Roos
Authorized Public Accountant

Q2 2023 PRESENTATION

Tele2 will host a teleconference and webcast with presentation at 10:00 CEST (09:00 BST, 04:00 EDT) on Tuesday 18 July 2023. The presentation will be held in English.

Registration for the webcast and a separate registration for the teleconference will be available at www.tele2.com/investors.

This information is information that Tele2 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 07:00 am CET on Tuesday 18 July, 2023.

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Tele2 AB

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Condensed consolidated income statement

| SEK million | Note | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|------|-----------------|-----------------|-----------------|-----------------|
| Revenue | 2 | 7,153 | 6,820 | 14,162 | 13,565 |
| Cost of services provided and equipment sold | 3 | -4,272 | -4,075 | -8,444 | -8,073 |
| Gross profit | | 2,881 | 2,745 | 5,718 | 5,492 |
| Selling expenses | 3 | -1,137 | -1,116 | -2,235 | -2,091 |
| Administrative expenses | 3 | -577 | -545 | -1,104 | -1,077 |
| Result from shares in associated companies and joint ventures | 4 | — | -1 | -1 | 1,670 |
| Other operating income | 3 | 96 | 69 | 182 | 119 |
| Other operating expenses | 3 | -21 | -11 | -53 | -69 |
| Operating profit | 3 | 1,243 | 1,140 | 2,507 | 4,044 |
| Interest income | | 19 | 6 | 35 | 12 |
| Interest expenses | | -259 | -131 | -482 | -248 |
| Other financial items | | 83 | 6 | 77 | -113 |
| Profit after financial items | | 1,086 | 1,022 | 2,137 | 3,695 |
| Income tax | | -198 | -175 | -399 | -377 |
| Net profit, continuing operations | | 888 | 847 | 1,738 | 3,318 |
| Net profit discontinued operations | 10 | -1 | 1 | -2 | 4 |
| Net profit, total operations | | 887 | 847 | 1,736 | 3,322 |
| Continuing operations | | | | | |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent company | | 888 | 847 | 1,738 | 3,318 |
| Net profit, continuing operations | | 888 | 847 | 1,738 | 3,318 |
| Earnings per share (SEK) | 8 | 1.28 | 1.22 | 2.51 | 4.81 |
| Earnings per share, after dilution (SEK) | 8 | 1.28 | 1.22 | 2.50 | 4.78 |
| Total operations | | | | | |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent company | | 887 | 847 | 1,736 | 3,322 |
| Net profit, total operations | | 887 | 847 | 1,736 | 3,322 |
| Earnings per share (SEK) | 8 | 1.28 | 1.23 | 2.51 | 4.81 |
| Earnings per share, after dilution (SEK) | 8 | 1.28 | 1.22 | 2.50 | 4.79 |

Condensed consolidated comprehensive income

| SEK million | Note | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|------|--------------|--------------|--------------|--------------|
| NET PROFIT | | 887 | 847 | 1,736 | 3,322 |
| Components not to be reclassified to net profit | | | | | |
| Pensions, actuarial gains/losses | | 22 | 99 | 109 | 95 |
| Pensions, actuarial gains/losses, tax effect | | -5 | -20 | -22 | -20 |
| Components not to be reclassified to net profit/loss | | 18 | 79 | 87 | 75 |
| Components that may be reclassified to net profit | | | | | |
| Translation differences in foreign operations | | 270 | 170 | 346 | 221 |
| Reversed cumulative translation differences from divested companies | 3 | — | — | -1 | — |
| Translation differences in associated companies | 4 | 2 | 1 | 2 | -6 |
| Translation differences | | 271 | 171 | 347 | 215 |
| Hedge of net investments in foreign operations | | -168 | -111 | -216 | -54 |
| Tax effect on above | | 35 | 23 | 44 | 11 |
| Hedge of net investments | | -133 | -88 | -171 | -43 |
| Exchange rate differences | | 138 | 83 | 176 | 172 |
| Profit/loss arising on changes in fair value of hedging instruments | | 1 | 46 | -18 | 107 |
| Reclassified cumulative profit/loss to income statement | | 9 | -9 | 12 | -16 |
| Tax effect on cash flow hedges | | -2 | -8 | 1 | -19 |
| Cash flow hedges | | 8 | 29 | -5 | 72 |
| Components that may be reclassified to net profit/loss | | 146 | 112 | 172 | 245 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | | 164 | 191 | 258 | 320 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 1,051 | 1,038 | 1,994 | 3,642 |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent company | | 1,051 | 1,038 | 1,994 | 3,642 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 1,051 | 1,038 | 1,994 | 3,642 |

Condensed consolidated balance sheet

| SEK million | Note | Jun 30 2023 | Dec 31 2022 |
|--|------|----------------|----------------|
| ASSETS | | | |
| Goodwill | | 30,059 | 29,905 |
| Other intangible assets | | 12,865 | 13,835 |
| Intangible assets | | 42,925 | 43,740 |
| Tangible assets | | 8,836 | 8,220 |
| Right-of-use assets | | 4,944 | 5,422 |
| Shares in associated companies and joint ventures | 4 | 6 | 6 |
| Other financial assets | 5 | 985 | 957 |
| Capitalized contract costs | | 687 | 633 |
| Deferred tax assets | | 52 | 81 |
| Non-current assets | | 58,434 | 59,060 |
| Inventories | | 1,052 | 1,254 |
| Trade receivables | | 2,049 | 1,986 |
| Other current receivables | | 4,059 | 4,029 |
| Current investments | | 197 | 156 |
| Cash and cash equivalents | 6 | 1,473 | 1,116 |
| Current assets | | 8,830 | 8,542 |
| Assets classified as held for sale | 10 | 34 | 54 |
| TOTAL ASSETS | | 67,298 | 67,656 |
| EQUITY AND LIABILITIES | | | |
| Attributable to equity holders of the parent company | | 21,021 | 23,683 |
| Equity | 8 | 21,021 | 23,683 |
| Liabilities to financial institutions and similar liabilities | 5 | 23,237 | 24,080 |
| Lease liability | | 3,812 | 4,289 |
| Provisions | | 1,224 | 1,286 |
| Other interest-bearing liabilities | | 203 | 193 |
| Interest-bearing liabilities | | 28,475 | 29,848 |
| Deferred tax liability | | 3,581 | 3,807 |
| Non-interest-bearing liabilities | | 3,581 | 3,807 |
| Non-current liabilities | | 32,056 | 33,655 |
| Liabilities to financial institutions and similar liabilities | 5 | 4,217 | 2,550 |
| Lease liability | | 1,146 | 1,172 |
| Provisions | | 78 | 76 |
| Other interest-bearing liabilities | | 491 | 498 |
| Interest-bearing liabilities | | 5,932 | 4,296 |
| Trade payables | | 1,821 | 2,165 |
| Dividend payable | | 2,352 | — |
| Other current non interest-bearing liabilities | | 4,024 | 3,766 |
| Non-interest-bearing liabilities | | 8,197 | 5,931 |
| Current liabilities | | 14,128 | 10,227 |
| Liabilities directly associated with assets classified as held for sale | 10 | 93 | 91 |
| TOTAL EQUITY AND LIABILITIES | | 67,298 | 67,656 |

Condensed consolidated cash flow statement

| Total operations SEK million | Note | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Operating activities | | | | | |
| Net profit | | 887 | 847 | 1,736 | 3,322 |
| Adjustments for non-cash items in net profit | | 1,313 | 1,356 | 2,838 | 1,151 |
| Changes in working capital | | 158 | -323 | 215 | -546 |
| Cash flow from operating activities | | 2,358 | 1,881 | 4,789 | 3,926 |
| Investing activities | | | | | |
| Additions to intangible and tangible assets | | -889 | -855 | -1,814 | -1,609 |
| Acquisition and sale of shares and participations | 9 | 24 | -15 | 22 | 8,972 |
| Other financial assets, lending | | -72 | -82 | -41 | -82 |
| Cash flow from investing activities | | -937 | -953 | -1,833 | 7,281 |
| Financing activities | | | | | |
| Proceeds from loans | | 2,595 | 1,885 | 2,878 | 3,231 |
| Repayments of loans | | -934 | -719 | -3,152 | -3,770 |
| Dividends paid | 8 | -2,351 | -11,315 | -2,351 | -11,315 |
| Cash flow from financing activities | | -690 | -10,149 | -2,624 | -11,853 |
| Net change in cash and cash equivalents | | 731 | -9,221 | 332 | -646 |
| Cash and cash equivalents at beginning of period | | 722 | 9,567 | 1,116 | 880 |
| Exchange rate differences in cash and cash equivalents | | 20 | 245 | 25 | 357 |
| Cash and cash equivalents at end of the period | 6 | 1,473 | 591 | 1,473 | 591 |

Condensed consolidated statements of changes in equity

| Total operations SEK million | Note | Jun 30, 2023 | | | | | |
|---|------|--|-----------------------|---------------|---------------------|-------------------|--------------|
| | | Attributable to equity holders of the parent company | | | | | |
| | | Share capital | Other paid-in capital | Hedge reserve | Translation reserve | Retained earnings | Total equity |
| Equity at January 1 | | 869 | 27,378 | -378 | 589 | -4,775 | 23,683 |
| Net profit | | — | — | — | — | 1,736 | 1,736 |
| Other comprehensive income for the period, net of tax | | — | — | -176 | 347 | 87 | 258 |
| Total comprehensive income for the period | | — | — | -176 | 347 | 1,823 | 1,994 |
| Other changes in equity | | | | | | | |
| Share-based payments | 8 | — | — | — | — | 43 | 43 |
| Share-based payments, tax effect | 8 | — | — | — | — | 2 | 2 |
| New shares issues | 8 | 2 | — | — | — | — | 2 |
| Repurchase of own shares | 8 | — | — | — | — | -2 | -2 |
| Dividends | 8 | — | — | — | — | -4,702 | -4,702 |
| Equity at end of the period | | 870 | 27,378 | -554 | 936 | -7,610 | 21,021 |

| Total operations SEK million | Note | Jun 30, 2022 | | | | | |
|---|------|--|-----------------------|---------------|---------------------|-------------------|--------------|
| | | Attributable to equity holders of the parent company | | | | | |
| | | Share capital | Other paid-in capital | Hedge reserve | Translation reserve | Retained earnings | Total equity |
| Equity at January 1 | | 866 | 27,378 | -301 | 152 | 3,047 | 31,142 |
| Net profit | | — | — | — | — | 3,322 | 3,322 |
| Other comprehensive income for the period, net of tax | | — | — | 29 | 215 | 75 | 320 |
| Total comprehensive income for the period | | — | — | 29 | 215 | 3,397 | 3,642 |
| Other changes in equity | | | | | | | |
| Share-based payments | 8 | — | — | — | — | 34 | 34 |
| Share-based payments, tax effect | 8 | — | — | — | — | 7 | 7 |
| New share issues | 8 | 3 | — | — | — | — | 3 |
| Repurchase of own shares | 8 | — | — | — | — | -3 | -3 |
| Dividends | 8 | — | — | — | — | -13,629 | -13,629 |
| Equity at end of the period | | 869 | 27,378 | -272 | 367 | -7,147 | 21,196 |

Parent company

Condensed income statement

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--|-----------------|-----------------|-----------------|-----------------|
| Revenue | 15 | 12 | 27 | 24 |
| Administrative expenses | -26 | -20 | -55 | -46 |
| Operating loss | -11 | -8 | -28 | -22 |
| Dividend from group company | — | 6,300 | — | 6,300 |
| Interest revenue and similar income | 68 | 45 | 116 | 95 |
| Interest expense and similar costs | -296 | -213 | -512 | -426 |
| Profit/loss after financial items | -239 | 6,123 | -423 | 5,948 |
| Tax on profit/loss | 49 | 36 | 87 | 64 |
| Net profit | -190 | 6,159 | -336 | 6,012 |

Condensed balance sheet

| SEK million | Note | Jun 30 2023 | Dec 31 2022 |
|-------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Financial assets | | 76,274 | 73,337 |
| Non-current assets | | 76,274 | 73,337 |
| Current receivables | | 195 | 2,444 |
| Current investments | | 197 | 157 |
| Current assets | | 393 | 2,601 |
| TOTAL ASSETS | | 76,667 | 75,938 |
| EQUITY AND LIABILITIES | | | |
| Restricted equity | 8 | 5,856 | 5,854 |
| Unrestricted equity | 8 | 27,926 | 32,927 |
| Equity | | 33,781 | 38,781 |
| Untaxed reserves | | 610 | 610 |
| Interest-bearing liabilities | 5 | 28,343 | 29,341 |
| Non-interest-bearing liabilities | | — | 4 |
| Non-current liabilities | | 28,343 | 29,346 |
| Interest-bearing liabilities | 5 | 11,597 | 6,951 |
| Non-interest-bearing liabilities | | 2,335 | 251 |
| Current liabilities | | 13,932 | 7,202 |
| TOTAL EQUITY AND LIABILITIES | | 76,667 | 75,938 |

Notes

NOTE 1 ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim financial information for the Group for the six month period ended June 30, 2023 has been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 *Reporting for legal entities* and other statements issued by the Swedish Financial Reporting Board. In all respects other than those described below, Tele2 has presented the financial statements for the period ended June 30, 2023 in accordance with the accounting policies and principles applied in the Annual and Sustainability Report 2022. The description of these principles and definitions are found in Note 1 in the Annual and Sustainability Report 2022. Disclosures as required by IAS 34 p. 16 A are presented both in the financial statements and notes as well as in other parts of the interim report.

The amendments to IFRSs applicable from January 1, 2023 have no effects to Tele2's financial reports for the six month period ended June 30, 2023.

Figures presented in this report refer to April 1 – June 30 (Q2), 2023 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2022.

NOTE 2 REVENUE AND SEGMENTS

Revenue per segment

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Sweden | 5,507 | 5,397 | 10,938 | 10,761 |
| Lithuania | 952 | 835 | 1,860 | 1,646 |
| Latvia | 487 | 398 | 959 | 785 |
| Estonia | 243 | 222 | 473 | 433 |
| Total including internal sales | 7,189 | 6,852 | 14,230 | 13,625 |
| Internal sales, elimination | -36 | -32 | -68 | -60 |
| TOTAL | 7,153 | 6,820 | 14,162 | 13,565 |

Internal sales

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Sweden | 2 | 2 | 5 | 4 |
| Lithuania | 20 | 18 | 38 | 32 |
| Latvia | 11 | 9 | 20 | 19 |
| Estonia | 3 | 2 | 5 | 5 |
| TOTAL | 36 | 32 | 68 | 60 |

Revenue split per category

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Sweden Consumer | | | | |
| End-user service revenue | 3,076 | 3,050 | 6,094 | 6,056 |
| Operator revenue | 185 | 194 | 368 | 382 |
| Equipment revenue | 429 | 435 | 907 | 873 |
| Total | 3,691 | 3,679 | 7,368 | 7,311 |
| Sweden Business | | | | |
| End-user service revenue | 1,036 | 989 | 2,056 | 1,962 |
| Operator revenue | 24 | 26 | 48 | 51 |
| Equipment revenue | 483 | 417 | 939 | 874 |
| Internal sales | 1 | 1 | 2 | 2 |
| Total | 1,544 | 1,432 | 3,044 | 2,889 |
| Sweden Wholesale | | | | |
| Operator revenue | 269 | 284 | 521 | 558 |
| Internal sales | 1 | 1 | 3 | 2 |
| Total | 271 | 286 | 524 | 560 |
| Lithuania | | | | |
| End-user service revenue | 619 | 511 | 1,195 | 1,008 |
| Operator revenue | 43 | 48 | 82 | 100 |
| Equipment revenue | 270 | 257 | 544 | 505 |
| Internal sales | 20 | 18 | 38 | 32 |
| Total | 952 | 835 | 1,860 | 1,646 |
| Latvia | | | | |
| End-user service revenue | 348 | 269 | 681 | 530 |
| Operator revenue | 29 | 35 | 57 | 69 |
| Equipment revenue | 99 | 85 | 201 | 166 |
| Internal sales | 11 | 9 | 20 | 19 |
| Total | 487 | 398 | 959 | 785 |
| Estonia | | | | |
| End-user service revenue | 175 | 149 | 341 | 294 |
| Operator revenue | 22 | 22 | 41 | 43 |
| Equipment revenue | 44 | 49 | 86 | 92 |
| Internal sales | 3 | 2 | 5 | 5 |
| Total | 243 | 222 | 473 | 433 |
| Internal sales, elimination | -36 | -32 | -68 | -60 |
| CONTINUING OPERATIONS | | | | |
| End-user service revenue | 5,254 | 4,969 | 10,367 | 9,850 |
| Operator revenue | 573 | 608 | 1,117 | 1,203 |
| Equipment revenue | 1,327 | 1,243 | 2,678 | 2,511 |
| TOTAL | 7,153 | 6,820 | 14,162 | 13,565 |

Underlying EBITDAaL

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Sweden | 1,846 | 1,938 | 3,732 | 3,903 |
| Lithuania | 399 | 317 | 760 | 622 |
| Latvia | 213 | 160 | 409 | 314 |
| Estonia | 54 | 48 | 104 | 95 |
| TOTAL | 2,512 | 2,463 | 5,004 | 4,934 |

NOTE 3 PROFIT AFTER FINANCIAL ITEMS

Reconciling items to reported profit operating profit/loss

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|-----------------|-----------------|-----------------|-----------------|
| Underlying EBITDAaL | 2,512 | 2,463 | 5,004 | 4,934 |
| Reversal lease depreciation and interest | 370 | 326 | 731 | 653 |
| Underlying EBITDA | 2,882 | 2,790 | 5,735 | 5,588 |
| Restructuring costs | -43 | -66 | -86 | -114 |
| Disposal of non-current assets | -1 | -24 | -13 | -22 |
| Other items affecting comparability | -32 | 2 | -45 | 2 |
| Items affecting comparability | -76 | -88 | -144 | -133 |
| EBITDA | 2,806 | 2,702 | 5,591 | 5,454 |
| Depreciation/amortization | -1,563 | -1,560 | -3,083 | -3,080 |
| Result from shares in associated companies and joint ventures | — | -1 | -1 | 1,670 |
| Operating profit | 1,243 | 1,140 | 2,507 | 4,044 |
| Net interest and other financial items | -156 | -118 | -370 | -349 |
| Profit after financial items | 1,086 | 1,022 | 2,137 | 3,695 |

In Q1 2022 Tele2 AB and Deutsche Telekom completed the divestment of T-Mobile Netherlands, for an enterprise value of EUR 5.1 billion. Tele2 received SEK 9.0 billion for its 25% share in T-Mobile Netherlands. The capital gain amounted to SEK 1.6 billion, reported under Result from shares in associated companies and joint ventures last year.

Restructuring costs

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Redundancy costs | -7 | -27 | -13 | -33 |
| Other employee and consultancy costs | -7 | -8 | -15 | -22 |
| Exit of contracts and other costs | -30 | -31 | -58 | -58 |
| Restructuring costs | -43 | -66 | -86 | -114 |
| Reported as: | | | | |
| – Cost of services provided | -25 | -7 | -43 | -15 |
| – Selling expenses | -6 | -26 | -13 | -41 |
| – Administrative expenses | -12 | -32 | -31 | -57 |

The restructuring costs are related to the business transformation program in Sweden, which was successfully concluded in Q2 2023.

Disposal of non-current assets

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--|-----------------|-----------------|-----------------|-----------------|
| Closure of projects and systems | — | -12 | -9 | -12 |
| Network equipment scrapping | -4 | — | -8 | — |
| Other | 4 | -12 | 5 | -10 |
| Disposal of non-current assets¹⁾ | -1 | -24 | -13 | -22 |

¹⁾ Reported as other operating income and other operating expenses.

Other items affecting comparability

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Legal disputes and settlements | -12 | — | -11 | — |
| Legacy receivable reconciliation | -20 | — | -20 | — |
| Legacy insurance costs | — | — | -16 | — |
| Other | — | 2 | 2 | 2 |
| Total | -32 | 2 | -45 | 2 |
| Reported as: | | | | |
| – Selling expenses | -20 | 2 | -33 | 2 |
| – Administrative expenses | -12 | — | -12 | — |

In Q2 2023, a negative non-recurring item of SEK 20 million was recognized, related to reconciliation of receivables in a legacy billing system. In addition, a provision of SEK 12 million was made related to an administrative fine issued by the Swedish Authority for Privacy Protection due to Tele2's use of the tool Google Analytics. Tele2 has stopped using the relevant version of the tool and has appealed the decision.

NOTE 4 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

As of June 30, 2023, Tele2 had no material values attached to associated companies.

NOTE 5 FINANCIAL ASSETS AND LIABILITIES

Financing

| SEK million | Jun 30 2023 | Dec 31 2022 |
|--|----------------|----------------|
| Bonds SEK | 6,793 | 8,392 |
| Bonds EUR | 17,214 | 14,083 |
| Commercial papers | — | 796 |
| Financial institutions | 3,446 | 3,359 |
| Total liabilities to financial institutions | 27,453 | 26,630 |

Average maturity and average interest rate (including derivatives) for outstanding debt to financial institutions at June 30, 2023 amounted to 4.4 years and 3.05 percent, respectively.

As of the date of this report, Tele2 has a credit facility with a syndicate of eight banks maturing in 2027.

Classification and fair values

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds, lease liabilities and trade payables. For the category "Liabilities to financial institutions" the reported value amounted on June 30, 2023 to SEK 27,453 (December 31, 2022: 26,630) million and the fair value to SEK 26,215 (December 31, 2022: 25,350) million.

During 2023, no transfers have been made between the different levels in the fair value hierarchy and no significant changes were made to valuation techniques, inputs used or assumptions.

NOTE 6 RELATED PARTIES

Tele2's share of cash and cash equivalents in joint operations (Svenska UMTS-nät AB and Net4Mobility HB, Sweden, including subsidiaries) for which Tele2 has limited disposal rights was included in the Group's cash and cash equivalents and amounted at June 30, 2023 to SEK 64 (December 31, 2022: 135) million. Other transactions with joint operations and other related parties mainly consists of the same items as prior year end and are presented in Note 34 of the Annual and Sustainability Report 2022.

NOTE 7 CONTINGENT LIABILITIES

As of June 30, 2023, Tele2 had no material contingent liabilities.

NOTE 8 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

Number of shares

| | Jun 30 2023 | Dec 31 2022 |
|---|--------------------|--------------------|
| Total number of shares | 696,221,597 | 695,021,597 |
| Number of treasury shares | -4,588,520 | -4,010,230 |
| Number of outstanding shares | 691,633,077 | 691,011,367 |
| Number of outstanding shares, weighted average | 691,166,795 | 690,647,136 |
| Number of shares after dilution | 696,113,066 | 695,074,506 |
| Number of shares after dilution, weighted average | 695,597,819 | 694,353,388 |

In Q1 2023, Tele2 issued, and immediately repurchased, 1,200,000 new C shares to be used for future exercises of long-term incentive programs (LTI), resulting in an increase in share capital of SEK 1.5 million.

In Q2 2023, 621 710 share rights attached to LTI 2020 were exchanged for shares (see also later in Note 8). Changes in shares during previous year are stated in Note 23 in the Annual and Sustainability Report 2022.

Outstanding share right programs

| | Jun 30 2023 | Dec 31 2022 |
|---------------------------------------|------------------|------------------|
| LTI 2023 | 1,567,496 | — |
| LTI 2022 | 1,468,367 | 1,460,226 |
| LTI 2021 | 1,444,126 | 1,441,908 |
| LTI 2020 | — | 1,161,005 |
| Total outstanding share rights | 4,479,989 | 4,063,139 |

All outstanding long-term incentive programs (LTI 2021, LTI 2022 and LTI 2023) are based on the same structure. Additional information regarding the objective, conditions and requirements related to the LTI programs is stated in Note 31 of the 2022 Annual and Sustainability Report. During the six months in 2023, the total cost including social security costs for all the programs amounted to SEK 52 (54) million before tax.

LTI 2023

At the Annual General Meeting held on May 15, 2023, the shareholders approved a retention and performance based incentive program (LTI 2023) for senior executives and other key employees in the Tele2 Group. In order to participate in the program, participants must own Tele2 Class B shares, which give the participants retention and performance rights. Subject to fulfilment of certain retention and performance based conditions during the periods January 1, 2023 – December 31, 2025 (the "Cash flow Measurement Period") and April 1, 2023 – March 31, 2026 (the "TSR Measurement Period") and the participant maintaining the invested shares at the release of the interim report for January – March 2026 and, with certain exceptions, as well maintaining the employment within the Tele2 Group, each right entitles the participant to receive Tele2 shares free of charge (subject to income taxation).

Total costs before tax for outstanding rights in the incentive program are expensed over the three year vesting period. These costs are expected to amount to SEK 101 million, of which social security costs amount to SEK 34 million. To ensure the delivery of Class B shares under the program, the Annual General Meeting decided to authorize the Board of Directors to resolve on a directed share issue of a maximum of 700,000 Class C shares and subsequently to repurchase the Class C shares. The Board of Directors has not yet used its mandate.

LTI 2020

The exercise of the share rights in LTI 2020 was conditional upon the fulfilment of certain retention and performance based conditions. The TSR criterias (serie A and B below) were measured from April 1, 2020 until March 31, 2023, while operating cashflow (serie C below) was measured from January 1, 2020 to December 31, 2022. The outcome of these performance conditions was in accordance with below and 621,710 share rights have been exchanged for shares in Tele2 during Q2 2023.

| Serie | Performance criteria | Minimum level | Stretch level | Vesting at minimum | Target fulfilment | Allotment |
|-------|---|---------------|---------------|--------------------|-------------------|-----------|
| A | Total Shareholder Return (TSR) – Tele2 | 0% | N/A | 100% | 2.5% | 100% |
| B | Tele2s Relative Total Shareholder Return (TSR) compared to a peer group | 0% | 20% | 50% | -16.4% | 0% |
| C | Operating cash flow vs. target | 90% | 110% | 30% | 104.4% | 80.3% |

Dividend

The Annual General Meeting (AGM) held on May 15, 2023, resolved on an ordinary dividend of SEK 6.80 per share in respect of the financial year 2022, to be paid in two tranches of SEK 3.40 each. The first tranche of the ordinary dividend, amounting to SEK 2,352 million, was distributed to the shareholders on May 22, 2023. The second tranche of the ordinary dividend is estimated to be distributed to the shareholders on October 13, 2023.

NOTE 9 BUSINESS ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments of shares and participations affecting cash flow were as follows:

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|-----------------|-----------------|-----------------|-----------------|
| Acquisitions | | | | |
| Other minor acquisitions | — | — | — | -6 |
| Total acquisition of shares and participations | — | — | — | -6 |
| Divestments | | | | |
| Tele2 Germany | 24 | 22 | 24 | 22 |
| T-Mobile Netherlands | — | -37 | — | 8,956 |
| Other minor divestments | — | — | -2 | — |
| Total sale of shares and participations | 24 | -15 | 22 | 8,978 |
| TOTAL CASH FLOW EFFECT | 24 | -15 | 22 | 8,972 |

No material acquisitions or divestments have been made in 2023. The proceeds from Tele2 Germany refer to the earnout component, see Note 10.

In Q1 2022, the divestment of T-Mobile Netherlands was completed. The cash proceeds for Tele2's 25% share of the company amounted to SEK 9.0 billion (see also Note 3). Information on acquisitions and divestments made in 2022 is provided in the Annual and Sustainability Report 2022, Note 14 and Note 33.

NOTE 10 DISCONTINUED OPERATIONS

Tele2 Germany

In December 2020 Tele2 completed the divestment of its German business to the Tele2 Germany management. The purchase price included an earn-out component, dependent upon the financial performance of the business until the end of 2024.

So far Tele2 has received accumulated earnout payments of SEK 171 million, of which SEK 24 million in Q2 2023. On June 30, 2023 the estimated fair value of the future cash flows amounted to SEK 34 million (December 31, 2022; SEK 54 million).

Income statement

All discontinued operations are included below. Tele2 Germany and Tele2 Croatia were divested in 2020, while Tele2 Netherlands were divested in 2019.

Further information about effects in the income statement under discontinued operations in 2022 is provided in Note 33 of the Annual and Sustainability Report 2022.

| Discontinued operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|-----------------|-----------------|-----------------|-----------------|
| Interest expenses | — | -1 | — | -2 |
| Profit/loss after financial items | — | -1 | — | -2 |
| Net profit/loss from the operation | — | -1 | — | -2 |
| Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain | -1 | 2 | -2 | 6 |
| – of which Germany | 3 | 5 | 4 | 9 |
| – of which Croatia | -3 | -2 | -4 | -2 |
| – of which Netherlands | -1 | -1 | -2 | -1 |
| NET PROFIT | -1 | 1 | -2 | 4 |
| <i>Attributable to:</i> | | | | |
| Equity holders of the parent company | -1 | 1 | -2 | 4 |
| NET PROFIT | -1 | 1 | -2 | 4 |
| Earnings per share (SEK) | 0.00 | 0.01 | 0.00 | 0.00 |
| Earnings per share, after dilution (SEK) | 0.00 | 0.00 | 0.00 | 0.01 |

Balance sheet

Assets and liabilities associated with assets held for sale as of June 30, 2023 refer to an earnout asset and provisions related to the divested operations in Germany, Croatia and the Netherlands.

| Discontinued operations SEK million | Jun 30 2023 | Dec 31 2022 |
|--|----------------|----------------|
| ASSETS | | |
| Financial assets | 17 | 32 |
| Non-current assets | 17 | 32 |
| Current receivables | 17 | 22 |
| Current assets | 17 | 22 |
| Assets classified as held for sale | 34 | 54 |
| LIABILITIES | | |
| Interest-bearing liabilities | 27 | 26 |
| Non-current liabilities | 27 | 26 |
| Interest-bearing liabilities | 62 | 61 |
| Non-interest-bearing liabilities | 4 | 4 |
| Current liabilities | 66 | 65 |
| Liabilities directly associated with assets classified as held for sale | 93 | 91 |

Cash flow statement

| Discontinued operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--|-----------------|-----------------|-----------------|-----------------|
| Cash flow from investing activities | 24 | 22 | 22 | 22 |
| Net change in cash and cash equivalents | 24 | 22 | 22 | 22 |

Non-IFRS measures

This report contains certain financial measures that are not defined by IFRS but are used by Tele2 to assess the financial performance of the business. These measures are included in the report as they are considered important supplementary measures of operating performance and liquidity. They should not be considered a substitute to Tele2's financial statements prepared in accordance with IFRS. Tele2's definitions of these measures are described below, but other companies may calculate non-IFRS measures differently and these measures are therefore not always comparable to similar measures used by other companies.

EBITDA

Tele2 considers EBITDA to be a relevant measure to present profitability aligned with industry standard.

EBITDA: Operating profit/loss before depreciation/amortization, impairment as well as results from shares in associated companies and joint ventures.

Underlying EBITDA

Tele2 considers underlying EBITDA to be a relevant measure to present in order to illustrate the profitability of the underlying business, and as these are used by management to assess the performance of the business.

Underlying EBITDA: EBITDA excluding items affecting comparability.

Items affecting comparability: Disposals of non-current assets and transactions from strategic decisions, such as capital gains and losses from sales of operations, acquisition costs, integration costs due to acquisition or merger, restructuring programs from reorganizations as well as other items that affect comparability.

Underlying EBITDAaL and underlying EBITDAaL margin

Tele2 considers underlying EBITDAaL and the related margin to be relevant measures of the business performance since underlying EBITDAaL includes the cost of leased assets (depreciation and interest), which is not included in underlying EBITDA according to IFRS 16.

Underlying EBITDAaL: Underlying EBITDA as well as lease depreciation and lease interest costs according to IFRS 16.

Underlying EBITDAaL margin: Underlying EBITDAaL in relation to revenue excluding items affecting comparability.

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|---|-----------------|-----------------|-----------------|-----------------|
| Operating profit | 1,243 | 1,140 | 2,507 | 4,044 |
| Reversal: | | | | |
| Result from shares in associated companies and joint ventures | — | 1 | 1 | -1,670 |
| Depreciation and amortization | 1,563 | 1,560 | 3,083 | 3,080 |
| EBITDA | 2,806 | 2,702 | 5,591 | 5,454 |
| Reversal, items affecting comparability: | | | | |
| Restructuring costs | 43 | 66 | 86 | 114 |
| Disposal of non-current assets | 1 | 24 | 13 | 22 |
| Other items affecting comparability | 32 | -2 | 45 | -2 |
| Total items affecting comparability | 76 | 88 | 144 | 133 |
| Underlying EBITDA | 2,882 | 2,790 | 5,735 | 5,588 |
| Lease depreciation | -326 | -307 | -642 | -615 |
| Lease interest costs | -45 | -19 | -89 | -38 |
| Underlying EBITDAaL | 2,512 | 2,463 | 5,004 | 4,934 |
| Revenue | 7,153 | 6,820 | 14,162 | 13,565 |
| Revenue excluding items affecting comparability | 7,153 | 6,820 | 14,162 | 13,565 |
| Underlying EBITDAaL margin | 35% | 36% | 35% | 36% |

Non-IFRS measures – Capex paid and capex

Tele2 considers capex paid relevant to present as it provides an indication of how much the company invests organically in intangible and tangible assets to maintain and expand its business. Tele2 believes that it is relevant to present capex to provide a view on how much Tele2 invests organically in intangible and tangible assets as well as in right-of-use assets (lease) to maintain and grow its business that is not dependent on the timing of cash payments.

Capex paid: Cash paid for the additions to intangible and tangible assets net of cash proceeds from sales of intangible and tangible assets.

Capex: Additions to intangible assets, tangible assets and right-of-use assets that are capitalized on the balance sheet.

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--|-----------------|-----------------|-----------------|-----------------|
| CONTINUING OPERATIONS | | | | |
| Additions to intangible and tangible assets | -893 | -863 | -1,819 | -1,619 |
| Sale of intangible and tangible assets | 4 | 8 | 5 | 10 |
| Capex paid | -889 | -855 | -1,814 | -1,609 |
| This period's unpaid capex and reversal of paid capex from previous period | -14 | 62 | -150 | 143 |
| Reversal received payment of sold intangible and tangible assets | -4 | -8 | -5 | -10 |
| Capex intangible and tangible assets | -906 | -801 | -1,969 | -1,476 |
| Additions to right-of-use assets | -192 | -236 | -399 | -398 |
| Capex | -1,099 | -1,037 | -2,368 | -1,873 |

No capex has been reported related to discontinued operations.

Non-IFRS measures – Operating cash flow

Tele2 considers operating cash flow a relevant measure to present as it gives an indication of the profitability of the underlying business while also taking into account the investments needed to maintain and grow the business.

Operating cash flow: Underlying EBITDAaL less capex excluding spectrum and leases.

| Continuing operations SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Underlying EBITDAaL | 2,512 | 2,463 | 5,004 | 4,934 |
| Capex excluding spectrum and leases | -888 | -737 | -1,951 | -1,407 |
| Operating cash flow | 1,624 | 1,726 | 3,054 | 3,527 |

Non-IFRS measures – Equity free cash flow

Tele2 considers equity free cash flow to be relevant to present as it provides a view of funds generated from operating activities that also includes investments in intangible and tangible assets. Management believes that equity free cash flow is meaningful to investors because it is the measure of

the Group's funds available for acquisition related payments, dividends to shareholders, share repurchases and debt repayment.

Equity free cash flow: Cash flow from operating activities less capex paid and amortization of lease liabilities.

| SEK million | Apr-Jun 2023 | Apr-Jun 2022 | Jan-Jun 2023 | Jan-Jun 2022 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| CONTINUING OPERATIONS | | | | |
| Cash flow from operating activities | 2,358 | 1,881 | 4,789 | 3,926 |
| Capex paid | -889 | -855 | -1,814 | -1,609 |
| Amortization of lease liabilities | -293 | -275 | -679 | -657 |
| Equity free cash flow (eFCF) | 1,176 | 750 | 2,296 | 1,660 |
| eFCF per share (SEK) | 1.70 | 1.09 | 3.32 | 2.40 |
| eFCF per share after dilution (SEK) | 1.69 | 1.08 | 3.30 | 2.39 |
| OUTSTANDING SHARES | | | | |
| Number of shares | 691,633,077 | 690,282,905 | 691,633,077 | 690,282,905 |
| Number of shares after dilution | 696,113,066 | 695,169,775 | 696,113,066 | 695,169,775 |

No equity free cash flow has been reported related to discontinued operations.

Non-IFRS measures – Net debt and economic net debt

Tele2 believes that net debt is relevant to present as it is useful to illustrate the indebtedness, financial flexibility, and capital structure. Furthermore, economic net debt is considered relevant as it excludes lease liabilities, and thereby consistently can be put in relation to underlying EBITDAaL when measuring financial leverage.

Net debt: Interest-bearing non-current and current liabilities excluding provisions, less cash and cash equivalents, current investments, restricted cash and derivatives.

Economic net debt: Net debt excluding lease liabilities.

| Total operations SEK million | Jun 30 2023 | Dec 31 2022 |
|---|----------------|----------------|
| Interest-bearing non-current liabilities | 28,475 | 29,848 |
| Interest-bearing current liabilities | 5,932 | 4,296 |
| Reversal provisions | -1,302 | -1,362 |
| Cash & cash equivalents, current investments and restricted funds | -1,672 | -1,274 |
| Derivatives | -620 | -401 |
| Net debt | 30,813 | 31,108 |
| Reversal: Lease liabilities | -4,958 | -5,460 |
| Economic net debt | 25,855 | 25,647 |

Organic

Tele2 believes that organic growth rates are relevant to present as they exclude effects from currency movements but include effects from divestments and acquisitions as if these occurred on the first day of each reporting period and are therefore providing an indication of the underlying performance.

Organic growth rates: Calculated at constant currency, meaning that comparative figures have been recalculated using the currency rates for the current period, but including effects from divestments and acquisitions as if these occurred on the first day of each reporting period.

Reconciliation of figures is presented in an excel document (Q2-2023-financial-and-operational-data) on Tele2's website www.tele2.com.

Other financial metrics

Certain other financial metrics that are presented in this report are defined below. It is the view of Tele2 that these metrics provide valuable additional information to investors and other readers of this report.

ASPU

Average monthly spending per user for the referenced period. ASPU is calculated by dividing the monthly end-user service revenue by the average number of RGUs for the same period. The average number of RGUs is calculated as the number of RGUs on the first day in the period plus the number of RGUs on the last day of the respective period, divided by two.

Average interest rate

Annualized interest expense on loans (excluding penalty interest etc.) in relation to average interest-bearing liabilities excluding provisions, lease liabilities, debt related to equipment financing, balanced bank fees as well as adjusted for borrowings and amortizations during the period.

Earnings per share

Profit/loss for the period attributable to the parent company shareholders in relation to the weighted average number of shares outstanding during the fiscal year.

Economic net debt / Underlying EBITDAaL (financial leverage)

Economic net debt divided by underlying EBITDAaL (rolling twelve months) for all operations owned and controlled by Tele2 at the end of each reporting period.

End-user service revenue

Revenue from end-users excluding equipment revenue. End-user service revenue is presented to provide a view of revenue attached to the customers usage of services provided by the company.

Operating profit/loss (EBIT)

Revenue less operating expenses.

RGU

Revenue generating units, which refer to each service subscribed to by a unique customer. A unique customer who has several services is counted as several RGUs but one unique customer.

TSR

Total shareholder return including change in the share price and reinvested dividends.



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