THIRD QUARTER 2018

October 18, 2018

Tele2 AB

Group highlights – Q3 2018

SEK billion	Q3 2018	% change reported	% change LFL
Revenue	6.5	7%	4%
Mobile end-user service revenue	3.7	8%	5%
Adjusted EBITDA	2.0	12%	9%
Operating cash flow, rolling 12m	4.9	14%	

Comments

- SEK 4.2bn rolling 12m OCF with a growth of 19% including the Netherlands

LFL is constant currencies
Operating cash flow = adjusted EBITDA - CAPEX

Delivering on our long term strategy

Baltic Sea Challenger	• Sweden reverts to growth in MEUSR and adjusted EBITDA • Baltics MEUSR up 3% and adjusted EBITDA up 9% LFL • Rolling 12m operating cash flow up 3% to SEK 4.5bn
Investment Markets	• Kazakhstan MEUSR growth of 22% LFL and adjusted EBITDA margin of 34% • Croatia MEUSR growth of 12% and adjusted EBITDA growth of 40% LFL • Accumulated repayments on Kazakhstan shareholder loan reach SEK ~750m
Positively Fearless Brands	• Comviq awarded strongest telecom brand in Sweden by Evimetrix • Good progress for Tele2 among B2B customers in Swedish SKI survey* • Lithuania records all time low churn in postpaid consumer segment
Transaction Update	• Tele2/Com Hem merger approved by EGMs and the European Commission • Scheduled to close on November 5 • Dutch merger regulatory process in Phase II

LFL is constant currencies
*Svenskt Kvalitetsindex

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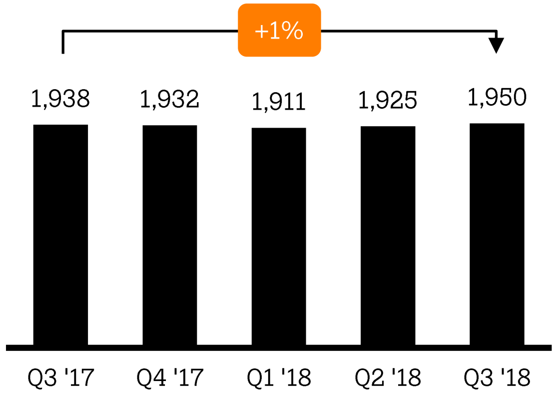
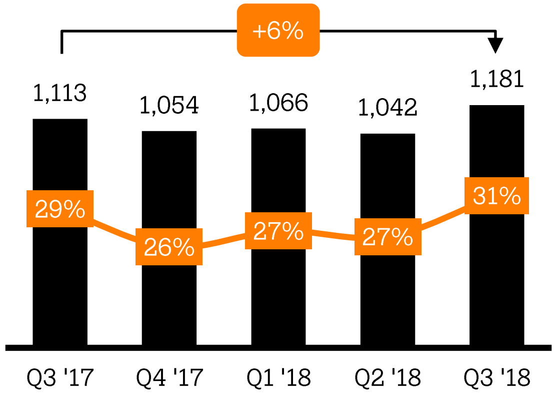
Baltic Sea Challenger

Sweden – Financials

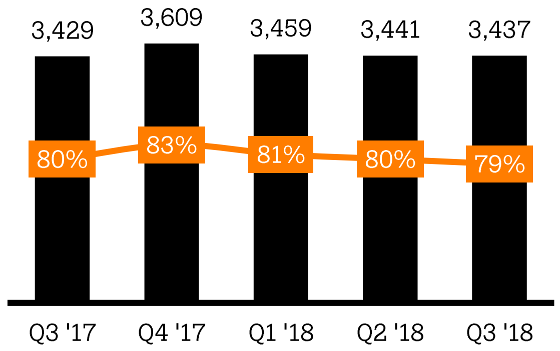
Mobile end-user service revenue
(SEK million)



Adjusted EBITDA and margin
(SEK million)



OCF and cash conversion, rolling 12m
(SEK million)



Q3 highlights

- Mobile end-user service revenue returned to growth, driven by B2B and Consumer Postpaid
- Adjusted EBITDA growth of 6% despite headwinds within fixed, driven by lower marketing spend and good cost control
- Rolling 12m OCF sustained at SEK 3.4bn, and high cash conversion rate at 79%

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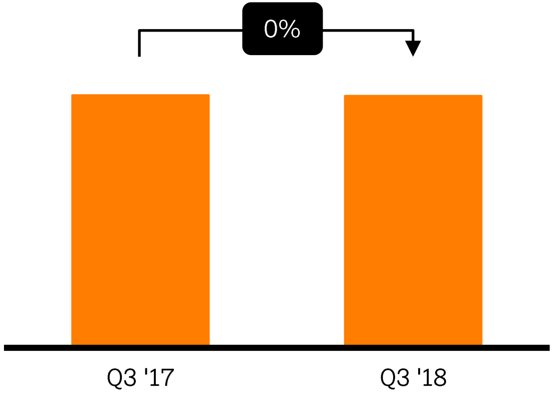
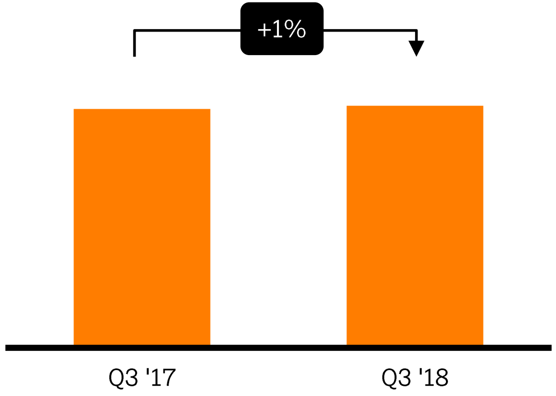
Sweden B2C – Resilient in a vibrant market

Mobile end-user service revenue growth



Postpaid ASPU*



Campaigns

Q3 highlights

- Mobile end-user service revenue flat as growth within Comviq postpaid is offset by declines in prepaid and MBB
- Continued postpaid ASPU growth driven by Tele2 and stable ASPU levels in Comviq
- Comviq awarded strongest telecom brand in Sweden by Evimetrix

* Small screen

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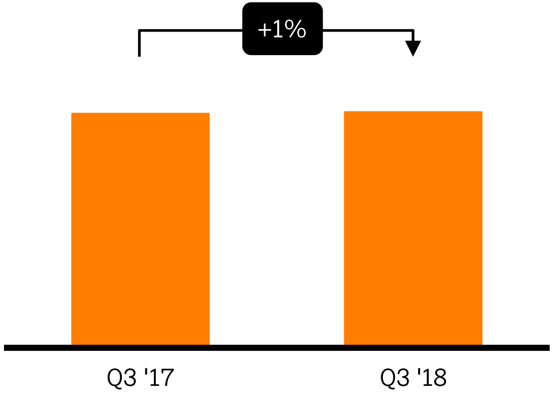
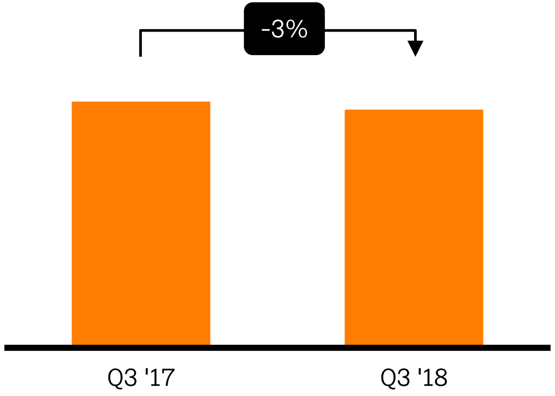
Sweden B2B — Customer wins continue

Revenue



Service revenue



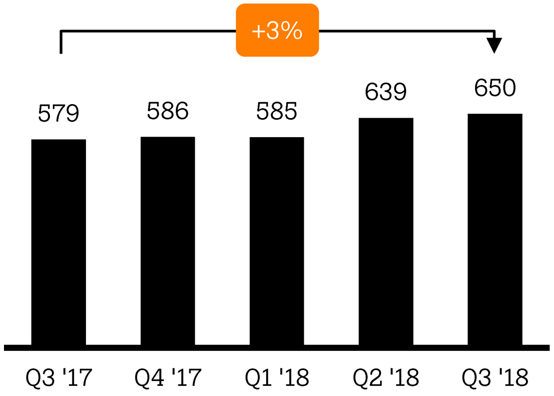
Customer successes in the quarter

Q3 highlights

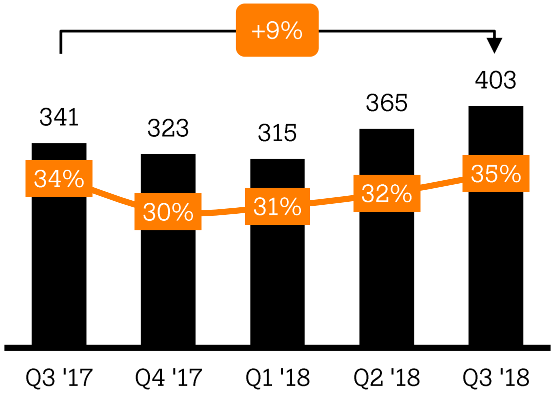
- Revenue growth driven by equipment sales and a return to growth in mobile
- Service revenue decline driven by fixed legacy services. Mobile end-user service revenue growth of 3%
- Good progress for Tele2 among B2B customers in Swedish SKI survey
- New customer wins include Göteborg Energi, Axfood and the municipalities of Kävlinge, Alvesta, Markaryd and Älmhult

Baltics – Financials

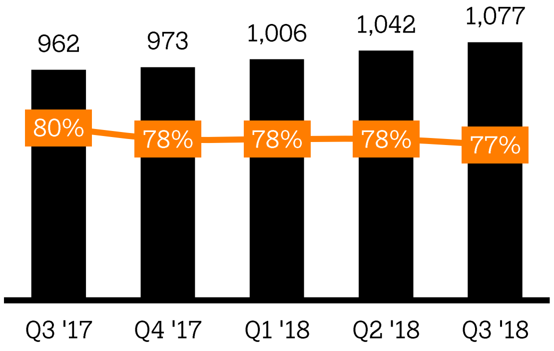
Mobile end-user service revenue
(SEK million)



Adjusted EBITDA and margin
(SEK million)



OCF and cash conversion, rolling 12m
(SEK million)



Q3 highlights

- Mobile end-user service revenue growth driven by Lithuania (10% LFL) and Latvia (3% LFL) – Estonia is yet to recover
- Excluding effects from roaming outage in August, mobile end-user service revenue growth was 5%
- Strong EBITDA growth driven by higher service revenue and excellent cost discipline
- Rolling 12m OCF growth of 12% and continued high cash flow conversion at 77%

LFL Adjusted for local currency and M&A

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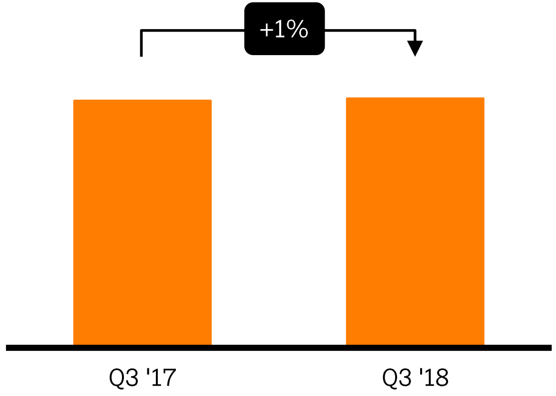
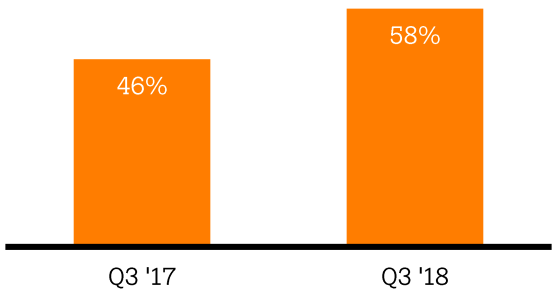
Baltics – Growth despite tougher comps

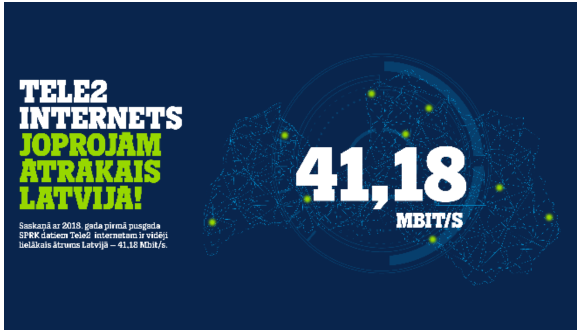
ASPU development



4G smartphone penetration



Brand campaigns



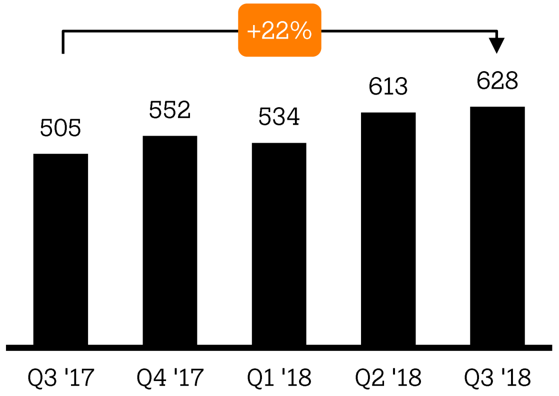
Q3 highlights

- ASPU growth driven by upselling from prepaid to postpaid and to larger data bundles in Lithuania and Latvia
- Rising smartphone and MBB penetration, and higher data consumption drive business momentum
- Record low Lithuanian consumer postpaid churn, at mid-single digits
- Tele2 Latvia reconfirmed as having the fastest mobile internet download speeds in H1 2018, by the national regulator

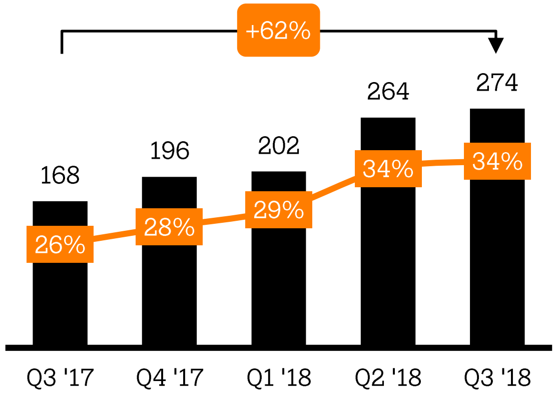
Investment Markets

Kazakhstan – Financials

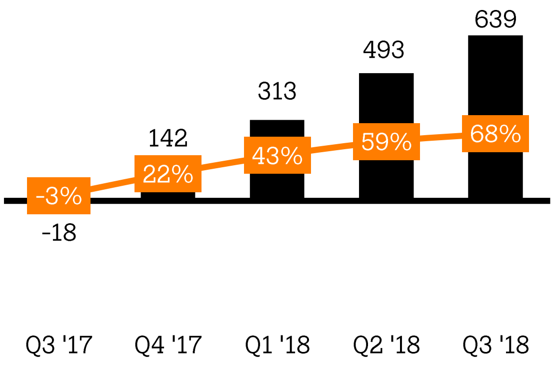
Mobile end-user service revenue
(SEK million)



Adjusted EBITDA and margin
(SEK million)



OCF and cash conversion, rolling 12m
(SEK million)



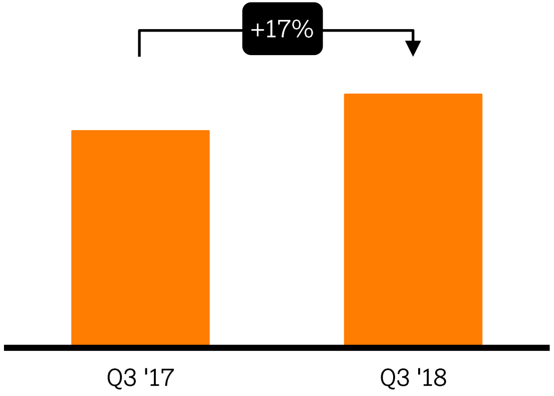
Q3 highlights

- Mobile end-user service revenue growth of 22% driven by larger customer base and strong development in ASPU
- Adjusted EBITDA margin of 34% driven by revenue growth and cost discipline
- Cash generation continues to improve, KZT 6bn (SEK 153m) repayment of shareholder loan in the quarter, taking accumulated re-payments to SEK ~750m

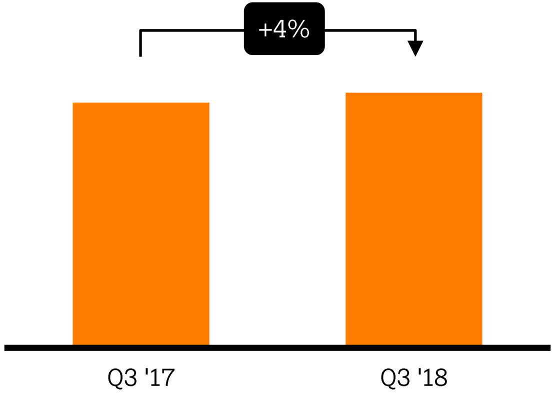
LFL Adjusted for local currency and M&A

Kazakhstan – Continued positive momentum

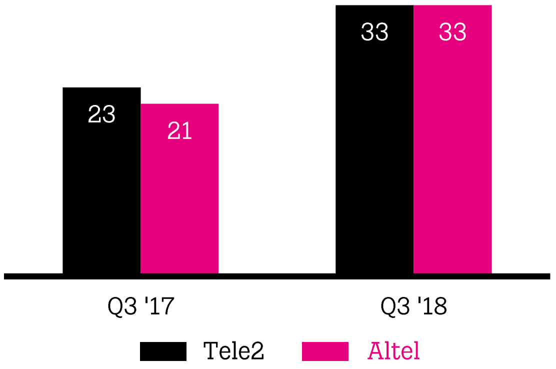
ASPU development



Customer base



Net Promoter Score



Q3 highlights

- ASPU growth driven by new tariffs supporting monetization of increased data consumption
- Strong customer satisfaction is driving positive net adds in a competitive market
- Tele2 nominated for "Best Asian Project" at Capacity Global Carrier Awards 2018

Financial Overview

Group results Q3 2018

SEK million		Q3 2018	Q3 2017
Revenue	1	6,538	6,098
Adjusted EBITDA	2	**1,984**	**1,771**
Adjusted EBITDA margin (%)		30.3%	29.0%
Items affecting comparability	3	-155	-35
D&A		-658	-617
JVs and associated companies		-1	0
Operating profit		**1,170**	**1,119**
Interest income/expenses		-71	-76
Other financial items	4	-162	-172
Taxes	5	-264	-184
Net profit, continuing operations		**673**	**687**
Discontinued operations		-145	-123
Non-controlling interests		-24	2
Net profit, equity holders of parent		**504**	**566**

Comments

1 2 Revenue and adjusted EBITDA growth includes FX tailwind of 3%

3 Including acquisition costs for Com Hem and integration costs for Com Hem and TDC

4 SEK 155m increase in Kazakhstan earn-out obligation to SEK 713m

5 Lower tax last year mainly related to recognition of a deferred tax asset in Germany of SEK 62 million

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Group cash flow Q3 2018

SEK million		Q3 2018	Q3 2017
Adjusted EBITDA, continuing operations		1,984	1,771
Adjusted EBITDA, discontinued operations	1	147	122
Financial items paid/received		-56	0
Taxes paid	2	-97	-120
Changes in working capital		54	207
CapEx paid		-759	-669
Other cash items	3	-94	-21
Free cash flow		**1,179**	**1,290**
Of which free cash flow, discontinued operations	4	-195	54
Of which free cash flow, continuing operations		1,374	1,236

Comments

1. Discontinued operations reflecting mainly the Netherlands
2. Lower tax payments related to timing difference in Sweden
3. Includes items affecting comparability, e.g. acquisition and integration costs
4. YoY difference primarily related to working capital movements in the Netherlands

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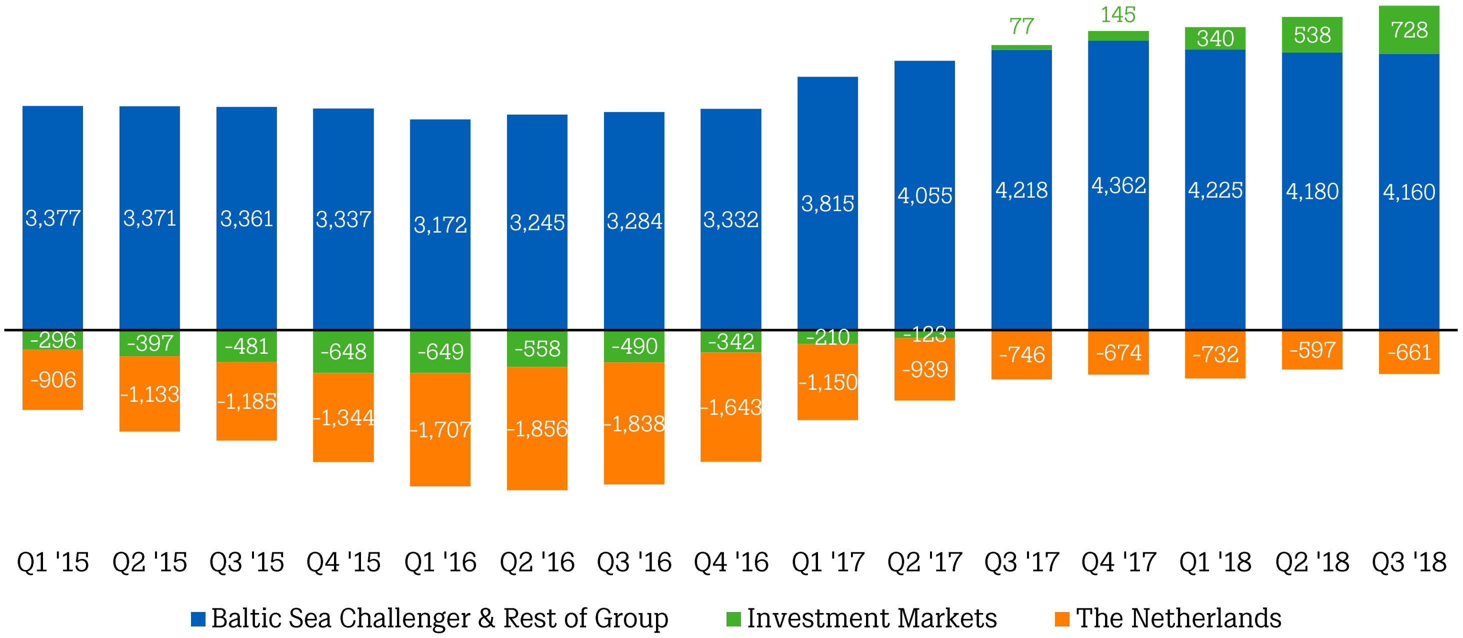
Operating cash flow

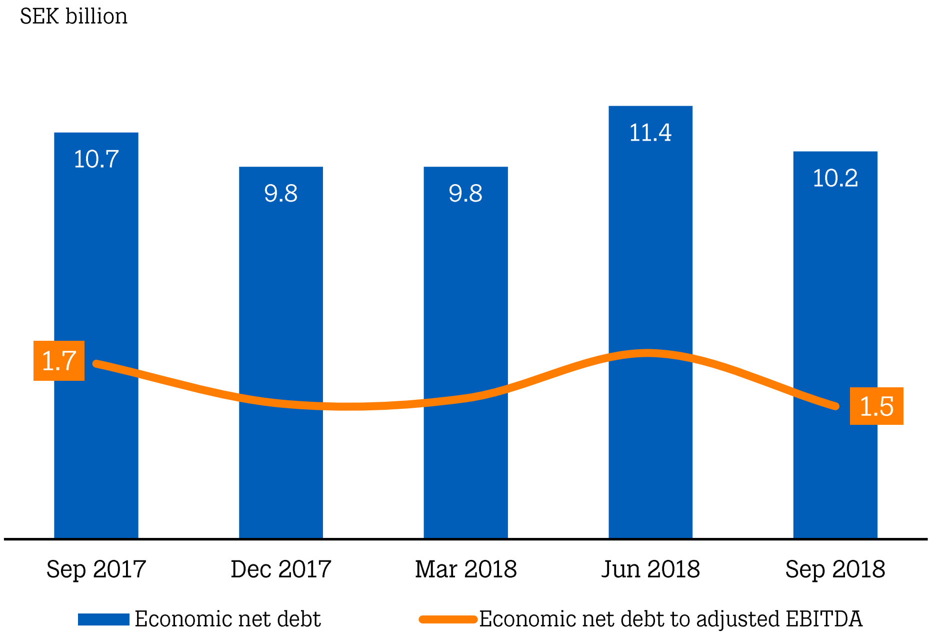
Rolling 12 months, SEK million

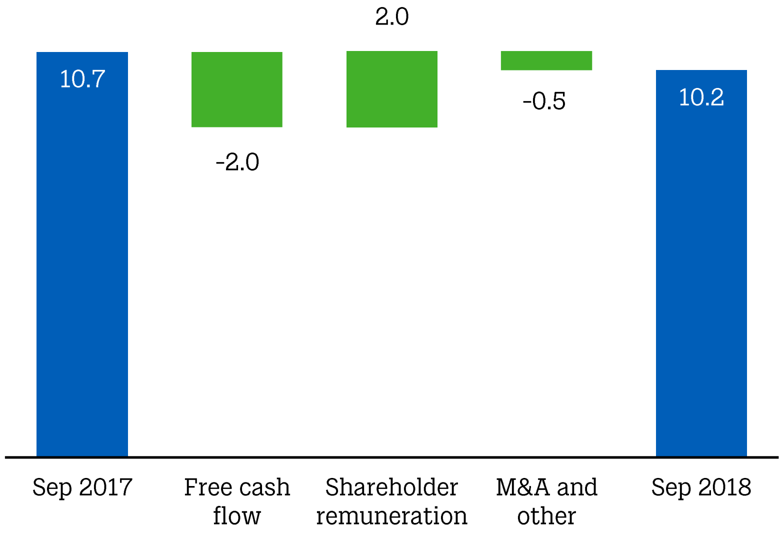


Netherlands includes intercompany adjustments

Debt position and financial leverage

Total operations, Economic net debt to adjusted EBITDA rolling 12 months





Economic net debt excludes liabilities to Kazakhtelecom, loan guaranteed by Kazakhtelecom and liability for earn-out obligation in Kazakhstan

Upgraded financial guidance 2018

Tele2 standalone

Mobile end-user service revenue	Adjusted EBITDA (SEK billion)	CAPEX (SEK billion excluding spectrum)
Mid-single digit % growth*	**7.0 – 7.2**	**1.9 – 2.2**

* Based on continuing operations in constant currencies

To conclude...

Key priorities moving forward

- Prepare to close mergers in both Sweden and Netherlands
- Operational excellence to remain a high priority
- Growth from continued data monetization
- Further leverage our momentum in Baltics, Croatia and Kazakhstan
- Fearlessly liberate people to live a more connected life

Positively Fearless Brands

Connecting Things our Customers Love

1 Digital First Customer Experience

Winning Cost Structure

Tele2's Way2Win

Our Purpose

We fearlessly liberate people to live a more connected life

Where We Play

- Baltic Sea Challenger
- Investment Markets
- IoT
- Cash Generators

How We Win

- Positively Fearless Brands
- Connecting Things our Customers Love
- Digital First Customer Experience
- Winning Cost Structure

Responsible Challenger

Winning People & Culture

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THANK YOU!

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