2023

Annual and Sustainability Report

TELE2

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This is Tele2

Introduction

What we do

We are an integrated provider of fixed and mobile connectivity and entertainment services across our markets.

What we offer

Tele2 believes in unleashing the unlimited opportunities that connectivity provides to all our customers. Our fast networks enable mobile and fixed connectivity, telephony, data network services, TV, streaming and global IoT solutions for millions of customers.

How we deliver

Consumer
Connectivity and entertainment services for individuals and households

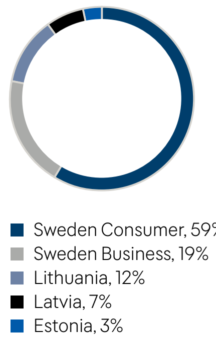
Business
Communication and integrator solutions and IoT for businesses and the public sector

Wholesale
National and international wholesale, carrier services, and SMS services

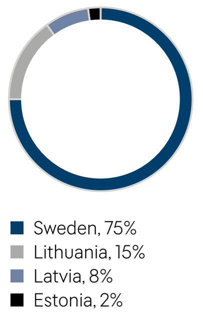
Where we operate

Our footprint is focused on our core markets in Sweden and the Baltics, where we can achieve sustainable growth and good profitability.

End-user service revenue, 2023



Underlying EBITDAaL, 2023

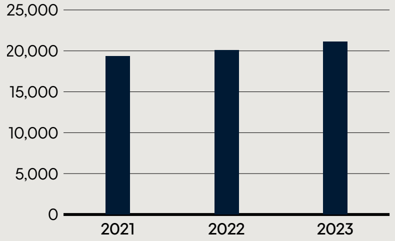


2023 in brief

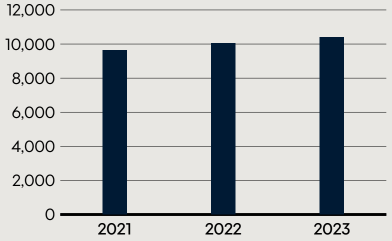
REVENUE	EMPLOYEES	EMISSIONS
29,099	4,485	97%
SEK million	unlimited employees	scope 1 and 2 reduction since 2019

- End-user service revenue of SEK 21,130 million increased by 4% compared to full year 2022 on an organic basis primarily driven by strong performance in the Baltics and Sweden B2B.
- Total revenue of SEK 29,099 million increased by 2% compared to 2022 on an organic basis.
- Underlying EBITDAaL of SEK 10,409 million increased by 2% organically compared to 2022 as end-user service revenue growth, cost savings from the Business Transformation Program and to some extent lower energy costs more than offset inflationary pressures and higher content costs.
- Net profit from total operations of SEK 3,735 (5,574) million and earnings per share of SEK 5.40 (8.07). Net profit for 2022 included a capital gain of SEK 1,589 million from the divestment of T-Mobile Netherlands.
- Accelerated rollout of 5G networks in Sweden and the Baltics, and of gigabit fixed broadband upgrades in Sweden, enabling faster, more reliable and secure services to our customers.
- Secured important 5G spectrum in Sweden through the network joint venture Net4Mobility.
- Ranked number one among Europe's top 500 climate leaders by The Financial Times, and awarded for the most transparent climate reporting on Stockholm OMX Large Cap by 2050 Consulting AB.
- Ranked number one in Sweden and thirty-two globally for gender equality by Equileap.
- The Board of Directors of Tele2 proposes an ordinary dividend of SEK 6.90 (6.80) per share, to be decided at the 2024 AGM.

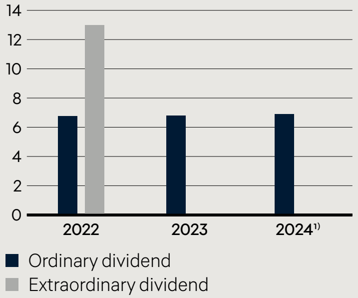
End-user service revenue



Underlying EBITDAaL



Dividend paid



1) Proposed dividend.

Accelerating Change with a Relentless Focus on our Customers

2023 marked Tele2's 30th anniversary, and what better way to honor that legacy than by laying the groundwork for 30 more successful years?

For many people, the time around 30 is when big decisions are made that lay the foundation for the future. This is true also for Tele2. Throughout the anniversary year, we made substantial investments to pave the way for a successful future.

For example, the extensive IT modernisation that we have been conducting since 2021, was intensified in 2023 and will conclude in the first half of 2024. It has been a few years since the merger of the Tele2 and Com Hem brands, and the consolidation of our brand portfolio. But under the hood, we have had several different databases – Tele2, Com Hem, Boxer, Comviq – which have restricted our capacity to develop and personalise offerings tailored to individuals and households. Leaving those legacy limitations behind us and instead allocating resources to the development of services, products, and digital customer journeys will lead to radically better customer experiences, simplified onboarding, increased loyalty, and significant efficiencies for Tele2 going forward.

Improved customer experience goes hand-in-hand with efficiency

While we have been cleaning out legacy in the IT environment, we have also continued to build what will become Sweden's best 5G network. We are building a real 5G network, meaning significantly higher speeds than 4G. Similar to the IT modernisation efforts, the enhanced customer experience is closely linked to a more efficient Tele2. Our 5G network is being built through our joint venture Net4Mobility, which means we share expansion costs, maintenance, and energy. As the 5G network is being rolled out across Sweden, we have begun the decommissioning of the old and outdated 2G/3G network, and by the time it is shut down in the end of 2025, Tele2 will have one top class network, both in terms of quality and efficiency.

> "Leaving legacy limitations behind us and instead allocating resources to the development of services, products, and digital customer journeys will lead to radically better customer experiences, simplified onboarding, increased loyalty, and significant efficiencies.

A strategic shift with our customers in focus

The investments in internal and external infrastructure should be seen in the light of the strategic shift Tele2 is undergoing. We are transitioning from being a player that historically has been successful in customer acquisition but lacked the ability to build long-term relationships, to a player with strong brands that builds its business on customer satisfaction, quality, and loyalty, where customers see value in utilising the entire Tele2 product portfolio of mobile, broadband, and TV. Symbolic for this new direction, Comviq was awarded for having the industry's best service, and Tele2 launched Sweden's first real connection guarantee – a sign of our ability to innovate and the customer value of offering both fixed and mobile networks.

Commercial progress in times of change

Commercially, we also see positive results from the strategic shift. The Swedish consumer operations, which had seen a slight downturn for several years, returned to growth in end-user service revenue. One can compare the development to a large tanker slowly drifting in the wrong direction, that stopped drifting in 2022 and gained speed in the right direction in 2023.

Similarly, our Swedish Business operations has undergone a comparable transformation and has advanced even further. We have moved from being an interchangeable provider of hardware and connectivity to becoming a strategic partner that, with connectivity as a base, helps companies transform, digitalise, increase their security, and develop new business models. According to Swedish Quality Index (SKI), Tele2 has the most satisfied customers and the positive commercial development seen in 2022 accelerated in 2023.

The turbulent macro that characterised 2023 was particularly noticeable for our colleagues in the Baltics, who, in addition to the direct proximity to the war in Ukraine, also faced very high inflation rates. Despite the uncertainties, the Baltic operations consistently delivered outstanding results throughout 2023, which is truly impressive. An essential driver of our success has been high customer satisfaction levels, with lower churn and reduced price sensitivity as effects.

With an ambition to lead in sustainability

Even though Tele2 is in many ways a different company today than it was 30 years ago, the challenger spirit is deeply rooted in our culture and among our employees. In the 90s, the monopoly was challenged; today, we channel that challenger spirit into breaking limitations – both our customers' and our own. Enabling a society of unlimited possibilities is the foundation of everything we do.

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This includes enabling a sustainable society. It is fantastic to see how our products and services are increasingly becoming central when companies are transitioning to a more sustainable business. We also see that our credibility as a partner in such a transition grows as our own sustainability efforts are recognised and rewarded for being at the forefront.

In 2023, Tele2 was named Europe's climate leader by The Financial Times, we were recognised as Sweden's most gender-equal company by Equileap, and we were awarded for having the most transparent sustainability reporting on the Swedish OMX. We aspire to lead in sustainability, and in 2023, we demonstrated significant progress. However, we are very much aware that we must accelerate further in the coming years, and we are determined to do so.

Finally, I would like to extend a big thank you to our customers for the trust you place in us, to all colleagues for all the hard work throughout the year, and to all shareholders for believing in Tele2 and the exciting journey ahead.

Kjell Johnsen
President and CEO

Our purpose

Enabling a society of unlimited possibilities

Breaking limitations means breaking new ground. We have always challenged limitations to realise new possibilities for our customers and society at large.

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

Our ambition :

The leading telco in the Nordic and Baltic region

Driven by our purpose, our ambition is to be the leading telco in the Nordic and Baltic region. This ambition recognises the strength of our brands and our position in the markets where we operate as well as our history as a challenger and proven ability to generate value for our customers, investors, employees and society.

We focus on:

Superior customer experience: Giving our customers what they want with reliability and flexibility throughout the customer journey creates a superior customer experience.

Best industry shareholder return: An efficient organisation and operations that together with an effective capital allocation model creates the conditions for sustainable and attractive shareholder remuneration.

High employee engagement: An organisation that gives us a competitive advantage, motivated by our purpose and ambition and led by our values reliable, insight driven, and collaborative.

Lead in sustainability: Achieving our ambitious sustainability goals and a sustainability strategy integrated into our business that meets the demands of stakeholders, including customers, investors, and our employees.

Our growth strategy

Our strategy builds on the deep insights we have into what our customers want more of, on our leading brands, and leverages the investments we have made in our networks, services and information technology. The strategy reflects our focus on value balanced with volume for long-term and sustainable growth across our business segments.

Accelerate growth in Sweden Consumer

Sweden is our largest market, and we have a long history of innovation and challenging the status quo. With our strong brand portfolio and leading-edge fixed and mobile networks, our Sweden Consumer business is positioned to deliver sustainable growth in the next phase of fixed-mobile convergence.

Distinctly positioned leading brands

We have consumer brands that target distinct market segments. One of Sweden's most recognised names in connectivity, Tele2 is a premium brand offering our customers the full suite of mobile, broadband, and entertainment services.

Comviq is a much-loved brand targeting the mid-price segment with a wide reach in Sweden. Our Comviq customers benefit from our latest mobile network investments and both pre-paid and post-paid mobile services.

Win the household through fixed-mobile convergence and an excellent customer experience

With a customer base of more than 2 million people in Sweden, we are ideally placed to leverage trends in fixed-mobile convergence. Through the Tele2 brand, we offer additional personalised services to existing customers, providing a premium-level quality of service and superior connectivity. At the same time, the strength of the Tele2 brand allows us to attract new customers and build our position in the Swedish market.

Delivering on digitalisation

Our digital first approach will create a unified and seamless customer experience. By investing in our information technology systems, we will give our customers efficient and attractive digital interfaces enhancing the customer experience.

Recognised leader in Sweden Business and IoT

The products and services we provide are in line with our vision to enable society with unlimited possibilities. At the same time they are an important foundation for achieving our ambition. To serve our customers well and achieve sustainable growth, we have adopted a multi-segment approach to the market. We leverage all our expertise and technology capabilities to deliver solutions and services that enable our customers to do better businesses and improve their operations.

To be the trusted digital integrator

We want to be the partner that delivers reliable and premium services and be our customers' friendly expert. With rapidly changing technologies and increasing demands on our customers, being a trusted partner is more important than ever. We build trust by providing reliable services, being able to support change in our customers' businesses, and ensuring easy access to services and support.

Multi-segment approach with a value creation focus

To support our customers in the best possible way, we have adopted a target-oriented multi-segment approach divided into small & medium sized enterprises, large private enterprises, and the public sector. We create value for all customers and Tele2 by addressing the different needs of these segments, the types of services and solutions they want, and how they are delivered.

Lead through fixed-mobile convergence, sustainable business models and resilient technologies

To meet the future needs of our customers in each segment, we provide fixed and mobile services. We utilise the assets and the strong capabilities within Tele2 and our partners to build sustainable business models.

Mobile centric champion in the Baltics

In Estonia, Latvia and Lithuania we are focused on delivering our more-for-more approach for the mobile-centric bundle of telephony and broadband services we provide. We continue to invest in our mobile networks to build customer satisfaction in all markets.

Lead in customer satisfaction and brand reputation

We will continue to lead and build our brand reputation based on the strength of our service offerings on the back of significant network investments. With a superior customer experience we continue to attract and retain customers.

Strengthen our position in business-to-business

With the support of a broader product portfolio, we continue to expand in the business-to-business market. We focus on small and medium sized business customers. We tailor services to the needs of our customers and become a trusted digitalisation and communication partner.

Develop next generation household offerings

We have the ability to provide both fixed and mobile services to households. With the investments in 5G, we provide attractive mobile broadband offerings to fulfill the household broadband need. Through our own and partners' infrastructure, we enable attractive fixed broadband services.

Our strategic enablers

Our medium-term ambition and growth strategy will be delivered through strategic enablers that provide the competencies, connectivity and operational excellence we need.

Unique people and culture

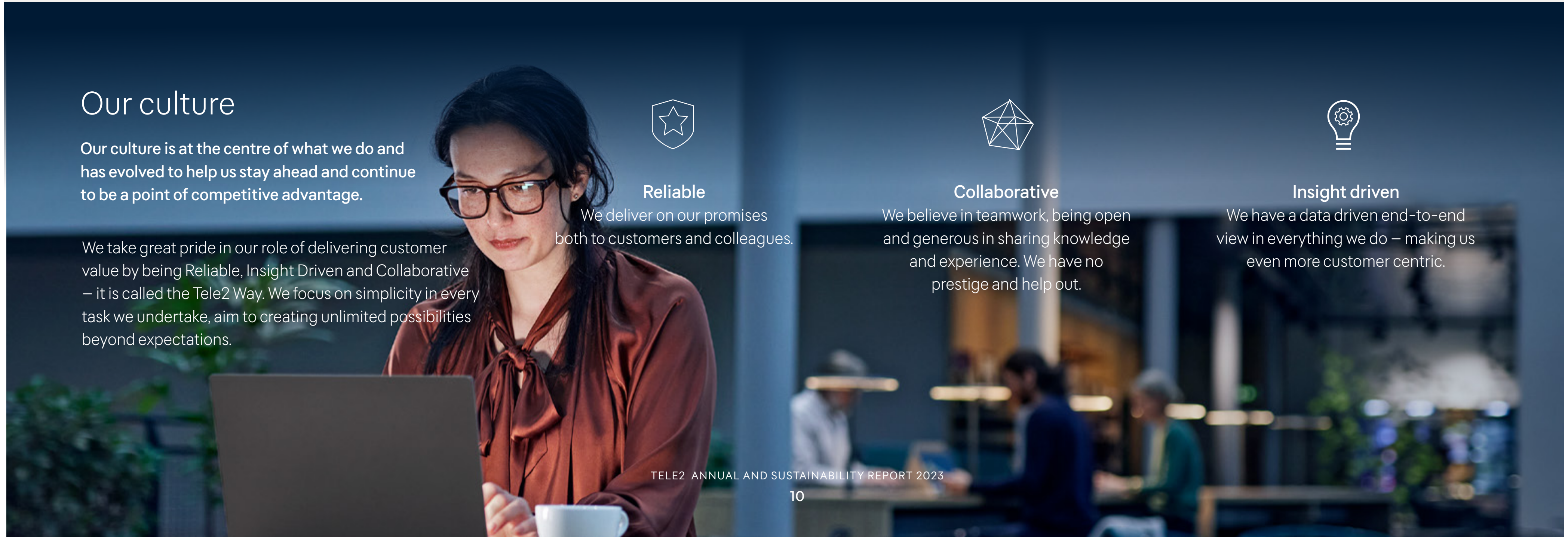
We place great responsibility on our employees, and we are evolving our unique culture to give us a competitive advantage and create a workforce that is engaged and aligned around our strategy. We want to retain our already talented and driven staff and be able to attract new performance-driven people with emerging skills that will future-proof our business. We strive to achieve a diverse and inclusive workplace that will add to our competitive advantage and reflect our customers and the communities in which we operate.

The best 5G and network capabilities

As a premium provider, we are investing in our mobile and fixed networks to provide faster and more reliable connectivity. Investments in 5G provides higher speeds and more capacity to support our customers' needs. With an end-to-end approach, we evolve our information technology systems to support a more digital environment with increasing demand on security and reliability.

Best-in-class operations

We are constantly looking for new ways to deliver to our consumer and business customers. By simplifying and streamlining our operational and technical landscape, and digitising our processes and customer experience, we will create a cost-effective and fit-for-purpose organisation.



Our culture

Our culture is at the centre of what we do and has evolved to help us stay ahead and continue to be a point of competitive advantage.

We take great pride in our role of delivering customer value by being Reliable, Insight Driven and Collaborative – it is called the Tele2 Way. We focus on simplicity in every task we undertake, aim to creating unlimited possibilities beyond expectations.

Reliable
We deliver on our promises both to customers and colleagues.

Collaborative
We believe in teamwork, being open and generous in sharing knowledge and experience. We have no prestige and help out.

Insight driven
We have a data driven end-to-end view in everything we do – making us even more customer centric.

TELE2

Executing on our growth strategy

Tele2 believes in unleashing the unlimited opportunities that connectivity provides to all our customers. Today, our high-speed networks enable mobile and fixed connectivity, telephony, data network services, TV, streaming and global IoT solutions for millions of customers. We are a value-driven company that is enabling a society of unlimited possibilities by being a leading telco in the Nordic and Baltic region. This is done through clear ambitions where we aim to provide superior customer experience, give the best industry shareholder return, have a high employee engagement and lead in sustainability. Our growth strategy focuses on accelerating growth in the Swedish consumer segment, being a recognised leader in Sweden B2B and IoT and a mobile centric champion in the Baltics.

Tele2 is a strong cash generative company and shareholder remuneration is at the core of Tele2's equity strategy. During the last 10 years, we have distributed SEK 89 per share to shareholders through dividends, of which SEK 53 in ordinary dividends. Going forward we are committed to maintaining leverage within the 2.5–3.0x range as underlying EBITDAaL grows and distribute at least 80% of equity free cash flow to shareholders.

The vision for Tele2's sustainability efforts is to lead in sustainability, and we have reaped the rewards of our accelerate actions based on our strategy launched in 2021. In 2023, we won several illustrious awards, including being named number one in Sweden and in top 1% globally for gender equality by Equileap, number one in the Financial Times Climate Leaders in Europe 2023 ranking, and best of all companies listed on the Stockholm stock exchange when it comes to climate reporting and transparency. We also strengthened our commitment to "Connecting the circular society" by committing to collect the equivalent of 30% of distributed mobile phones by 2030.

In 2023, Tele2 continued to accelerate the nationwide roll-out of 5G in Sweden and the Baltic states. To this point, we provide 5G connectivity in more than 170 municipalities and even more cities in Sweden, with a nationwide population coverage of 60% with real 5G speeds for the the vast majority. Following the positive results in 2022 from Open Signal positioning Tele2 as one of the Global Winners for 5G Video Experience, we have continued to achieve strong results in 2023. We have also secured important 5G spectrum in Sweden and Estonia during the year, after acquiring spectrum in Lithuania and Estonia in 2022.

Sweden

During the year, we finalised the Business Transformation Program which was launched in the beginning of 2020. The program realised an annual run-rate saving of SEK 1,005 million, in line with the target of SEK 1 billion in annualised run-rate savings by the end of H1 2023. The program yielded substantial cost savings but also improved organisational efficiencies by reducing internal complexity, a simplified product portfolio and reduced time customers spend with customer service.

Tele2's strategy in the consumer market is to increase customer satisfaction through fixed-mobile-convergence offerings. By continuously improving the customer experience through additional personalised services, we will drive growth through churn reduction and price adjustments in the premium and mid-tier segment. Through our optimised brand portfolio with Tele2 being the converged premium brand, Comviq the much-loved mid-price segment brand, and Boxer, we remain relevant to all customer demographics.

We believe that TV will continue to play a vital role for our business and our role as aggregator of great content remains relevant as content becomes more and more fragmented across different services and devices. To better serve the changing behavior and viewing patterns of our customers, both the Tele2 Play+ standalone streaming service and the corresponding combined streaming linear service were significantly reinforced through the addition of Viaplay's streaming propositions during 2022.

In Sweden Business we continue to execute on our strategy, which involves taking a segmented approach to the business by differentiating the approach in the SME, large private and large public segment. We increasingly utilise the assets and strong capabilities within Tele2 and our partners to build sustainable business models. In the SME segment, we focus on growth through a combination of volume and value by offering simplified packages and fixed-mobile convergence based on customer needs. In the large private segment, the ambition remains to improve profitability by deepening our customer collaborations to enable larger contracts, grow through as-a-service and mobile bundling. In the large public segment, the ambition is to maintain and develop our assets by carefully choosing our business opportunities and continue delivering reliable solutions for a sustainable society.

The Baltics

In the Baltics, we have maintained strong top and bottom-line growth by successfully executing on our mobile-centric-convergence and more-for-more strategy, despite a continued challenging macro environment. We will continue to lead in customer satisfaction and reinforce our position in business-to-business through a broader product portfolio. Our investments in 5G enable attractive mobile broadband offerings to fulfill the household broadband need, and our own and partners' fixed infrastructure enable attractive fixed broadband services.

Board of Directors' report

The Board of Directors and the CEO herewith present the annual report and consolidated financial statements for Tele2 AB (publ), corporate reg. no. 556410-8917 for the financial year 1 January – 31 December 2023.

The sustainability information reviewed by the auditors comprises pages 40-91, which also includes the statutory sustainability report.

Figures presented in this report refer to continuing operations unless otherwise stated, with comparable figures for the previous year in parentheses. For information about discontinued operations, see Note 33.

Operations

Tele2 Group is an integrated provider of fixed and mobile connectivity and entertainment services. Its primary geographical markets are Sweden and the three Baltic States; Lithuania, Latvia, and Estonia. Since Tele2 was founded in 1993 it has continued to challenge prevailing norms. Today, the group's network enables mobile and fixed connectivity, telephony, data network services, TV, streaming and global IoT solutions for millions of customers. Customer satisfaction and smart combined offerings are driving growth. Tele2 has been listed on Nasdaq Stockholm since 1996 and has around 4,500 employees.

Revenue

In 2023, revenue increased by 2% organically to SEK 29,099 (28,102) million for the group primarily driven by continued strong growth in the Baltics and Sweden B2B partly offset by a decline mainly in Operator revenue. End-user service revenue increased by 4% organically to SEK 21,130 (20,097) million helped by continued strong growth in the Baltics and Sweden B2B, while Sweden B2C grew slightly on an aggregated level as growth in mobile postpaid and fixed broadband was offset by declines in legacy businesses and in mobile prepaid, which was negatively impacted by the registration requirement from February 2023.

Underlying EBITDAaL

Underlying EBITDAaL grew by 2% organically to SEK 10,409 (10,060) million as higher end-user service revenue, cost savings from the Business Transformation Program in Sweden and slightly lower energy costs more than offset inflationary pressures and higher content costs. During 2023, energy costs were approximately 10% lower organically than the previous year mostly as the market prices on electricity has come down and partly due to received electricity support in Sweden.

Operating profit and net profit

Operating profit decreased by 17% to SEK 5,466 (6,596) million, largely due to the SEK 1,589 million capital gain from the divestment of T-Mobile Netherlands in 2022.

Financial income and expenses amounted to SEK -888 (-689) million.

Net profit amounted to SEK 3,731 (5,213) million during 2023, and earnings per share were SEK 5.40 (7.55).

Investments

Capital expenditures excluding spectrum and leases amounted to SEK 3,941 (3,171) million. Capex mainly consisted of 5G related network investments, upgrade of the fixed network in Sweden and IT investments.

Spectrum capex amounted to SEK 738 (170) million, mostly related to spectrum acquisitions in Sweden.

Financial position and cash flow

The group's financial leverage was 2.5x (2.5x) as of 31 December 2023. Economic net debt amounted to SEK 25.6 (25.6) billion, unchanged compared to a year earlier. During 2023, Tele2 has paid cash dividends of SEK 4.7 billion.

Equity free cash flow increased to SEK 4,720 (3,461) million or SEK 6.83 (5.01) per share, mainly as improved working capital, higher Underlying EBITDA and lower taxes paid exceeded higher capex payments including spectrum, and higher net financial items paid.

The Board of Directors proposes an ordinary dividend of SEK 6.90 per share, or SEK 4.8 billion in total, to be paid in two tranches and to be decided at the 2024 Annual General Meeting in May.

Significant sustainability awards during 2023

- Tele2 was 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 was awarded for the most transparent climate reporting on Stockholm OMX Large Cap after climbing 66 places since the previous report. Every two years since 2014, 2050 Consulting AB has investigated how transparent the major companies on the Stockholm Stock Exchange are in reporting their climate work. The review included 133 companies.
- Tele2 was ranked the number one company in Sweden and number thirty-two globally for gender equality by Equileap. In the 2023 report, Tele2 jumped 41 places from 2022 in the global gender equality ranking of more than 3,700 companies, putting it in the top 1% of companies worldwide.

Other significant events during 2023

- Tele2 was the first operator to launch a broadband connection guarantee. Our customers can use the mobile network if something happens to the fixed connection, without losing their Wi-Fi. The service is included in Broadband 500, 600, 1,000 and 1,200.

TELE2

- Tele2 and Telenor Sweden secured Swedish 5G frequencies in the 900, 2,100 and 2,600 MHz bands through their network joint venture Net4Mobility. Tele2's share of the acquisition price was SEK 738 million.
- Tele2 successfully issued a new EUR 500 million bond, which was placed with a broad range of institutional investors across Europe.
- Tele2 committed to reuse and recycle 30% of its distributed phones by 2030. In developing this commitment, Tele2 has co-led an international industry project organised 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.
- Tele2 joined Exponential Roadmap Initiative for collaboration towards net-zero, which brings together companies from various sectors with common missions to halve emissions by 2030 to reach net-zero emissions before 2050.
- Tele2 extended its collaboration with grocery company Axfood by building and maintaining a wireless network in the group's new logistics facility, which is one of Europe's most modern hubs for achieving more effective and sustainable supply chains in grocery retail and e-commerce.
- Tele2 enables sustainable forestry with AirForestry and Nokia 5G Private Wireless. The network allows AirForestry to mobile control their six-meter wide electric drones that enable harvesting and thinning of the forest from the air.
- Tele2 collaborates with Drifter World to optimise parking with AI and IoT. Tele2 delivers a cellular IoT connectivity solution that maximises uptime and gives Drifter World full control over its fleet of devices.
- Tele2 begun a partnership with IoT company TH1NG, which will complement and strengthen their offer in smart IoT solutions for business customers in both the private and public sectors.
- Tele2 Sweden expanded its work with ECPAT to combat child vulnerability online by adding lists from the Canadian Project Arachnid in order to further block child abuse material.
- Tele2 has led the European research project AI4Green investigating how Artificial Intelligence (AI) can be used to reduce energy consumption in mobile networks while simultaneously optimising capacity to meet consumer needs. The project demonstrated that smarter mobile networks can reduce energy consumption by 30-40% in the long term.

Employees

On 31 December 2023, the number of employees in Tele2 was 4,485 (4,438). Please refer to Note 31 for additional information regarding the number of employees, gender distribution and personnel costs.

Guidance

Tele2 provides financial guidance for the inherent year and financial outlook on a mid-term basis (three-year horizon).

The guidance for 2024 is 3-4% organic growth of end-user service revenue, 1-3% organic growth of underlying EBITDAaL, and 13-14% capex to sales (excluding spectrum and leases) as our network investments continue at a high pace alongside intensified customer-centric transformation.

Tele2's mid-term outlook is low to mid-single-digit organic end-user service revenue growth and mid-single-digit organic underlying EBITDAaL growth as our operations will benefit from new levels of optimisations and efficiencies enabled by the Strategy Execution Program. In 2025, we expect 13-14% capex to sales (excluding spectrum and leases) driven by the final stage of the major 5G expansion in Sweden ahead of the 3G JV closure at the end of the year. From 2026, capex to sales (excluding spectrum and leases) is expected at 10-12% as our network expansion will return to being demand-driven.

The Strategy Execution Program, which will run from Q1 2024 to Q4 2026, will support our digitalisation journey and create even more focus on value and efficiency. It is also targeting SEK 600 million of run-rate cost savings in three years. The program is expected to generate restructuring costs of SEK 600 million or less over the implementation period.

Parent company

Tele2 AB is the parent company of the Tele2 Group. The operations include group management. In 2023, net sales in the parent company were SEK 51 (49) million. Net profit for the full year was SEK 5,510 (7,222) million and consisted mainly of dividend from group companies.

Risks and uncertainty factors

The present challenging macro-economic and geo-political environment also affects Tele2, primarily through volatile energy costs, inflationary pressure, and changes in exchange rates. Tele2 has a resilient business model, offering services that are highly valued and prioritised 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 in the Board of Directors' report and Note 2 for more information about Tele2's risk exposure and risk management.

Sustainability report

Tele2 has prepared a sustainability report in accordance with the Global Reporting Initiative (GRI) Standards 2021. The sustainability report has been prepared in accordance with disclosure requirements set out in the Swedish Annual Accounts Act chapter 6 paragraph 10 and in accordance with the disclosure requirements set out in the EU Taxonomy Regulation Article 8. The sustainability report is included in the Board of Directors' report. The scope and content of the statutory sustainability report can be found in the sustainability report in Note S1 About the sustainability report.

Five-year summary

The five-year summary includes certain alternative performance measures that are not defined by IFRS. For additional information please refer to section Definitions at the end of the report.

SEK million	2023	2022	2021	2020	2019
CONTINUING OPERATIONS					
End-user service revenue	21,130	20,097	19,349	19,184	19,466
Revenue	29,099	28,102	26,789	26,554	27,203
Underlying EBITDA	11,885	11,395	10,900	10,484	10,309
EBITDA	11,616	11,101	10,517	12,329	9,598
Operating profit	5,466	6,596	4,787	7,371	3,812
Profit after financial items	4,578	5,907	4,307	6,855	3,367
Net profit	3,731	5,213	3,960	7,233	2,431
Underlying EBITDAaL	10,409	10,060	9,639	9,239	9,043
CapEx excluding spectrum and leases	3,941	3,171	3,158	2,717	2,387
Operating cash flow	6,468	6,889	6,482	6,523	6,656
Equity free cash flow	4,720	3,461	5,760	4,799	4,159
Key ratios					
End-user service revenue growth, organic	4%	3%	1%	-1%	0%
Underlying EBITDAaL growth, organic	2%	3%	5%	2%	6%
Underlying EBITDAaL margin	36%	36%	36%	35%	33%
Operating profit margin	19%	23%	18%	28%	14%
Value per share (SEK)					
Equity free cash flow	6.83	5.01	8.35	6.97	6.05

SEK million	2023	2022	2021	2020	2019
TOTAL OPERATIONS					
Net profit	3,735	5,574	4,306	7,408	5,134
Total assets	66,059	67,656	74,251	75,411	79,784
Equity	22,780	23,683	31,142	32,751	34,805
Equity free cash flow	4,720	3,461	5,785	4,879	4,840
Key ratios					
Economic net debt to Underlying EBITDAaL	2.5x	2.5x	2.5x	2.6x	2.5x
Value per share (SEK)					
Net profit/loss	5.40	8.07	6.25	10.76	7.28
Net profit/loss, after dilution	5.37	8.03	6.21	10.71	7.24
Equity	32.94	34.27	45.14	47.56	50.59
Equity free cash flow	6.83	5.01	8.39	7.09	7.04
Dividend, ordinary	6,90[1]	6,80	6.75	6.00	5.50
Dividend, extraordinary	–	–	13.00	3.00	3.50
Market price at closing day	86.54	85,10	129,10	108,60	135.85

1) Proposed dividend.

Group summary

Continuing operations SEK million	2023	2022	Organic %
END-USER SERVICE REVENUE			
Sweden	16,531	16,230	2%
Lithuania	2,508	2,113	10%
Latvia	1,394	1,142	13%
Estonia	697	612	5%
Total	**21,130**	**20,097**	**4%**
REVENUE			
Sweden	22,300	22,112	1%
Lithuania	3,944	3,483	5%
Latvia	2,024	1,713	9%
Estonia	977	911	-1%
Internal sales, elimination	-146	-116	17%
Total	**29,099**	**28,102**	**2%**
UNDERLYING EBITDAaL			
Sweden	7,768	7,890	-2%
Lithuania	1,598	1,307	13%
Latvia	834	668	16%
Estonia	209	196	-1%
Total	**10,409**	**10,060**	**2%**

Continuing operations SEK million	2023	2022	Organic %
CAPEX			
Sweden	3,245	2,649	22%
Lithuania	309	234	23%
Latvia	218	153	32%
Estonia	169	135	16%
Capex excluding spectrum and leases	**3,941**	**3,171**	**23%**
Spectrum	728	170	
Rights-of-use assets (leases)	420	1,370	
Total	**5,089**	**4,711**	
of which:			
– Network	2,501	1,981	
– IT	913	729	
– Customer equipment	491	386	
– Other	36	75	
Capex excluding spectrum and leases	**3,941**	**3,171**	
Capex to sales (excluding spectrum and leases)	14%	11%	

Shareholder information

Tele2 AB's shares are listed on Nasdaq Stockholm under the ticker symbols TEL2A and TEL2B.

Share performance

During 2023, the Tele2 B share price increased by 1.7%, from SEK 85.10 to SEK 86.54, while the broad OMX Stockholm PI increased by 15.5% and the European sector index STOXX Europe 600 Telecommunications (SXKP) increased by 3.8%. The highest closing price for the Tele2 B share in 2023 was SEK 108.95 on 28 April and the lowest closing price was SEK 75.48 on 24 August. The average closing price during 2023 was SEK 89.41.

Total shareholder return (share price development including reinvested dividends) for Tele2 B shares was 9.5% in 2023, meanwhile the OMX Stockholm All-Share Gross Index (OMXSGI) increased by 18.8%.

The total shareholder return for the Tele2 B share for the last five years has been 19%, and for the last ten years 176%.

During 2023, 28% of the trade in Tele2 B shares took place on Nasdaq Stockholm, while 72% of the trade took place on other trading venues.

Shareholder remuneration

During 2023, shareholders were remunerated by a total of SEK 4,7 billion in the form of ordinary dividend of SEK 6.80 per share.

For the financial year 2023, the Board of Directors of Tele2 AB has decided to recommend to the Annual General Meeting (AGM) on 15 May 2024 to resolve on an ordinary dividend of SEK 6.90 per A and B share, in total SEK 4.8 billion. The dividend shall be paid in two tranches of SEK 3.45 each, in May and October 2024. The proposed dividend corresponds to 101% of the equity free cash flow during 2023.

Financial policy

Tele2 will aim to maintain target leverage of 2.5–3.0x economic net debt/underlying EBITDAaL by distributing capital to shareholders through:

- An ordinary dividend of at least 80% of equity free cash flow; and
- Extraordinary dividends and/or share repurchases, based on remaining equity free cash flow, proceeds from asset sales and releveraging of underlying EBITDAaL growth.

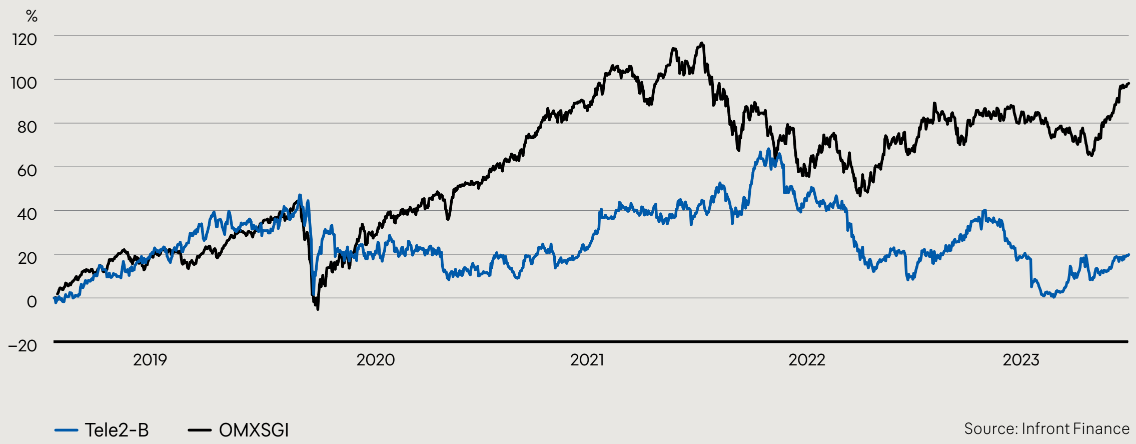
Based on this policy, Tele2 is expected to distribute in excess of 100% of equity free cash flow to shareholders, through a combination of dividends and/or share repurchases.

Share capital

The share capital in Tele2 AB is divided into three classes of shares: class A, B and C shares. All classes of shares have a quota value of SEK 1.25 per share. The A and B shares have the same rights to the company's net assets and profits while the C shares are not entitled to dividends. The A shares entitle the holder to 10 voting rights per share and the B and C shares to one voting right per share.

The purpose of the C shares is to enable future deliveries of B shares to senior executives and other key employees participating in Tele2's performance-based incentive programs. The C shares will be converted into B shares prior to delivery.

5-year Total Shareholder Return (TSR) for Tele2-B share and benchmark index OMXSGI



Source: Infront Finance

Based on an authorisation from the 2022 Annual General Meeting, the Board of Directors decided on a directed issue of 1,200,000 C shares and a subsequent buyback for a total of SEK 2 million.

As of December 31, 2023, there were 22.4 million registered A shares, 670.4 million B shares (of which 1.2 million held in treasury), and 3.4 million C shares (all of which held in treasury).

The Tele2 A and B shares are listed on Nasdaq Stockholm. For detailed information about the share capital and number of outstanding shares refer to Note 23.

Shareholders

During 2023, the number of shareholders in Tele2 increased by 6% to 121,091. The market capitalisation of the company was SEK 59.9 billion at year end.

As of December 31, 2023, Kinnevik AB owns 19.8% of the capital and 36.1% of the votes. No other shareholder owns, directly or indirectly, more than 10% of the shares in Tele2.

On 31 December 2023, the 15 largest shareholders represented 45.3% of the share capital and 55.9% of the votes. Foreign shareholders held 46.5% of the share capital and 36.1% of the votes.

Notification of change of main shareholder after the end of the financial year

On 26 February 2024, Kinnevik announced that it had agreed to sell its entire shareholding in Tele2 to Freya Investissement, an investment vehicle jointly controlled by the European telecommunications group Iliad and its Chairman and founder Xavier Niel through NJJ Holding for a total consideration of SEK 13 billion. The transaction will be completed in three stages and is expected to close in the third quarter of 2024, whereby Freya Investissement will hold 19.8% of the capital and less than 30% of the votes in Tele2.

Top 15 shareholders

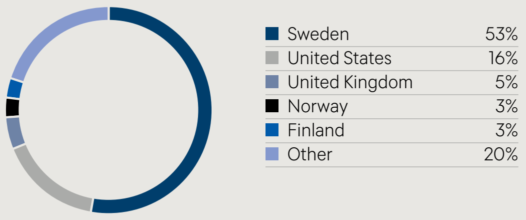
As of December 31, 2023	Capital (%)	Votes (%)
Kinnevik	19.8	36.1
BlackRock	6.1	4.7
Vanguard	3.0	2.4
Handelsbanken Fonder	2.4	1.9
Nordea Fonder	2.1	1.6
Norges Bank	1.8	1.4
Swedbank Robur Fonder	1.7	1.3
Janus Henderson Investors	1.5	1.2
Länsförsäkringar Fonder	1.2	0.9
Folksam	1.1	0.8
Avanza Pension	1.0	0.8
State Street Global Advisors	1.0	0.7
JP Morgan Asset Management	0.9	0.7
MFS Investment Management	0.9	0.7
Eurizon Capital	0.9	0.7
Total top 15	**45.3**	**55.9**
Others	54.7	44.1
Total	**100.0**	**100.0**

Source: Modular Finance

Owner type

As of December 31, 2023	Capital (%)	Votes (%)
Swedish institutional owners	35.3	48.4
Foreign institutional owners	32.1	24.9
Swedish private individuals	15.5	13.4
Unknown owner type	14.0	10.9
Other	3.1	2.5
Total	**100.0**	**100.0**

Ownership by country based on capital



Source: Modular Finance

Overview by segment

Sweden

2023 in brief

End-user service revenue increased by 2% compared to 2022 mostly driven by a continued solid performance within the Business operations.

Underlying EBITDAaL declined by 2% as higher end-user service revenue and cost savings from the Business Transformation Program were more than offset by inflationary pressure, higher content costs and continued margin pressure from product mix changes as legacy services decline. However, underlying EBITDAaL gradually improved during the second half of the year and returned to growth in the fourth quarter.

Continued optimisation, primarily in the Digital Capabilities and Technology (DCT) organisation, was executed during the year as part of the Business Transformation Program, which was successfully completed at mid-year after reaching the target of at least SEK 1 billion in annualised run-rate savings. In 2023, the program had a net impact of SEK 300 million on underlying EBITDAaL year-on-year.

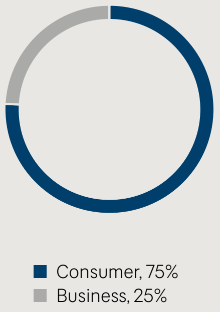
2024

A Strategy Execution Program was launched in the first quarter of the year. The program, which will run from Q1 2024 to Q4 2026 and support our digitalisation journey and create even more focus on value and efficiency, is targeting SEK 600 million of run-rate cost savings in three years with relatively linear delivery of cost reduction. The main focus will be on reshaping customer journeys, optimising channel and customer operations, providing our Business operations with the next level of operating environment, as well as consolidating data centers and decommissioning our joint 3G JV.

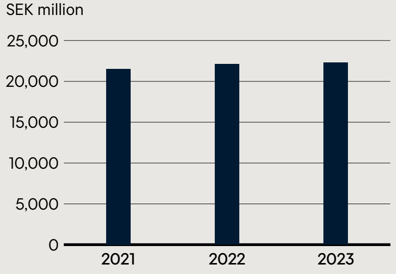
The 5G roll-out will continue at full run rate during the year. In parallel, the upgrade of our fixed network will continue with Remote-PHY, which is a cost-efficient way to modernise the network and meet current and future demand for speed tiers and backhaul capacity.

Financials SEK million	2023	2022	Organic %
End-user service revenue	**16,531**	**16,230**	**2%**
Revenue	22,300	22,112	1%
Underlying EBITDA	9,015	9,026	
Underlying EBITDAaL	**7,768**	**7,890**	**-2%**
Underlying EBITDAaL margin	35%	36%	
Capex			
Network	1,960	1,575	
IT	801	644	
Customer equipment	471	375	
Other	13	55	
Capex excluding spectrum and leases	**3,245**	**2,649**	
Spectrum	706	40	
Right-of-use-assets (leases)	322	1,217	
Capex	**4,273**	**3,906**	
Capex to sales (excluding spectrum and leases)	15%	12%	

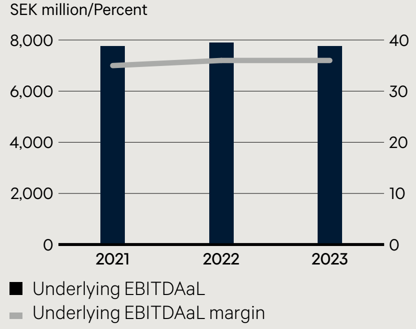
End-user service revenue per business area, 2023



Revenue



Underlying EBITDAaL



Sweden Consumer

2023 in brief

In 2023, Sweden Consumer improved overall growth enabled by initiatives such as strategic brand positioning, portfolio enrichments, continued service quality enhancements and by executing on a balanced commercial strategy for volume and value with Tele2 and Comviq.

Tele2 mobile postpaid recorded solid demand as the 5G speed-tiering portfolio was further rolled-out following the launch in the previous year, combined with new propositions with handsets. Comviq updated the portfolio including a more prominent role for 5G. The broadband segment saw innovation as we launched a Connection Guarantee concept featuring mobile fallback. 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. Our FMC journey continued with launch of a new proposition to unlock accelerated cross- and up-sell potential, focusing on households with an existing Tele2 relationship.

Price adjustments were effectively implemented on mobile and fixed products in the context of high inflation and its impact on underlying operating costs.

End-user service revenue growth improved with mobile postpaid and fixed broadband exceeding decline in both legacy services and mobile prepaid, the latter of these being negatively impacted by the registration requirement from February 2023.

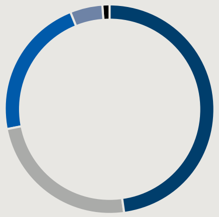
2024

In 2024, the aim for Sweden Consumer is to maintain a sustainable growth position through execution of a balanced commercial strategy for volume and value built on the strengthening of our leading brand position in the market – Tele2 serving the growing FMC demand of increasingly digital households and Comviq retaining leadership in the digital mobile connectivity segment.

Key priorities include evolving our customer experience with digital capabilities, enriching our Tele2 household offering with FMC, Family and handsets, as well as retaining growth in Comviq.

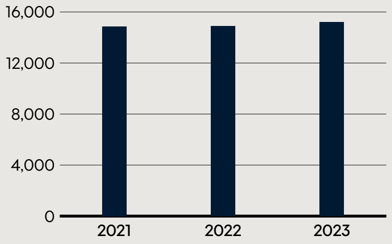
Through the Strategy Execution Program, we will accelerate the reshaping of customer journeys and optimising channel and customer operations to improve customer experience and value, as well as operational efficiency.

End-user service revenue per service, 2023



Revenue

SEK million



	2023	2022	Organic %
RGUs (thousands) [1]			
Mobile	2,843	2,927	-3%
– Postpaid	2,083	2,004	4%
– Prepaid	760	924	-18%
Fixed	1,958	1,996	-2%
– Fixed broadband	969	949	2%
– Digital TV	857	888	-3%
– Cable & Fiber	632	633	0%
– DTT	226	256	-12%
– Fixed telephony & DSL	131	158	-17%
Total RGUs	**4,801**	**4,923**	**-2%**
Addressable fixed footprint	3,894	3,713	5%
ASPU (SEK) [1]			
Mobile	172	166	4%
– Postpaid	206	206	0%
– Prepaid	90	85	6%
Fixed	243	236	3%
– Fixed broadband	259	251	3%
– Digital TV	253	249	2%
– Cable & Fiber	224	224	0%
– DTT	330	306	8%
– Fixed telephony & DSL	80	93	-14%
Revenue (SEK million)			
Mobile	5,961	5,862	2%
– Postpaid	5,052	4,880	4%
– Prepaid	909	983	-8%
Fixed	5,776	5,726	1%
– Fixed broadband	2,982	2,826	6%
– Digital TV	2,654	2,707	-2%
– Cable & Fiber	1,702	1,706	0%
– DTT	952	1,001	-5%
– Fixed telephony & DSL	139	193	-28%
Landlord & Other	663	664	0%
End-user service revenue	**12,400**	**12,252**	**1%**
Operator revenue	734	763	
Equipment revenue	2,057	1,880	
Internal sales	0	0	
Revenue	**15,191**	**14,895**	**2%**

[1] Unaudited.

Sweden Business

2023 in brief

We have continued executing on our strategy set out some years ago by differentiating our approach in the SME, large private, and public segments.

In 2023, growth areas have continued to offset planned declines in legacy services, where our copper decommissioning has reached 90% completion as customers have been migrated to modern services with better profitability. In terms of business development, our portfolio has been complemented with new partners and value-added service for several of our growth services. Moreover, as quality certificates are important tools for our business, we have made good progress in completing, renewing and extending relevant certificates and diplomas during the year. We have also continued to invest in improving capabilities in sustainability and customer experience.

According to SKI (Swedish Quality Index), Tele2 Sweden has the most satisfied business customers in both broadband and mobile, hence a great confirmation of our efforts to be the number one in customer experience.

Our ambition for 2023 was to continue to stabilise and grow the business by continuing to implement our strategy alongside specific efforts to improve profitability in the large private and public segments. We have made progress in both areas. In 2023, we grew end-user service revenue by a healthy 4% with all segments contributing.

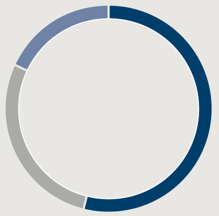
2024

In 2024, our ambition is to continue to grow the Sweden business segment by continuing to execute on our strategy. Initiatives include plans to grow through our broad portfolio, such as in mobile, IoT and Network & Security Solutions. Besides this, we plan to deliver on product roadmaps and to improve growth in the SME segment.

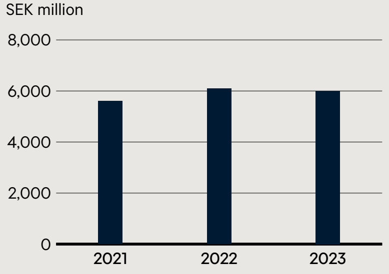
Through the Strategy Execution Program, we will gradually benefit from the next level B2B operating environment which, for example, will enable new levels of improved customer experience and operational efficiency.

We continue to monitor the macro environment closely and how it impacts our customers. From a long-term perspective, we are convinced that there will be continued solid demand for our services based on increased digitalisation and our customers' needs to improve their businesses in different ways including various aspects of sustainability.

End-user service revenue per service, 2023



Revenue



Sweden Business

	2023	2022	Organic %
RGUs (thousands) [1]			
Mobile (excluding IoT)			
– Postpaid	1,055	1,033	2%
ASPU (SEK) [1]			
Mobile (excluding IoT)			
– Postpaid	143	141	2%
Revenue (SEK million)			
Mobile	2,236	2,037	10%
Fixed	759	820	-7%
Solutions	1,135	1,120	1%
End-user service revenue	**4,131**	**3,977**	**4%**
Operator revenue	95	100	
Equipment revenue	1,774	2,016	
Internal sales	4	3	
Revenue	**6,004**	**6,096**	**-2%**

Sweden Wholesale

Financials SEK million	2023	2022	Organic %
Operator revenue	1,096	1,115	
Equipment revenue	1	0	
Internal sales	5	5	
Revenue	**1,103**	**1,121**	**-2%**

[1] Unaudited.

Baltics

Lithuania

2023 in brief

In 2023, Tele2 Lithuania mainly focused on executing on the successful mobile-centric convergence more-for-more strategy, and to accelerate the nationwide 5G network rollout.

Tele2 Lithuania's customer base remained largely unchanged at just over 2 million customers as a slight increase in postpaid customers almost offset the decline in prepaid customers. The overall market environment remained highly competitive during the year with key focus on 5G and B2B.

Mobile ASPU increased by 8% in local currency driven by a combination of price adjustments based on our more-for-more strategy in the consumer segment, continued customer base mix shift towards more postpaid, additional revenues from new products, and price adjustments in the business segment.

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

Underlying EBITDAaL increased by 13 % in local currency driven by end-user service revenue growth, successful cost management and lower energy costs, partly offset by general inflationary pressure.

Capex to sales (excluding spectrum and leases) increased to 8% from 7% in the previous year due to higher network investments.

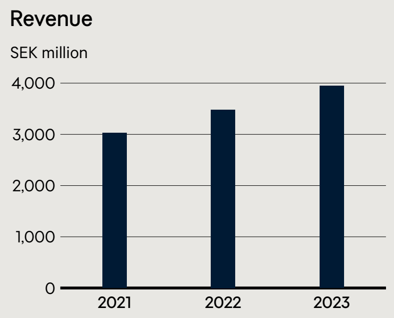
2024

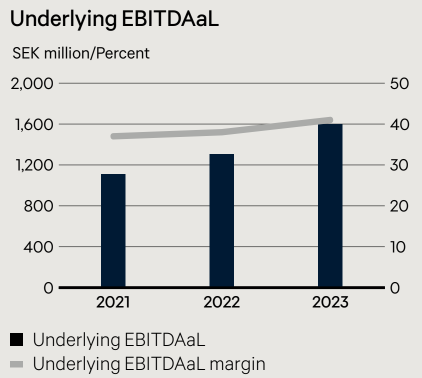
In 2024, Tele2 Lithuania will continue our more-for-more strategy based on insight-driven competences and aims to strengthen its position in a sustainable way.

The rollout of 5G together with radio modernisation remain our key priorities, along with improvements in operational efficiency.

	2023	2022	Organic %
RGUs (thousands) [1]			
Mobile	2,006	2,009	0%
– Postpaid	1,352	1,327	2%
– Prepaid	653	682	-4%
ASPU (EUR) [1]			
Mobile	9.0	8.3	8%
– Postpaid	11.0	10.3	7%
– Prepaid	5.1	4.7	10%
Revenue (SEK million)			
Mobile	2,495	2,102	10%
– Postpaid	2,021	1,693	11%
– Prepaid	473	409	7%
Fixed	13	11	14%
End-user service revenue	**2,508**	**2,113**	**10%**
Operator revenue	176	205	
Equipment revenue	1,179	1,104	
Internal sales	81	61	
Revenue	**3,944**	**3,483**	**5%**
Underlying EBITDA	1,688	1,386	
Underlying EBITDAaL	**1,598**	**1,307**	**13%**
Underlying EBITDAaL margin	41%	38%	
Capex	322	381	
Capex excluding spectrum and leases	**309**	**234**	
Capex to sales (excluding spectrum and leases)	8%	7%	

[1] Unaudited.





Latvia

2023 in brief

In 2023, Tele2 Latvia mainly focused on continued data monetisation, the more-for-more strategy, digitalising key processes and accelerating the 5G network rollout and upgrading the core network.

The competitive environment has been challenging meanwhile consumers and businesses have been impacted by inflationary pressure. However, Tele2 Latvia has managed to increase the overall customer base thanks to a combination of successful new sales and customer retention measures.

Mobile ASPU increased by 9% in local currency driven by our more-for-more strategy and the price adjustments implemented during 2022, as well as a slight customer base mix shift towards more postpaid and higher value products.

End-user service revenue grew by 13% in local currency driven by ASPU growth.

Underlying EBITDAaL increased by 16% in local currency mainly driven by end-user service revenue growth partly offset by general inflationary pressure.

Capex to sales (excluding spectrum and leases) increased to 11% from 9% in the previous year due to higher network investments.

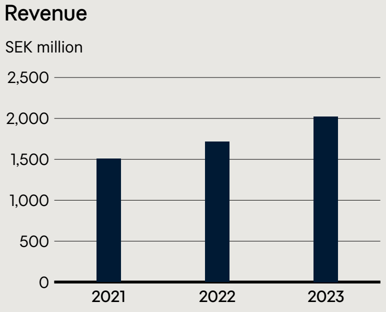
2024

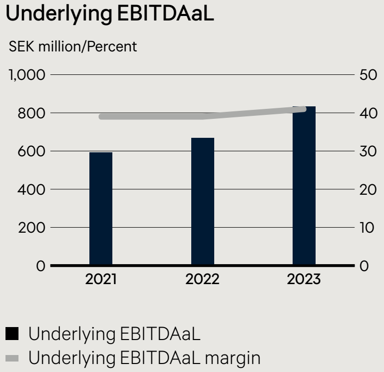
In 2024, Tele2 Latvia aims to continue efforts enhancing our service offerings and exploring various strategies to adapt to market dynamics.

We will also continue our 5G network expansion while seeking to streamline operational processes for greater efficiency.

	2023	2022	Organic %
RGUs (thousands) [1]			
Mobile	1,057	1,015	4%
– Postpaid	821	795	3%
– Prepaid	235	221	7%
ASPU (EUR) [1]			
Mobile	9.7	8.9	9%
– Postpaid	11.3	10.3	10%
– Prepaid	4.0	4.0	1%
Revenue (SEK million)			
Mobile	1,387	1,138	13%
– Postpaid	1,261	1,022	14%
– Prepaid	126	116	1%
Fixed	7	4	54%
End-user service revenue	**1,394**	**1,142**	**13%**
Operator revenue	119	143	
Equipment revenue	469	391	
Internal sales	42	37	
Revenue	**2,024**	**1,713**	**9%**
Underlying EBITDA	892	717	
Underlying EBITDAaL	**834**	**668**	**16%**
Underlying EBITDAaL margin	41%	39%	
Capex	279	224	
Capex excluding spectrum and leases	**218**	**153**	
Capex to sales (excluding spectrum and leases)	11%	9%	

[1] Unaudited.





Estonia

2023 in brief

Tele2 Estonia's mobile postpaid customer base grew slightly as our successful expansion in the consumer segment more than offset a decline in the business segment largely due to a lost public contract. Our overall mobile customer base remained unchanged due to ongoing prepaid to postpaid migration, whereas our fixed customer base continued to grow.

Our position as a price leader in the consumer segment has been instrumental in maintaining growth during this period of macroeconomic uncertainty and high inflation. Performance in the business segment has improved towards the end of the year.

Mobile ASPU grew by 4% in local currency driven by a combination of price adjustments and continued customer base mix shift towards more postpaid.

End-user service revenue grew by 5% in local currency largely driven by both ASPU and volume growth in mobile postpaid.

Underlying EBITDAaL declined by 1% in local currency as higher end-user service revenue was more than offset mostly by higher energy costs, lower contribution from operator revenue and inflationary pressure.

Capex to sales (excluding spectrum and leases) increased to 17% from 15% in the previous year due to higher network investments.

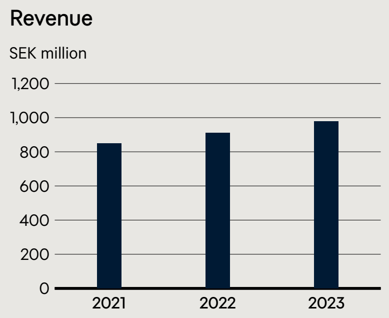
2024

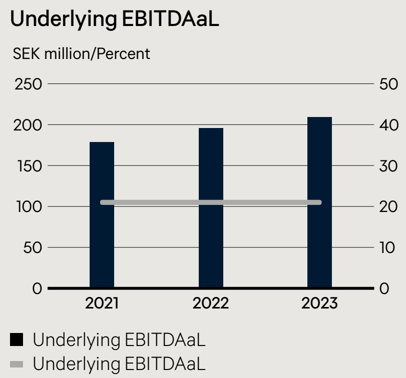
Tele2 Estonia will continue to focus on our more-for-more and FMC strategy supported by a refined go-to-market approach.

The ongoing rollout of 5G to expand network coverage and capacity will continue at high pace also during 2024.

	2023	2022	Organic %
RGUs (thousands) [1]			
Mobile	455	455	0%
– Postpaid	412	404	2%
– Prepaid	44	52	-15%
ASPU (EUR) [1]			
Mobile	10.1	9.7	4%
– Postpaid	10.8	10.5	3%
– Prepaid	4.0	3.9	3%
Revenue (SEK million)			
Mobile	632	554	6%
– Postpaid	606	528	6%
– Prepaid	26	26	-7%
Fixed	64	58	3%
End-user service revenue	**697**	**612**	**5%**
Operator revenue	82	90	-16%
Equipment revenue	185	200	-14%
Internal sales	13	9	29%
Revenue	**977**	**911**	**-1%**
Underlying EBITDA	290	266	
Underlying EBITDAaL	**209**	**196**	**-1%**
Underlying EBITDAaL margin	21%	21%	
Capex	214	200	
Capex excluding spectrum and leases	**169**	**135**	
Capex to sales (excluding spectrum and leases)	17%	15%	

[1] Unaudited.





Employees

Unique People and Culture
At Tele2 we believe that a creative, energetic, and flexible work environment brings out the best in people – everyone contributes to our success. Our open culture of collaboration and inclusion is an important foundation for a strong sense of belonging, psychological safety and wellbeing. We are profoundly purpose driven and take great pride in delivering superior customer experiences by being Reliable, Insight Driven and Collaborative – we call it the Tele2 Way. We trust our people with responsibility and accountability. Engaged colleagues have a stronger performance and are personally motivated to make Tele2 an even better place to work.

As part of Tele2's ambition to become the leading Telco in the Nordic & Baltic region we have defined four strategic enablers, each with clear KPI's and targets that we track on a quarterly basis.

- Further strengthen Tele2's culture to maintain competitive advantage
- Walk the talk leadership that aligns and engages
- Attract, recruit, develop and retain talent with future proof competencies
- Promote a diverse and inclusive workplace to be proud of

Further strengthen Tele2:s culture to maintain competitive advantage
The Tele2 culture has been our competitive advantage for years and enabled us to quickly adapt to the market challenges and customer needs. The challenger spirit is in the DNA of Tele2 and our company and people will always continue developing and moving forward.

This year Tele2 has celebrated its 30-year anniversary and at different occasions we have recognised how Tele2 has evolved over the years, along with society, customers and markets. Our unique culture has been the constant center of what we do – providing superior customer experience, becoming more insight-driven, increasing collaboration and not the least keeping up the Tele2 spirit. During this year, to further strengthen our culture, we have conducted trainings and workshops reaching more than 1,700 employees across the organisation.

Walk the Talk Leadership that aligns and engages
High ambition and resilient strategy execution put our leadership in extra focus. To align and engage our people around the strategy is key for Tele2 leaders, and it's about walking the talk in everyday actions. Being a leader means being an ambassador and role model for Tele2's culture and values, and to continuously inspire, engage and develop teams and individuals.

We continue our efforts to enable, develop and support new leaders by taking them through the My Leadership @ Tele2 program, offering refreshment sessions for existing leaders and providing learning lunches for insights and inspiration. Through our leadership principles, our leaders show direction and lead by example, drive change and execute to deliver results – engaging and developing our brilliant people along the way. This continues to be a successful way forward as leaders at Tele2 again and again are highly appreciated and regarded by our employees – with a manager score at high performing benchmark levels as measured in the engagement survey MyVoice.

Attract, recruit, develop and retain talent with future proof competencies
By having our people at the center and business priorities as consistent guidance we create the best possible prerequisites for Tele2 to become the leading Telco. We continue to challenge ourselves to constantly improve and we set high expectations on ourselves and others – because we want to make an impact and a difference.

We encourage a growth mindset with relevant feedback and performance dialogue between leader and employee, as well as between peers. The approach seeks to ensure that all employees have clear and updated goals, and frequent and meaningful conversations with their leader around aspirations, performance, and drivers for engagement. We believe in growing future-proof competencies and the right organisational capabilities to deliver superior customer experiences. This means learning on the job, participating in relevant training as well as taking on challenging assignments together with supportive coaching and collaboration. Evolving the opportunities to learn, expand skills and acquire new insights help us to stay one step ahead.

During this year we continued to implement our different development programs, such as the Aspiration Program with the purpose to unleash the participants' potential as leaders. Our Executive Trainee program continues to provide a great entry point for young professionals. At Tele2 we will always do our best to make sure our employees are safe, motivated and happy working for Tele2. We believe in a healthy work-life balance and do not measure excellence in the number of hours worked. During the year we have improved our recruitment experience for leaders and candidates, refreshed our Employer Value Proposition and been nominated Career Company by Karriärföretagen.

Diverse and inclusive workplace to be proud of
As part of Tele2's ambition to become a leading Telco in the Nordic & Baltic region is also to be leading in sustainability. To achieve this ambition, we have four prioritised areas, each with clear accountability in the Group Leadership Team, long-terms goals and defined KPIs to measure progress. Diversity & Inclusion is one of these four areas. We want to build an inclusive culture where everyone can bring their full self and unique perspectives to work, and a level playing field where everyone has the same chance to develop and reach their full potential. To continuously drive high awareness, concrete actions and sustainable change, we work with an annual event calendar encompassing a wide range of different D&I activities.

We engage in Pride, Women in Tech, recognise different seasonal celebrations and invite to regular learning lunches on inclusive leadership and unconscious bias training. Tele2's ambition is always to employ the best talent, considering values, experience and competence that match with our ambition and culture. By offering growth opportunities and development through internal paths, we are committed to continue building a company that values diversity in all its forms. We are proud to be ranked as the number one company in Sweden for gender equality by Equileap in 2023. We are also proud to have an inclusion score above high performing benchmark in our employee survey MyVoice.

Guidelines for remuneration to senior executives
The current guidelines for remuneration for senior executives was approved by the Annual General Meeting 2023 and are presented in Note 31. There are no changes to the remuneration guidelines for 2024.

Enterprise risk management

Tele2 works proactively to identify and monitor the most significant risks through an enterprise risk management process, in relation to strategy, financial reporting and operations. The purpose of this process is to minimise surprises, improve decision making in order for Tele2 to achieve its strategic, financial, compliance and operational objectives and actively work to reduce the impact and likelihood of identified risks.

This section describes the Strategic Risk Management process and summarises the most important risk and uncertainty factors. The process related to risk management for financial reporting and other operational risks is elaborated in the Corporate Governance Report in the section related to Internal Controls over Financial Reporting (sub-section 'Risk Assessment').

Strategic risk management

Risks which could threaten Tele2's ability to achieve its strategic objectives are assessed by the Group Leadership Team (GLT). These risks could relate to our strategic initiatives, financial targets or the purpose, but they could also relate to other risks illustrated in the section 'Internal control over financial reporting', considered to have a potential material effect on the group's strategic objectives.

The strategic risk management process begins with identification of risk areas. Each of these risk areas are then assigned to a risk owner who is responsible for breaking down the risk into quantifiable risk scenarios, for which potential impact and likelihood is then assessed. The risk owners are also responsible for identifying actions to mitigate the risks and to monitor and report any development to the GLT.

The strategic risks are also reported and discussed with the Audit Committee and/or the full Board of Directors. A summary of the most important risks and uncertainty factors that are identified by Tele2 and how they are managed is presented below.

The strategic risk management process

The most important strategic risks

RISK	DESCRIPTION	RISK MITIGATION
Risks related to spectrum auctions	The winning of spectrum auctions is vital in order for Tele2 to conduct a substantial part of the business. A failure to obtain a spectrum license at a reasonable price, award of such license to one of Tele2's competitors and the burden of compliance to license requirements could result in Tele2 not being able to upgrade, maintain and expand its network.	Tele2 has put in place processes to ensure compliance with license requirements to increase chances of renewal and extension of existing licenses or obtaining new licenses. Tele2 also works in close contact with regulators and industry associations to become aware of upcoming license distributions or redistributions. However, the outcome of such distributions is coupled with uncertainty.
Risks related to regulations	Tele2's ability to effectively respond to introduction of and changes in legislation, regulations and decisions from authorities for telecommunication services can have a considerable effect on Tele2's business operations, cost control and the competitive situation in the operating markets (e.g. less flexibility in setting tariff structures for interconnection and roaming services, relaxation of regulation for access to incumbents' copper and fiber networks, potential regulation of cable services to multi-dwelling units, or the deregulation of open access to single dwelling units in Sweden, net neutrality, consumer protection legislation and security-related regulations and provisions adding administrative burdens, limiting our choices of network and system design and/or limiting our choice of partners and vendors).	Tele2 closely monitors developments in the regulatory area in order to meet changes proactively. Tele2 also works actively with these types of topics and engages in ongoing dialogue with the relevant authorities and interest groups in order to achieve fair and balanced conditions for Tele2 to operate and develop in the markets, including promoting sufficient regulation which supports fair competition.

RISK	DESCRIPTION	RISK MITIGATION
Risks related to conducting business in a highly competitive environment and changing technology	Increase in competitors' activity, new entrants, lower prices and new customer offerings, new technology and market dependency could lead to adjustments in the business model, changes in the company's business and pricing strategy, development of new market segments (e.g. IoT) or new forms of connectivity (e.g. VoIP, embedded SIM, 5G, fiber replacing cable), changed customer behavior (due to revenue migration from voice to data, shift from traditional broadcast linear TV to pay TV and OTT – over the top offerings, loss of content rights for linear TV), decrease in customer growth rates and loss of market share and competitive position.	Tele2's senior executives closely monitor technological advances and competitive market changes to adapt the company's strategies to be able to benefit from their possibilities and safeguard against potential threats.
Risks related to strategy implementation and integration	Successful implementation of strategic initiatives, such as acquisitions (including integration), divestments and customer offerings (such as fixed mobile convergence offerings) are dependent upon Tele2's ability to transform the organisation, financial and management information control systems and processes that are capable to foresee if the development of such offerings meets customer needs. Should Tele2 be unable to execute the business strategy and successfully implement strategic initiatives, it could impact the Group's business, financial condition and result of operations. Also, the efficient integration of acquisitions as well as the positive development of the acquired operations, are expected to enhance Tele2's results of operations both in the long and short term, but there is a risk that this does not occur.	To ensure successful execution of the strategy, Tele2 is continuously developing the financial and management information control systems, executing strong integration programs and attracting and retaining qualified management and personnel.
Risks related to network quality towards customers	The mobile and fixed networks are important assets and a pre-requisite to be able to deliver a qualitative and profitable service. Any incident or disruption as well as delays in roll-out and upgrades could have serious consequences.	Tele2 manages this risk by ensuring changes and upgrades are made in a controlled manner, ensuring redundancy of systems and networks, ensuring back-up of data and performing restoration testing, and by closely monitoring systems and network performance and incidents on a 24/7 basis.
Risks related to network and IT integrity and personal data security	The Group's operations manage significant network and data volumes and therefore aims to ensure network integrity, data security and protect customers' personal data. Tele2 needs to protect assets such as personnel, customers, information, IT infrastructure, internal and public networks as well as office buildings and technical facilities. Along with increased digitalisation, cyber-attacks are increasing and becoming more advanced and could, if not properly mitigated, lead to major disruptions on customer services and on internal IT infrastructure. Also, as per the Data Protection Regulation, breaches of customer's personal information could potentially result in major fines and significant reputational damage.	Tele2 has high focus on network and IT security and is also working actively to comply with regulatory requirements through; strengthening of systems and processes, updating security systems and softwares to prevent intrusions and attacks, performance of frequent penetration testing, and ensuring solid processes for incident management and escalation in order to ensure that Tele2 customer's personal data is secured and protected.
Risks in relation to external relationships	Tele2 conducts certain activities through joint operations in which Tele2 does not have and will not have a controlling interest. Such companies include Svenska UMTS-nät AB together with Telia Company and Net4Mobility Handelsbolag together with Telenor. Also, Tele2 is dependent on handset manufacturers such as Apple and Samsung for attracting customers, and equipment and network suppliers such as Ericsson and Nokia for rolling out networks. Also, Tele2 depends on agreements with other network operators to provide services in major parts of the Tele2 network. Any of these third party relationships impose risks, be it in the form of delays in roll-out, limitations for customised development, supplier dependency and lack of alternative suppliers, longer supply chain lead times, limitations on operating profitability or legal proceedings.	Tele2 continuously evaluates existing agreements and manages co-operations with partners through continuous dialogue or through legal options, if necessary. Also, Tele2 continuously manages and assesses the risks associated with the supply chain in order to maintain a competitive and well-functioning infrastructure.

RISK	DESCRIPTION	RISK MITIGATION
Risk related to customer churn	Customer churn may increase due to Tele2's inability to deliver satisfactory services over the Tele2 network, unsatisfactory customer service, customers' reduced willingness to pay for converged offerings and Tele2's inability to respond to competitors' product and pricing activities. Also, landlords' termination of contracts or refusal to renew existing contracts or loss of a large B2B customer could contribute to increased customer churn. These risks could lead to increased costs and reduced revenue and could have a material adverse effect on Tele2's business, financial condition and results of operations.	Tele2 continuously works to improve the customer experience and increase customer satisfaction, which will continue to be the company's focus in future years.
Risks related to the ability to recruit and retain skilled personnel	To remain competitive and implement the strategy, and to adapt to changing technologies, Tele2 will need to recruit, retain and, where necessary, retrain highly skilled employees with the relevant expertise. The loss of key individuals or other employees who have specific knowledge of, or relationships with, customers in the markets in which Tele2 operates could have a material adverse effect on Tele2's business, financial condition and results of operations.	Tele2 has recruited a number of skilled employees and works continuously to provide incentives for them to retain and contribute to the continued development of the company.
Financial risks	Through the operations, the Tele2 Group is exposed to various financial risks such as currency risks, interest rate risks, liquidity risks, credit risks, risks related to tax matters and impairment of assets. The current macroeconomic climate has led to some of these risks being realised in the last years, with increasing inflation leading to cost increases and higher interest rates.	Financial risk management is mainly centralised to the Finance function (responsible for treasury, tax matters and impairment recognition). The aim is to control and minimise Tele2's financial risks as well as financial costs, and optimise the relation between risk and cost. Further information on financial risk management can be found in Note 2.
Risks related to climate change	The transition to a low carbon economy is associated with transitional risk, e.g. policy, liability or technology risks, that may all incur additional costs. Climate change is increasingly driving regulation and taxation related to reduction of greenhouse gas emissions and the use of fossil fuels. Increasing scarcity of natural resources, particularly rare minerals used in network and consumer technology hardware, may lead to increased hardware costs. Increasing energy costs, Greenhouse Gas (GHG) emissions taxation and price increases caused by natural resource scarcity may incur additional costs.	Tele2 has transitioned to renewable electricity and has certified the Environmental Management System according to ISO 14001:2015. Tele2 is also working to reduce emissions of Greenhouse gases (GHG) as quickly as possible to reduce transitional risk, gradually transition to renewable energy when feasible and make Tele2's networks more energy efficient by taking a leading position in the AI4Green research project. Tele2 also continues efforts to reduce e-waste and follow-up to ensure compliance with relevant environmental laws and regulations.
Risk related to unstable geopolitical conditions	Since Tele2 operates in a global environment, it is and will be affected by the general economic environment, political uncertainties, local business risks as well as laws, rules and regulations in individual countries, thereby affecting demand for the company's services.	Tele2 is closely monitoring the development on world events and is kept informed by local management, government officials and independent sources.
Risks related to corruption and unethical business practices	Throughout the operations of Tele2, there are risks of corruption, especially in areas linked to market regulation, price setting, supply chain and third-party management and customer service. Actual or perceived corruption or unethical business practices may damage the perception of Tele2 and result in financial penalties and debarment from procurement and institutional investment processes. Fraud may significantly impact financial results.	Tele2's anti-corruption policy establishes the principles applied by Tele2 to prevent corruption within the business. All employees and business partners have been informed of the company's code of conduct and efforts to combat corruption and reduce the risk of unintentional mistakes. Tele2's guidelines for gifts, entertainment and hospitality, which are included in the anti-corruption policy have also been communicated throughout the organisation, provide detailed information on how everyone at Tele2 should act in terms of external hospitality, as well as the rules governing giving and receiving gifts or other benefits. Fraud risks are monitored and managed through the internal security department.
Risks related to pandemics	Pandemics have the capability of affecting the global economic, social, and political landscape. The consequences of such global events (for example the COVID-19 pandemic) can cause disruption to Tele2's employees, suppliers and customers. Should Tele2 be unable to adapt and manage the impact of such pandemics, it could have a material adverse effect on the business, financial condition and results of operations.	Tele2 is constantly monitoring operations to ensure continuity of Tele2 services to customers and the society. There is an adaptive crisis management plan in place and capable of implementing mitigation actions. Tele2 also remains in close contact with local health authorities and governmental agencies to react and adapt to any developments and minimise any risks to Tele2's employees, customers, and suppliers.

Corporate governance report

Introduction

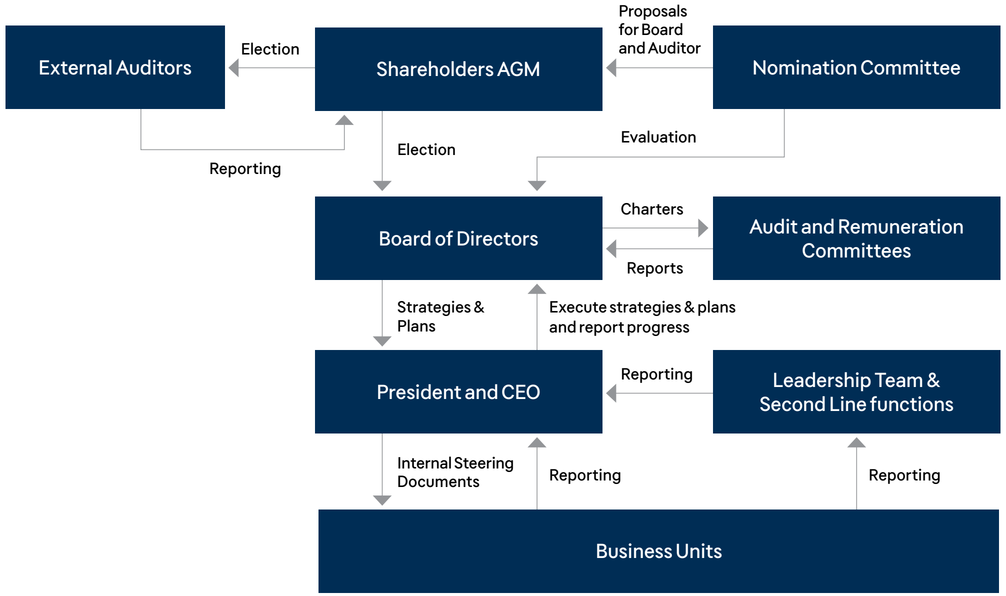
The Corporate Governance Report is prepared in accordance with the Swedish Annual Accounts Act and the provisions of the Swedish Corporate Governance Code. Listing information is described in the Shareholder information section of the Board of Directors' report. Corporate Governance Reports prior to 2019 and other corporate governance documents (which were published separately from the Annual Report) are available on the corporate website, www.tele2.com.

The Code is based on the principle of comply or explain, which means that companies can deviate from single rules in the Code, provided that they offer an explanation for the deviation. Tele2 has not deviated from the Code during 2023.

Overview of corporate governance at Tele2

Sound corporate governance at Tele2 means the establishment of an appropriate framework for decision making, assignment of responsibility and the implementation of transparent reporting that supports the understanding and monitoring of the development of the company. Tele2's overall corporate governance framework can be visualised as below:

Tele2's governance structure



External Steering Documents, such as

- Swedish Companies Act
- The Annual Accounts Act
- The Swedish Code of Corporate Governance
- Rule Book for Issuers Nasdaq Stockholm
- Industry regulations, etc.

General Meetings and Nomination Committee

Annual General Meeting

The 2023 Annual General Meeting ("AGM") was held on May 15 2023. At the meeting, 1,133 shareholders were in attendance, personally or by proxy, representing 59 percent of the votes. Tele2's Annual General Meeting was carried out both through advance voting (postal voting) as well as in person at Tele2's head office in Kista. David Andersson, an external lawyer was elected Chairman of the meeting.

The following significant resolutions were adopted by the AGM:

- Approval of the Annual and Sustainability Report for 2022 and resolution on ordinary dividend of SEK 6.80 per share in two separate payments of 3.40 SEK per share. The record date for the first dividend was decided as May 17, 2023 and the second as October 10, 2023. The dividend was paid out to the shareholders on May 23, 2023 and October 13, 2023 respectively;
- Discharge the directors of the Board and the CEO from liability for the financial year 2022;
- Approval of remuneration to the Board and auditor and procedures for the Nomination Committee;
- Re-election of Andrew Barron, Georgi Ganev, Eva Lindqvist, Lars-Åke Norling, Stina Bergfors and Sam Kini as directors of the Board and election of Andrew Barron as Chairman of the Board;
- Re-election of Deloitte as auditor until close of the 2024 AGM with Didrik Roos as the auditor-in-charge; and
- Approval of guidelines for the remuneration to senior executives as well as the principles and scope for Tele2's long term share related incentive program 2023.
- The Board of Directors were authorised by the Annual General Meeting 2023 to (i) resolve to issue up to 700,000 Class C shares, (ii) resolve to repurchase own Class C shares, (iii) resolve to sell own Class B shares and (iv) resolve to repurchase up to 10% of the company's own shares. The authorisations are valid to the next Annual General Meeting. The detailed conditions for the authorisations are set out in the minutes from the AGM.

The minutes of the AGM are available on Tele2's corporate website, www.tele2.com.

Nomination Committee for the 2023 AGM

For the 2023 AGM, the Nomination Committee, consisted of; Anna Stenberg appointed by Kinnevik AB; Viktor Kockberg appointed by Nordea Funds and Frank Larsson appointed by Handelsbanken Funds. The Committee held a number of meetings during 2023 in person and by phone, with additional contact over email and interviews with Board members between meetings.

The Committee's work has primarily focused on the long-term development of the overall Board composition and succession planning, with the overall aim to provide stability with particular consideration to the proposed change of the Chairman of the Board. In its assessment of the degree to which the proposed Board met the requirement placed on it, the Nomination Committee reviewed the Board members' ability to devote the necessary time and commitment required, as well as the balance and diversity of contributions of experiences and competences from different areas and geographic regions of the broader digital communications industry.

The Committee also had the benefit of an internal performance review of the Board and its individual members, presented to the Committee by the Chairman of the Board. In its work, the Nomination Committee applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gave particular consideration to the importance of diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Committee believed the composition of the Board to be fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

The Committee submitted proposals to the 2023 AGM for the election of the Board and auditor, and their remuneration, Chairman of the AGM and the procedure for the Nomination Committee.

No compensation has been paid by Tele2 to any member of the Nomination Committee for their work.

Nomination Committee for the 2024 AGM

In accordance with the procedures for the Nomination Committee as decided by, and in force since the 2018 AGM, Anna Stenberg, as representative for Kinnevik AB, has convened a Nomination Committee consisting of members appointed by the largest shareholders in terms of voting interest in Tele2 AB who wished to appoint a committee member. The members of the Nomination Committee for the 2024 AGM are shown in the table below.

Name	Representing	Share of votes (Feb 2024)
Anna Stenberg (Chairman)	Kinnevik AB	32.6%
Thomas Reynauld	Freya Investissment	3.5%
Viktor Kockberg	Nordea Funds	1.4%
Frank Larsson	Handelsbanken Fonder	1.7%

The Board

According to Tele2's Articles of Association, the Board shall consist of at least five and a maximum of nine members, to be elected by the AGM. The Articles of Association of Tele2 are available on the corporate website, www.tele2.com.

At the 2023 AGM, Tele2's shareholders re-elected Andrew Barron, Georgi Ganev, Eva Lindqvist, Lars-Åke Norling, Stina Bergfors and Sam Kini as directors of the Board. Furthermore, Andrew Barron was elected as Chairman of the Board.

The President and CEO, CFO and Head of Legal/Company Secretary also attend the Board meetings except for when their own work is being evaluated. Other employees participate in the Board meetings to discuss specific matters, or as required by the Board.

Independence of the Board

The Board's assessment regarding each member's position of independence in relation to the company, its shareholders and the management is mentioned in the Board member profiles in the Board of directors section. None of the Board members are part of the senior management of the company, nor are they union representatives. Three of the total six Board members as at end of 2023 were women.

Tele2 meets the Code's requirement that the majority of the members be independent in relation to the company and its executive management. Five of the total six Board members as at the end of 2023 are independent of the company, its executive management and, additionally, its major shareholders.

The Board's responsibility and work procedures

The Board's work procedures are established every year and govern the organisation of the Board's duties and its meetings, as well as written instructions for the Board's work and evaluation of its performance. Furthermore, the Board has issued "Instructions to the Managing Director" to the President and CEO regarding his responsibilities towards the Board, and to establish his authority to execute the company's management, including any limitations thereto.

The Board:

- Oversees Tele2's overall long-term strategies and goals,
- Approves budgets, business plans, financial reports, investment and personnel proposals,
- Makes decisions regarding acquisitions and disposal of business interests,
- Monitors the CEO's work and the company's performance, and
- Evaluates the quality of the company's internal control functions, risk management and financial reports, and communicates with the company's auditors directly and through regular reports from the Audit Committee and the company's CFO.

The Board's work in 2023

During the 2023 financial year, the Board has met thirteen (13) times through a combination of video meetings and in person, and per capsulam meetings.

Below is a summary of the main topics handled by the Board during 2023:

- Review and approval of financial reports,
- Review and follow-up of internal controls, risk management and corporate governance,
- Treasury matters,
- Corporate responsibility matters, including data privacy, corruption risks and ethical business practices,
- Human resources matters, including talent management, succession planning and remuneration guidelines,
- Strategy review, including review of growth opportunities, product portfolio, business model challenges and marketing strategies,
- Oversight and evaluation of Tele2's environmental and social activities and governance practices (ESG), related risks and target setting as well as their implementation and effectiveness in the company,
- Oversight of security risks and their management, including cyber security,
- Review of the budget for 2024,
- Evaluation of the Board,
- Auditors' reports.

Attendance of Board members

Name	Board meetings	Audit Committee	Remuneration Committee
Number of meetings, including video and per capsulam meetings	13	7	7
Carla Smits-Nusteling*	5	4	-
Georgi Ganev	13	-	-
Lars-Åke Norling	13	6	7
Andrew Barron**	12	-	5
Eva Lindqvist	13	7	-
Stina Bergfors	13	-	7
Sam Kini	12	7	-

*Board member until AGM 2023

**Committee member until AGM 2023

The Board members are all compensated for their Board work in accordance with the resolution passed at the AGM. Details of compensation are shown in Note 31. In addition, Board members are reimbursed traveling expenses for Board work, according to submitted receipts. There is no outstanding share or share price related incentive program for the Board.

Annual Evaluation of the Board

The Chairman of the Board ensures that an annual self-assessment of the Board's work is performed, where the Board members are given the opportunity to share their views on working methods, Board material, their own and other Board members' work, as well as the scope of their assignment. The assessment was performed in 2023.

The Board also receives reports from the Audit and Remuneration Committees and evaluates their work. The evaluation is presented to the Nomination Committee.

An assessment of the Audit Committee is also done annually to ensure fulfilment of the Committee's written charter. Input is collected from the Committee members themselves, selected members of Tele2 management and the external auditor.

Committees and auditor

In order to carry out its work more effectively, the Board has appointed members for a Remuneration Committee and an Audit Committee with special tasks. These Committees are the Board's preparatory bodies and do not reduce the Board's overall and joint responsibility for the handling of the company and the decisions made.

Furthermore, where needed, the Board appoints members to form preparatory working groups on topics of special interest, such as a capital structure committee working with questions on shareholder remuneration and capital structure.

Audit Committee

The Audit Committee has the primary task of assisting the Board in its supervision and review of the internal and external audit processes, and reviewing and ensuring the quality of the company's external financial reporting. Furthermore, the Audit Committee supervises the internal control functions of the company.

When performing its work, the Audit Committee is guided by a written charter and instructions that the Board has determined, as well as the provisions contained in the Code. The Board has delegated the following decision making powers to the Audit Committee:

- The right to establish procedures for accounting, internal control and auditing,
- The right to determine the procedure for receiving and managing complaints received by the company with regard to accounting, internal control or audit issues.

At the statutory Board Meeting following the 2023 AGM, the Board re-appointed Eva Lindqvist as the Chairman of the Audit Committee, and Lars-Åke Norling and Sam Kini as ordinary members. Tele2 meets the independence requirements of the Code vis-à-vis the Audit Committee, also mentioned in the Board member profiles in the Board of directors section.

The Audit Committee usually meets in connection with Board meetings or in order to review, assess and approve the release of the group's external financial results. The Audit Committee has met seven (7) times in 2023 – one (1) time per capsulam and six (6) times through a combination of video and in person (in Stockholm) participation. The President and CEO and the CFO together with the Head of Legal, Head of Internal Audit, Head of Financial Reporting and Operations, Head of Investor Relations and the company's external auditors were also present at the meetings, as required. Other management representing IT and Network, Sustainability and Security were also present in part or some of the meetings.

In 2023, the primary matters dealt with by the Audit Committee were the approval of financial reports, capital structure, crisis management, tax, reports from the external auditor, follow-up of internal audits and risk assessments, corporate responsibility, compliance, the process of electing new external auditors and information regarding significant financial and control projects. The Audit Committee, through its Chairman, also meets with the external auditor independently to exchange views regarding the company's accounting and control environment. The results of the Audit Committee's work in the form of observations, recommendations and proposed decisions and measures are reported regularly to the Board of Directors.

Remuneration Committee

The Remuneration Committee's main work includes presenting recommendations to the Board regarding remuneration and terms of employment for executive management. These recommendations and guidelines regarding remuneration for executive management are also submitted to the President and CEO. The recommendations, including recommendations for long-term incentive programs, are submitted by the Board to the AGM for adoption.

Following their adoption at the AGM, the Board applies the remuneration guidelines.

When performing its work, the Remuneration Committee is guided by a written charter and instructions that the Board has determined.

The Board appoints the members and the Chairman of the Remuneration Committee. At the statutory Board meeting following the 2023 AGM, Lars-Åke Norling was appointed Chairman of the Remuneration Committee and Stina Bergfors was appointed member of the Committee.

During 2023, the Remuneration Committee held seven (7) meetings.

Refer to Note 31 for information regarding remuneration to senior executives.

Auditor

At the AGM 2023, the audit firm Deloitte AB, Sweden, was elected as external auditor until the AGM 2024 in compliance with the proposal from the Nomination Committee. Didrik Roos is the auditor in charge. He is an authorised public accountant and partner at Deloitte. In addition to his assignment at Tele2, he is amongst others, in charge of the audits of Boozt, H&M and Axfood.

During 2023, Deloitte performed a sustainability assurance assignment for Tele2 besides the ordinary audit assignments. These audit related services have been approved by the Audit Committee.

Refer to Note 32 for information regarding fee to the auditors.

Internal control over financial reporting

The internal controls over Tele2's financial reporting aims to provide reasonable assurance of the reliability of internal and external financial reporting, and to ensure that external financial reporting is prepared in accordance with legislation, applicable accounting standards and other requirements for listed companies.

Tele2's system for internal controls and risk management is based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission, also referred to as "the COSO model". This section reproduces the key elements of Tele2's application of this model and how it assists the Board and the Leadership Team in providing assurance over the financial reporting as well as operational, compliance and strategic objectives.

Control environment

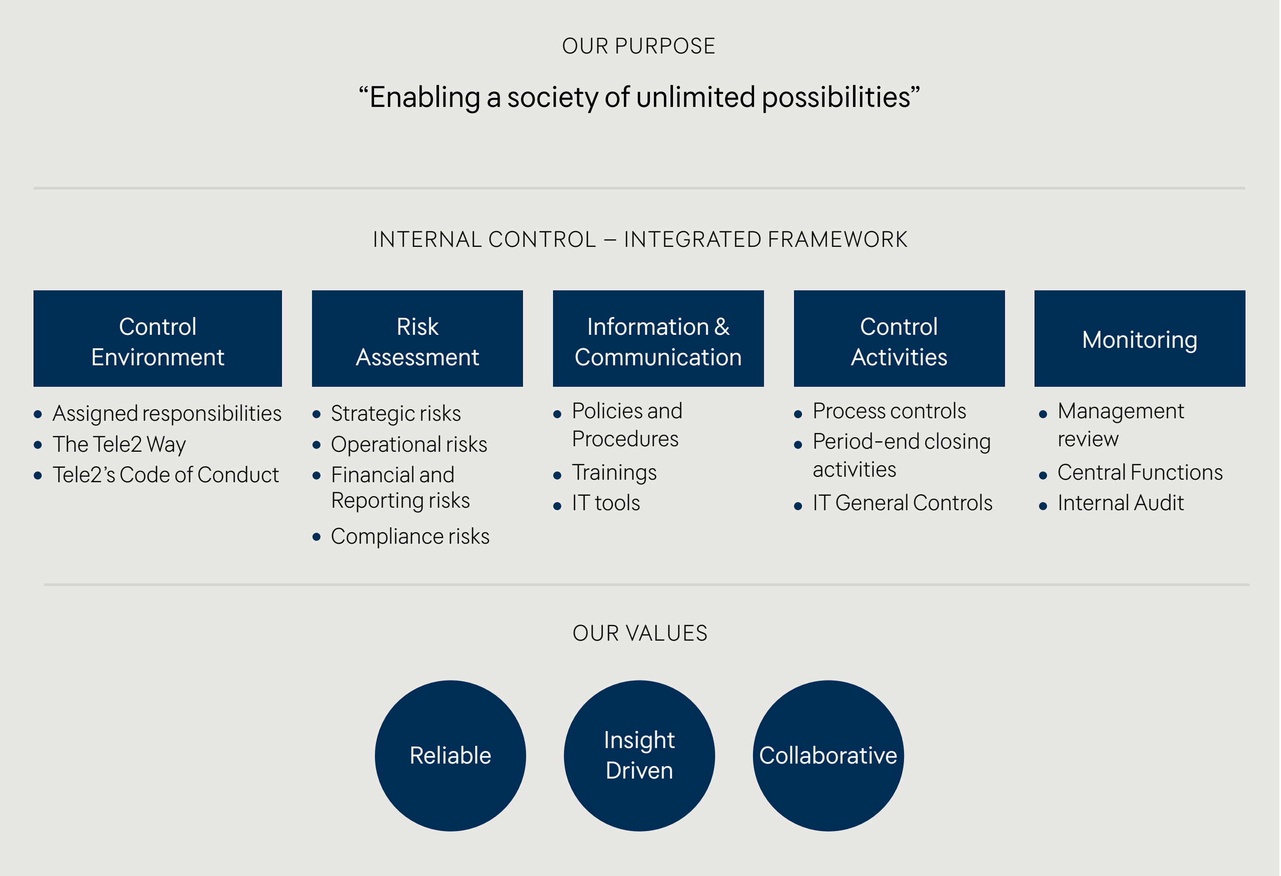
The Board of Directors bears overall responsibility for internal controls related to financial reporting. As a result, the Board has established a written work plan, "Work and delegation procedures for the Board of Directors of Tele2 AB", that clarifies its responsibilities and regulates the Board's and its committees' internal distribution of work. Furthermore, the Board has appointed an Audit Committee with a written charter, the primary task of which is to ensure that established principles for financial reporting and internal controls are adhered to and that appropriate relations are maintained with the company's auditors. Results of internal and external audits, which are reported to the Audit Committee, as well as management's reporting on risks and incidents forms the basis for the Board's evaluation of the internal controls over financial reporting.

Responsibilities for maintaining Internal Control over Financial Reporting

The responsibility for maintaining an effective control environment and ongoing work on internal controls has been assigned to the President and Group CEO and documented in the "Instructions to the Managing Director of Tele2 AB". The President and Group CEO has, in turn, allocated responsibility for maintaining internal controls to the Tele2 Group Leadership team.

Control environment, Tele2 values and the Tele2 Code of Conduct

The overall control environment in Tele2 (including that over its financial reporting) is much influenced by our common values which are reflected in all parts of our business, from trainings for new employees to developing corporate strategy. There are also control activities in place to ensure that the values are, not only known by employees and managers, but also that we act in accordance with them, i.e. that we "walk the talk". All employees are evaluated against these common values and managers are required to conduct training on "The Tele2 Way" in order to discuss and gain greater insight into the company's values and practices. Another key aspect of the overall control environment is the Executive Management's



enforcement of the Tele2 Code of Conduct and, as part of this, the four-eyes principle, which means that important decisions and contracts signed on behalf of Tele2 should always be made by at least two persons. The Code of Conduct is signed by all employees upon joining Tele2 and then reconfirmed annually. All employees are accountable for compliance with the code of conduct. When entering into a contractual arrangement with Tele2, suppliers and other business partners also need to give their assurance regarding compliance with Tele2's standards by signing Tele2's Business Partner Code of Conduct.

Also, our whistleblower process ensures that anyone working for or with Tele2 can report any wrongdoing. It also provides protection to any individual making a report of potential misconduct. We have implemented low-threshold possibilities for reporting any wrongdoing related to Tele2. Reporting can be done either anonymously, confidentially or openly and through different methods. Members of the Group Leadership Team and the Board (including the Audit Committee) are informed ad-hoc of ongoing or concluded investigations.

The Code of Conduct and detailed information on the whistleblower process is available on the company's intranet and on Tele2's corporate website www.tele2.com.

Risk assessment

Tele2's operational risk management is integrated into the financial reporting and operational processes to ensure accountability, effectiveness, efficiency, business continuity and compliance with corporate governance, legal and other requirements. The line managers are inherently responsible for the risk identification and risk mitigation related to their respective market or corporate area for financial reporting and other operational processes. On top of this, Internal Audit performs a risk assessment which forms the basis for the annual internal audit plan. This risk assessment considers the fact that there is risk both from how we operate and from where we operate, as illustrated in the Tele2 Company risks.

Other inputs to this risk assessment and the internal audit plan include a financial impact assessment, time since and results of prior audits, known incidents and reporting issues, external risk benchmarks and the strategic risk assessment referred to in section "Enterprise risk management". The internal audit plan is reviewed and approved by the Board through the Audit Committee.

Information and communication

Corporate policies and procedures are available for employees on the company's intranet or directly through the relevant central function. Manuals and guidelines of significance to financial reporting are regularly updated and continuously communicated to the employees concerned. Monthly closings follow a pre-defined process and are preceded by monthly meetings with all senior finance managers. Feedback is also provided to the reporting subsidiaries regarding their financial reporting processes. The company management reports regularly to the Audit Committee and the Board according to established procedures.

Controls such as IT and access security, change management and monitoring of systems performance for IT systems supporting the financial reporting are of high importance for the internal controls over financial reporting. Requirements related to these areas are described in policies and standards and further reinforced through continous training. Compliance to these requirements are followed up on a continuous basis.

Control activities

For Sweden, the President and CEO with his Group Leadership Team bear the responsibility for the implementation of control activities in compliance with central policies and governance documents, as well as for managing any further risks that they may identify.

The finance organisation led by the Group CFO has the specific responsibilities for ensuring correct and timely financial reporting through functions such as Financial Reporting and Operations, Business Control, Investor Relations and Treasury. This includes controls in the financial reporting processes as well as controls in other processes which could be expected to impact financial reporting. These controls comprise a mix of detailed controls at transaction level and analyses based on aggregated data.

For the Baltics, similar responsibility lies with the country CEOs and their line managements.

In conjunction with monthly consolidation and reporting to management, Financial Reporting and Operations also performs a review of the figures reported.

Other departments that are vital to maintaining a sound control environment are for example Corporate Affairs (consisting of Legal and Regulatory, Security, M&A), Procurement, Communications & Sustainability and People & Change (HR). Each of these departments are also responsible for maintaining internal control for the whole Tele2 Group by issuing group wide policies (including the group wide Code of Conduct), procedures, financial manuals etc. and following up on related issues.

The Audit Committee reviews every interim and annual report prior to publication. The company's financial reporting procedures are also evaluated regularly.

Monitoring

Monitoring means ensuring that the control activities described and referred to in the previous section are appropriate and performed as intended. This follow-up is performed at various levels within the company.

Follow-up within the Swedish operations

The President and CEO with his Group Leadership team are responsible for follow up on controls and compliance with the company's policies and governance documents. Where needed, this is performed through reviews with the help of experts in the respective areas. For example, the Security organisation identifies risk of fraud and the Procurement department together with the Legal department follows up on the application of Tele2's Code of Conduct for business partners, and the controlling functions led by the Group CFO clarify and follow up on matters related to financial reporting.

Follow-up within the Baltics

The line managers in the markets follow up on controls in their respective areas with the help of their own staff.

In addition, compliance with the company's policies and governance documents are followed up by the functions based out of Sweden such as legal, security and finance (including financial reporting, clarification and adherence to the financial manual through regular interactions between finance teams of countries and the Financial Reporting and Operations team). In addition, there is the Baltics Supervisory Board Meeting with all local CEOs and CFOs, as well as Group CEO, Group CFO, EVP Corporate Affairs and EVP CTIO.

Follow-up assisted by Internal Audit

Independently of line responsibilities and without any limitation by area of responsibility, Internal Audit follows up compliance with Tele2's rules and control activities through the performance of internal audits and other activities. The internal audits naturally also take into account the risk of errors in the financial reporting and are intended to ensure compliance with policies, procedures and accounting standards, particularly when reviewing the account closing process. Significant risks and issues noted by Internal Audit are communicated to both the Audit Committee and to the relevant corporate functions for the purpose of not only correcting errors, but also enhancing or clarifying policies and other governance documents, and thereby reducing the risk of future errors.

Board of directors

Andrew Barron

Chairman of the Board, elected in 2023
Board member since 2018

Born: 1965 | **Nationality:** British citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: 7,035 B shares

Committee work: –

Other current assignments: Board member of Verisure, Openreach, Astound Broadband and Delta Fiber

Previous assignments: Chairman of the Board of Com Hem Holding, Board member of Arris International plc, Board director of Ocean Outdoor, COO of Virgin Media inc. and MTG, CEO of Chellomedia, Executive Vice President of Walt Disney Europe and management consultant at McKinsey & Co

Education: Bachelor's Degree Cambridge University, MBA Stanford University

Stina Bergfors

Board member, elected in 2021

Born: 1972 | **Nationality**: Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: Does not hold any shares or rights

Committee work: Member of the Remuneration Committee

Other current assignments: Board member of H&M and Handelsbanken. Involvement in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences IVA

Previous assignments: Co-founder and CEO of United Screens, country director for Google and Youtube in Sweden, CEO of Carat Media Agency

Education: B.Sc. in Business and Economics and an honorary doctorate from Luleå University of Technology

Georgi Ganev

Board member, elected in 2016

Born: 1976 | **Nationality:** Swedish citizen

Independence: Independent in relation to the company and management but not independent in relation to the company's major shareholders

Holdings in Tele2: 1,030 B shares

Committee work: –

Other current assignments: CEO of Kinnevik, Board member of Global Fashion Group and of Aira Group

Previous assignments: CEO of Dustin Group and Bredbandsbolaget, CMO at Telenor Sweden

Education: M.Sc. in Information Technology from Uppsala University

Sam Kini

Board member, elected in 2021

Born: 1974 | **Nationality:** British citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: Does not hold any shares or rights

Committee work: Member of the Audit Committee

Other current assignments: Group CIO at Unilever

Previous assignments: Chief Data and Information Officer of easyJet Group, 20 years in IT-focused executive roles at Telenet Group, Virgin Media and Liberty Global

Education: BA in Administrative Management from the University of Lincoln

Eva Lindqvist

Board member, elected in 2018

Born: 1958 | **Nationality:** Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: 2,891 B shares

Committee work: Chairman of the Audit Committee

Other current assignments: Board member of CLS Holding plc, Nordlo, Excillum, Keller Group plc and Nominet Ltd. Elected Member of the Royal Swedish Academy of Engineering Sciences

Previous assignments: Board member of Bodycote plc, Sweco, ACAST, Chip First, Tarsier Studios, Mr Green & Co, Kährs Holding, Com Hem Holding, Assa Abloy, Alimak Group and Caverion Oy. Senior Vice President of TeliaSonera's mobile operations, CEO of TeliaSonera International Carrier and senior positions at Ericsson

Education: M.Sc. Engineering Physics, MBA

Lars-Åke Norling

Board member, elected in 2018

Born: 1968 | **Nationality:** Swedish citizen

Independence: Independent in relation to the company and management as well as in relation to the company's major shareholders

Holdings in Tele2: 3,000 B shares

Committee work: Chairman of the Remuneration Committee and Member of the Audit Committee

Other current assignments: CEO of Nordnet

Previous assignments: Investment Director at Kinnevik with responsibility for the TMT sector, Board director of Millicom, CEO of Dtac and Digi, Executive Vice President of Developed Asia at Telenor, CEO of Telenor Sweden, CTO/COO of Bredbandsbolaget

Education: M.Sc. in Engineering Physics from Uppsala University, M.Sc. in Systems Engineering from Case Western Reserve University, MBA from University of Gothenburg

Leadership team

Kjell Johnsen

President and CEO

Joined the company in 2020

Born:1968

Kjell has broad international experience from senior management and board positions in different industries and countries, including Group COO of VEON, CEO Beeline Russia, Chairman of WindTre Italy and EVP Head of Telenor Europe. Prior to joining the telecom industry, Kjell worked internationally with Norsk Hydro and Scandsea International.

Education: Executive MBA, Strategic Management, from Norwegian School of Economics and Business Administration in cooperation with HEC, France. International Management from Norwegian School of Management. During his military service, Kjell studied Russian at the military academy FSES in Oslo.

Holdings in Tele2[1)]: 181,102 B shares

200,000 share rights (LTI 2021)

200,000 share rights (LTI 2022)

200,000 share rights (LTI 2023)

Charlotte Hansson

Executive Vice President, Group CFO

Joined the company in 2022

Born: 1969

Charlotte was previously CFO at Systembolaget. Prior to that, she was Group CFO at the Nasdaq listed global PR software and service company Cision, Group CFO of the Swedish facility management company Addici and also has a background within MTG. Charlotte is currently a member of the board for Orexo, a Nasdaq Mid Cap listed med-tech company.

Education: Master of Science in Business and Administration from School of Business, Economics and Law at the University of Gothenburg, Sweden.

Holdings in Tele2[1)]: 22,500 B shares

60,000 share rights (LTI 2022)

60,000 share rights (LTI 2023)

Hendrik de Groot

Executive Vice President, Chief Commercial Officer

Joined the company in 2021

Born: 1965

Hendrik was previously Head of Group Commercial at VEON. Prior to that he served as Chief Commercial Officer and VP Commercial & Customer Operations at Ziggo in the Netherlands. Throughout his international career, Hendrik held several senior positions in the telecom industry.

Education: MBA, Business Economics, from Vrije University of Amsterdam and BBA, Business Administration, from Nijenrode Business School, The Netherlands.

Holdings in Tele2[1)]: 22,500 B shares

60,000 share rights (LTI 2021)

60,000 share rights (LTI 2022)

60,000 share rights (LTI 2023)

Johan Gustafsson

Executive Vice President, Communications & Sustainability

Joined the company in 2023

Born: 1986

Johan has worked with multiple different high profile brands in a variety of sectors and roles, including communications consultant at Prime Weber Shandwick, Head of Corporate Communications at TV4 and C More and recently Director of Policy and External Relations at Klarna.

Education: Master of Science in Marketing & Consumption from School of Business, Economics and Law at the University of Gothenburg, Sweden. Bachelor of Science, Marketing Program, Halmstad University, Sweden.

Holdings in Tele2[1)]: 4,000 B shares

24,000 share rights (LTI 2023)

[1)] Allocated share rights at grant date, before compensation for dividend and share issue.

Kim Hagberg

Executive Vice President, Chief Operations

Joined the company in 2013, joined the leadership team in 2018

Born: 1966

Kim was previously Product Management Director at Tele2, overseeing cross functional and cross market processes in which technologies become products. Before that, Kim worked for 12 years at different positions within Telia. She also has experience from the telecom supply chain with 8 years at different suppliers in Canada, France and Switzerland.

Education: Bachelor of Science in Computer Science from University of Ostersund, Sweden.

Holdings in Tele2[1]: 48,234 B shares

27,000 share rights (LTI 2021)

27,000 share rights (LTI 2022)

27,000 share rights (LTI 2023)

Yogesh Malik

Executive Vice President, CTIO

Joined the company in 2021

Born: 1972

In 2014–2020, Yogesh served as VEON's Group CTO and a member of VEON's executive board. Prior to joining VEON, he was the CEO of Telenor India (Uninor), following a number of senior technology and business roles in Europe, North and South America, China and South Asia.

Education: Executive MBA in Business Administration & Management, IMD Business School in Lausanne, Switzerland. Bachelor of Science in Engineering, Maharaja Sayajirao University of Baroda, India.

Holdings in Tele2[1]: 13,500 B shares

27,000 share rights (LTI 2021)

27,000 share rights (LTI 2022)

27,000 share rights (LTI 2023)

Torkel Sigurd

Executive Vice President, Corporate Affairs

Joined the company in 2007, joined the leadership team in 2021

Born: 1975

Torkel has 20 years of experience within telecom and has been part of the Tele2 family for more than 16 years. He has had several senior positions with both strategic, operational, commercial and product related focus. He also headed Tele2's M&A unit during the company's international consolidation.

Education: Master of Science in Engineering Physics from KTH Royal Institute of Technology in Stockholm, Sweden. Bachelor of Science in Business Administration and Economics from Stockholm University, Sweden.

Holdings in Tele2[1]: 50,373 B shares

27,000 share rights (LTI 2021)

27,000 share rights (LTI 2022)

27,000 share rights (LTI 2023)

Jenny Garneij

Executive Vice President, People & Change

Joined the company in 2023

Born: 1973

Jenny has held several HR positions within the finance industry, most recently at Nordea as Head of Group Corporate Communication and prior to that as Head of People within the business area Personal Banking. She has also been Human Capital & Communications Officer at Nordnet Bank, and Senior advisor to the CEO at SEB. Jenny started her career with Accenture where she worked for 9 years across industries.

Education: Master of Science in Economics and Business Administration from School of Business, Economics and Law at the University of Gothenburg, Sweden. Bachelor of Science in German Philology at Karlstad University, Sweden.

Holdings in Tele2[1]: 4,500 B shares

27,000 share rights (LTI 2023)

[1] Allocated share rights at grant date, before compensation for dividend and share issue.

Stefan Trampus

Executive Vice President, Tele2 B2B

Joined the company in 2018, joined the leadership team in 2021

Born: 1969

Stefan has experience from more than 20 years in the Swedish telecommunication industry, including senior roles such as Chief Sales Officer at Com Hem, Head of the B2B and Landlord business units at Com Hem and Head of Broadband Services at Telia Sweden. Stefan was also CEO of Tele2's subsidiary iTUX.

Education: Degree from IHM Business School, Sweden.

Holdings in Tele2[1]: 74,669 B shares

27,000 share rights (LTI 2021)

27,000 share rights (LTI 2022)

60,000 share rights (LTI 2023)

Nathalie Dahmm

Adjunct member of the leadership team

Chief Culture & HR Business Advisory

Joined the company in 1999, joined the leadership team in 2021

Born: 1973

Nathalie has been part of the Tele2 family for over 20 years, with experience from several senior HR positions within Culture, Leadership and Change Management, as well as several positions within Technology, across different markets and functions at Tele2.

Education: Engineering at KTH Royal Institute of Technology in Stockholm, Sweden. Economics at Stockholm University, Sweden.

Holdings in Tele2[1]: 37,823 B shares

12,000 share rights (LTI 2021)

27,000 share rights (LTI 2022)

27,000 share rights (LTI 2023)

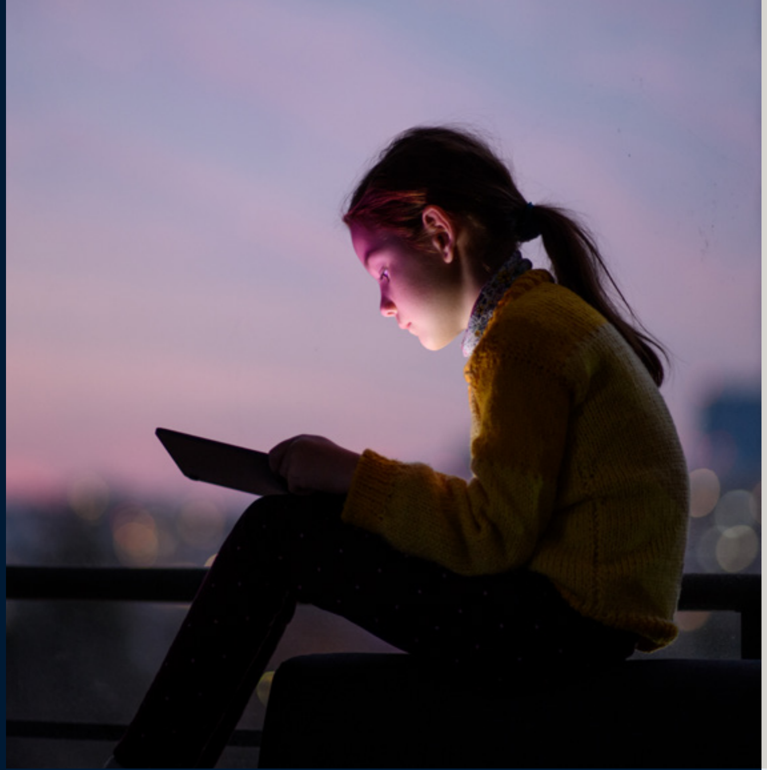
[1] Allocated share rights at grant date, before compensation for dividend and share issue.

Sustainability report

Without connectivity, society would be sent back 30 years.
Without sustainability, where will society be 30 years ahead?

Tele2 exists to enable a society of unlimited possibilities.
That includes enabling a sustainable society.

Sustainability report



30 by 30

Tele2 has committed to collecting 30% of distributed devices by 2030

Advancing circular economy is key in Tele2's efforts to combat climate change and reduce the carbon footprint of the value chain. By more than doubling the collection rate by 2030, Tele2 can ensure that devices get a second life or are recycled responsibly.

Read more on page 45

5 million

Blocked attempts to access child sexual abuse material in 2023

Tele2 is relentless in its fight to prevent the distribution of child sexual abuse material. During the year, Tele2 has used the innovative technology provided by project Arachnid to increase the rate of blocked attempts to access this type of material by almost 100% compared to the previous year.

Read more on page 48

Awarded #1

Reaping the rewards of our ambitious sustainability actions

Tele2 has during 2023 seen tremendous recognition for its sustainability efforts, including being ranked as #1 in the Financial Times Climate Leaders in Europe, #1 in Sweden for gender equality by Equileap, and #1 for climate reporting among companies listed on the Stockholm Stock Exchange.

Read more on page 43

What we did in 2023

Rewarded for accelerated efforts and future-proofing our business

We have during 2023 reaped the rewards of our efforts during the past few years to accelerate our sustainability efforts and make progress towards our ambition to lead in sustainability. This recognition has come in various forms, such as winning coveted awards, increased positive perception of our commitment to sustainability by employees, as measured through our annual employee survey, and continuing our positive trend in ESG-ratings.

This has also been a year where a lot of effort has been put into future-proofing our business by strengthening the integration of sustainability into our operations, updating our sustainability strategy, and preparing for upcoming regulatory changes. These are important measures for us to be able to deliver on our ambition to lead in sustainability. The aim of our sustainability efforts is:

- Sustainability is an integrated part of our core business and creates shared value for our stakeholders.
- We are a sustainable business that meets or exceeds the demands of our key stakeholders, including customers, investors, and employees, enabling our long-term success as a company.

To further the integration of sustainability we have updated our business strategy to include sustainability as one of the strategic enablers. Tele2 B2B has undertaken a substantial project to create a sustainability program for B2B, which includes increasing internal awareness and knowledge, taking action to contribute to our sustainability strategy, and strengthening its external communication on sustainability matters.

To maintain our leading position in sustainability, it has during the year been necessary to update the sustainability strategy. The updated sustainability strategy contains four focus areas, and will guide our sustainability efforts until 2026. The update to the strategy was preceded by an extensive stakeholder dialogue, where more than 6,600 stakeholders were interviewed and surveyed to gather input on the most important sustainability topics for Tele2 to address. More information about our stakeholder dialogue can be found on the page "Stakeholder dialogue" and in note S12. In addition to the stakeholder dialogue we have conducted a double materiality analysis aligned with the requirements of the European Sustainability Reporting Standards (ESRS). More information about the updated sustainability strategy can be found on the page "Our updated sustainability strategy".

To prepare for upcoming regulatory changes, particularly the European Union's Corporate Sustainability Reporting Directive (EU CSRD), we have taken several steps during the year. In addition to conducting the double materiality analysis, we have also conducted a gap analysis of our current reporting compared to the requirements of the European Sustainability Reporting Standards, and concluded that we are well placed to be compliant with the new standards for our 2024 reporting.

Our commitment to "Connecting a circular society" has been further strengthened during the year, particularly by the goal that we have set to collect 30% of devices that are distributed in 2030. This ambitious target was developed by the working group on circular economy for devices of our industry association, GSMA, which is led by Tele2 and Orange. Tele2 was the only operator on our markets that committed to this GSMA target during 2023.

We firmly believe that it is through partnerships that we can solve many of the societal challenges that we face throughout our business. The partnerships that we have with Reach for Change, the Prince Couple's Foundation, ECPAT and Civil Rights Defenders were further developed during the year, to maximise the positive impact for key stakeholder groups, and the mutual benefits of Tele2 and our partner organisations.

Tracking our success

We value an external view on our performance, and the opportunity to benchmark our performance, to track the leadership we aim to show in our industry. An important way of doing this is through the reports that are made by ESG analysts for independent ratings. We continuously evaluate which ratings we should participate in, based on stakeholder demands and our materiality analysis, to ensure that our stakeholders get an accurate view on the progress that we are making. If there are any changes to this evaluation, we will consider participating in additional ratings. In 2023 we participated in the following ratings:

- MSCI ESG Rating
- S&P Global Corporate Sustainability Assessment & Rating
- FTSE Russell ESG Rating
- Sustainalytics ESG Risk Rating
- Equileap Gender Equality Global Report & Ranking
- CDP Climate Change Rating

In a year in which we have reaped the rewards of our accelerated efforts, we are pleased that we have managed to improve our performance in all but two ratings updated in 2023, or maintain our current rating, where we already achieved the highest possible rating. For FTSE Russell, Equileap and CDP we are ranked in the top 2%. All ratings we participate in rate us in the top quartile, which is a result indicating that we are leading in our industry. We are pleased to see that we have maintained our top rating (AAA) by MSCI, and that our FTSE Russell result has increased to a score in the 99th percentile.

We are particularly proud that we maintained the top rating A from CDP for the second year in a row, a result which puts us ahead of our competitors in Sweden. Out of nearly 21,000 companies evaluated annually by CDP, only 346 received an A for leadership in climate change transparency and performance in 2023. CDP particularly highlights Tele2's strong performance in target-setting, emissions reporting, reduction initiatives and integration of climate issues in business strategy, financial planning and scenario analysis.

Achievements and awards

Climate Leader in Europe 2023

The Financial Times has named Tele2 as the Climate Leader in Europe 2023, placing Tele2 at the top of their list of 500 companies in various industries.

The list was compiled by calculating companies' performance in cutting their emission intensity in scope 1 and scope 2, but also by assigning a score to reflect transparency in scope 3, supply chain emissions, plus other indicators of commitment to reducing emissions.

With our industry-leading science-based targets to reduce scope 1 and 2 emissions to 0 by 2029 and scope 3 emissions by 60% per subscription, our SBTi-approved net-zero target for 2035, and rapid reductions of emissions in scope 1 and 2, we are showing climate leadership. We will continue to challenge the industry to set more ambitious targets, and push for decreased greenhouse gas emissions throughout our value chain.

In addition to reducing our value chain emissions, we can play a key part in enabling the transition to a net-zero society for our customers. We estimate that we enabled our customers to avoid emissions equivalent to more than 800,000 tonnes CO_2-eq in 2023.

Climate reporting #1

The bi-annual report, conducted by 2050 Consulting, evaluated companies listed on the Stockholm stock exchange in terms of transparent climate reporting and Tele2 came out as number one, with a full score of 110/110 points. The number one spot is an improvement of our ranking with 66 places, compared to the last evaluation in 2020. The rating highlights specific improvements, such as Tele2's reporting of emissions in all material areas in scope 3, that we have set climate targets that are approved by the Science Based Targets initiative, and implemented reporting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures.

We see that our most important stakeholders, such as customers and investors, to an increasing extent are requiring deeper and more detailed information about our sustainability efforts. We strive towards continuously increasing the quality of our sustainability data, to ensure that our reporting meets or exceeds the high demands that our stakeholders set for us. With our leading climate efforts, we are pleased that the high level of quality and transparency that we strive for in our climate reporting is so highly considered.

Equileap #1

In Equileap's 2023 rating for gender equality, Tele2 is ranked number 1 in Sweden, and in the top 1% globally of more than 3,800 companies that are part of the evaluation.

In their 2023 Global Report, Equileap included the following case study on Tele2:

"Tele2 is the top-performing Swedish company, ranking 32nd globally with a score of 70%. It has achieved gender balance at the board, executive, and workforce levels, and comes very close at the senior management level (39% women). The company publishes gender-disaggregated pay data and a strategy to close the gender pay gap, and offers employees both flexible hours and locations. It publishes seven out of Equileap's eight recommended policies that promote gender equality, and is a signatory to the United Nations Women's Empowerment Principles."

We are committed to continue our efforts to improve the gender balance throughout our organisation. Tele2's Board of Directors has 50% women, and our Group Leadership Team has 40% women, giving a clear signal from the top of the organisation of how important gender equality is to Tele2. Improving our gender balance and ensuring that we have an inclusive environment where our diverse workforce can perform their best is a key part of Tele2's sustainability strategy.

Our approach to sustainability

We have set out to lead in sustainability, and we focus on areas where sustainability enables business opportunities and supports our long-term success as a company. Our investments in sustainability deliver returns, and maximise the creation of shared value for our customers, investors, employees and other stakeholders.

Sustainability as an integrated part of our business

To meet increasing stakeholder demands, sustainability must be an integrated part of our core business, from our technical operations to marketing and sales. All relevant parts of our operations are actively engaged in efforts to ensure that they support the targets in our sustainability strategy. Engaging the broader group of employees in sustainability is a recurring topic in internal communication and engagement activities. This includes company-wide all-hands meetings held by our CEO, sustainability-related news on our intranet, and live-streamed deep-dive session at the office with internal and external experts. To ensure that managers of all levels, including senior executives, consider sustainability topics in their daily work, 5% of the annual short-term incentive program is related to sustainability targets. For 2023 these targets were related to the performance of our emissions reduction efforts in scope 1 and 2, as well as our diversity and inclusion efforts. New targets are set for 2024, and they will be included in the short-term incentive program for all managers in Sweden, the Tele2 Group Leadership Team and the CEOs of our Baltic operations.

The Tele2 Sustainability Strategy

To ensure that we put our resources and efforts into the areas where we have the biggest potential to create impact and business value, we have set four focus areas in our sustainability strategy. During 2021 to 2023, the focus areas of Tele2's sustainability strategy were:

- Advance circular economy to combat climate change
- Boost innovation for sustainability
- Maximise potential through an inclusive and diverse workplace
- Protect children in a connected society

By delivering on the annual activities that we set, we make progress towards the long-term ambitions that we have for each focus area, thereby strengthening our position. On the following pages our progress for each focus area during 2023 is described. During 2023, an updated sustainability strategy for 2024-2026 was approved. More information about the updated strategy can be found on the page "Our updated sustainability strategy".

Sustainability governance

Our Board of Directors is responsible for setting the sustainability strategy and its targets. To advance the Board's knowledge of sustainable development the sustainability department has given two presentations and regular written updates to the Audit Committee, and presented the updated sustainability strategy at a Board meeting. In addition to this, a presentation on the EU CSRD was held by our auditors together with the sustainability department and was made available to the Board. Four Executive Vice Presidents, who are members of Tele2's Group Leadership Team, and all report to Tele2's President and CEO, are responsible for the strategy execution. Tele2's Group Head of Sustainability is responsible for proposing a strategy, reporting and communication. The Head of Sustainability collaborates with the Executive Vice Presidents to execute the strategy and make progress towards the targets in the affected business units. At the country level, each country has a single point of contact who is responsible for sustainability, which simplifies coordination between the markets that we operate in.

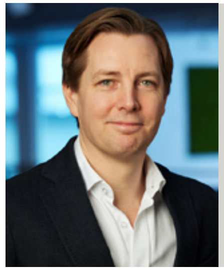
ESG targets

We set yearly actions and activities for each of the four focus areas, to ensure that we make progress towards the long-term goals connected to each of the focus areas. These actions and activities constitute our Environmental, Social, and Governance (ESG) targets. For 2023, a majority of these targets have been of a qualitative nature. Having measurable sustainability targets helps our organisation to focus on the most important issues and maximise the value that we create. In addition to this, we have set KPIs for the four focus areas that are tied to the long-term goals. Tele2 has set ambitious science-based targets for climate, and our progress towards these targets will be a key ESG target for us going forward. The outcome of our targets for 2023 can be found on the page "Tele2 ESG Targets 2023" in this report.

Executive responsibility for focus areas

"Having been named Climate Leader in Europe by the Financial Times and rated A by CDP, we will continue our efforts to decrease our value-chain emissions."

Charlotte Hansson
EVP CFO
Advance circular economy to combat climate change



"Using our services has enabled our customers to deploy sustainable solutions in transport and forestry, and continue to connect human rights defenders globally."

Torkel Sigurd
EVP Corporate Affairs
Boost innovation for sustainability

"An inclusive culture and our diverse talents improve our business performance. Being rated as #1 in gender equality in Sweden by Equileap shows we are on the right track."

Yogesh Malik
EVP CTIO
Maximise potential through an inclusive and diverse workplace

"The way we use new technologies to improve the lives of kids online shows Tele2's commitment to promote the opportunities and reduce the risks of living connected lives."

Johan Gustafsson
EVP Communications & Sustainability
Protect children in a connected society

Advance circular economy to combat climate change

Activities for 2023

- Measure and communicate the business value of implemented circular economy initiatives
- Set process for B2B NaaS product life-cycle equipment return
- Launch Tele2 Mobile buy-back for B2B Large/Public customers
- Continue to increase rate of re-use and refurbishment of hardware
- Lead GSMA project on Circular Economy for Mobile Phones
- Increase take-back rate for B2C
- Define roadmap for 100% circular network equipment by 2025
- Ensure that top 20 suppliers have set CO_2 reduction targets in line with Tele2's science-based targets
- Make implementation plan for scope 1 and 2 emissions reductions
- Test internal price of carbon

Key Performance Indicators 2023

- % mobile phones sold in a circular business model: 28% (24%) of Sweden B2B Large Enterprise & Public segment
- % Scope 1 & 2 emissions change from 2019: -97% (-95%)
- % Scope 3 emissions change from 2019: 11% (4%)

With the growing urgency to limit global warming, companies need to work together to accelerate the decarbonisation of their business activities. Tele2 aims to be a contributor to – and enabler of – the transformation to a net-zero world, by focusing on actions to reduce our own value chain impact as well as showing proof to the industry that low carbon solutions can be viable and good for business.

Our climate impact is tightly linked to the production of hardware, and reducing the use of resources by transitioning to a more circular economy is one of our most impactful actions. In June 2023, Tele2 took an important step in committing to take back at least 30% of all distributed mobile phones in 2030 for repair, reuse, or recycling. This is the result of the work of an international project that Tele2 is leading with our global industry association GSMA. Following our commitment set in 2022 to reach 100% circularity for network hardware by 2025, meaning all network equipment being responsibly resold, reused, remanufactured, or recycled and non-recyclable materials being disposed of securely, we have during the year developed a roadmap that outlines our actions leading up to 2025.

Having prioritised these actions, we have not measured the business value of circular economy initiatives, launched Tele2 mobile buy-back for B2B Large/Public or tested an internal price of carbon.

Making continuous progress towards net-zero emissions

We are proud to have been named Europe's number one climate leader among 500 companies evaluated by the Financial Times. The scoring was based on emission reduction performance, transparency, and climate commitments. Receiving external recognition on our climate efforts confirms that we are on the right path, and have already come a long way in reducing the emissions in our operations. Compared to 2019, Tele2's scope 1 and 2 emissions have decreased with 97% in 2023, but we are also determined to reach zero emissions in scope 1 and 2 by 2029, in line with our science-based target. In 2023, we have developed an implementation plan to phase out the remaining greenhouse gas emissions caused by our operations, for example by cars, back-up power generators, and cooling systems. To reduce emissions in Tele2's value chain, our main focus is to reduce the impact from purchased goods and services as well as capital goods, as it represents almost 90% of scope 3 emissions. Apart from adopting circular business models, our transition plan also includes supplier engagement and stricter supplier demands. During the year, we have evaluated the climate targets of our largest suppliers, to determine if they are in line with Tele2's ambitious science-based targets. If we find our suppliers' targets to be insufficiently ambitious, Tele2 will engage in dialogue with those suppliers, to make our expectations clear, and attempt to ensure that these suppliers set targets in line with ours, and those of the 1.5°C target of the Paris Agreement. The increase in scope 3 emissions that occurred during 2023 is connected with the roll-out of 5G, that entails high volumes of new electronic equipment.

Measuring the climate impact of our services

In 2023, we launched the Tele2 Climate Impact Tool, a tool for calculating greenhouse gas emissions from products and services that our B2B customers are buying from Tele2. The climate calculations are conducted in line with the Greenhouse Gas Protocol and includes emissions from cradle to gate. Results from the tool can provide input to our customers' own climate reporting as well as facilitate decision-making based on reduced climate impact.

United commitment to halve emissions

In September 2023, Tele2 joined the Exponential Roadmap Initiative, an initiative for companies working towards the common goal of reducing climate impact by halving emissions every decade.

For more information visit tele2.com/sustainability

SDG 8.4
SDG 12.2
SDG 12.5
SDG 13.2

This focus area contributes to the SDG targets above. See page "Working with the Sustainable Development Goals" for a description of how Tele2 works with the SDGs.

Boost innovation for sustainability

Activities for 2023

- Map current activities to evaluate sustainability value
- Propose new initiatives, for innovation in product and service offering
- Support "Property of tomorrow" project (Landlord business)
- Evaluate increased internal efficiencies from using AI
- Communicate sustainability impact analysis of IoT customer cases
- Evaluate opportunities for new research projects following AI4Green

Key Performance Indicators 2023

- Measurable social and environmental impact: N/A for 2023

With a growing interest in smart technologies, the innovative use of connected devices and artificial intelligence, we continue to see the potential of our connected services to fuel the transition to a sustainable society based on smart technologies.Tele2's offering of smart solutions for landlords has been strengthened during the year. Tele2 has established a Smart Property team dedicated to the development of services based on safe and reliable broadband connections that improve operational efficiency and create sustainability value, such as connected energy systems for increased energy efficiency. We also recognise our responsibility as a leading provider of internet access to ensure that all members of society are able to take part of the digital world, and we work continuously to improve the reliability and accessibility of our networks to decrease the digital divide. One example is that we are offering a service to landlords that promotes digital inclusion, by providing broadband connection at a lower speed free of charge to tenants who are currently not a part of the digital society.

Creating sustainability value from our services

To identify the sustainability value from using Tele2's products and services, we have analysed the avoided emissions that these solutions enabled, in terms of reduced energy consumption and greenhouse gas emissions. The results indicate avoidance of around 866,000 tonnes CO_2-eq, enabled from using our services, which is the equivalent of 315% of our total scope 1-3 GHG emissions. More details can be found in Note S9. During the year, Tele2's services based on innovative technologies have made possible, among other things, optimised fuel consumption in sea vessels through smart sensors, electric and self-driving ferry traffic in Stockholm, and drone-enabled forestry with lower impact on the surrounding environment.

Through our partnership with Civil Rights Defenders, we have also seen our services applied to protect human rights. Tele2 supports Civil Rights Defenders "Natalia Project" with the mobile network connectivity for the devices to reliably operate and instantly share life-critical information from the human rights defenders working around the world. In 2023, network security experts from Tele2 have supported with real time threat monitoring and analysis at an International workshop with the purpose of sharing knowledge and practical guidelines to better manage heightened security risks.

Our ambition to quantify and communicate the social and environmental impact has not been achieved during the year, as we continue to develop a robust methodology to measure this.

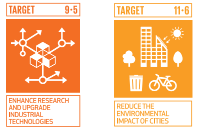
Energy optimisation through smart features

Following the finalisation in 2022 of the succesful research project AI4Green that Tele2 has been the project leader for, Tele2 has joined the project RAI6Green (Robust and AI-Native Green 6G Networks) by the same research group, as a strategic partner and as the only telco. The new project will continue to research and test applications of new technologies and artificial intelligence with the purpose of creating resilient and sustainable mobile networks, and will run for 3 years. During 2023, we have also continued the implementation of smart features to increase the energy efficiency of our mobile networks, such as Multiple-Input, Multiple-Output (MIMO) sleep and muting features. Read more in Note S8 of the report.

Enabling innovative transportation solutions

Tele2's 5G-based IoT connectivity powers the autonomous and fully electric passenger ferry in Stockholm. The ferry has a lower environmental impact and is more cost-effective than conventional ferries.

For more information visit tele2.com/sustainability



SDG 9.5
SDG 11.6

This focus area contributes to the SDG targets above. See page "Working with the Sustainable Development Goals" for a description of how Tele2 works with the SDGs.

Maximise potential through an inclusive and diverse workplace

Activities for 2023

- Set a Diversity Plan
- Roll-out of Rewire for inclusion short version for employees in Customer Service & Stores and include in onboarding for new employees
- D&I awareness included in onboarding of new employees
- Continue the work with our employee resource groups D&I Council and Women@Tele2
- Define diversity aspects and assess measurement
- Regular D&I activities (both internal and external)
- Continue external collaborations with NGOs and networks that promote D&I

Key Performance Indicators 2023

- Inclusion score all employees > 82: 86 (89)
- Women as a % of total workforce: 44% (44%)
- Women as a % of total workforce in Sweden: 33% (32%)

We remain certain that an inclusive culture with diverse talents not only makes Tele2 a better place to work, but also improves our business performance. Tele2 has come a long way, but we also recognise the need for continuous development and improvement in order to achieve a truly diverse and inclusive workplace.

In Equileap's annual study of gender equality in Swedish and international companies, Tele2 received a top rating as the best performing company in Sweden during 2023. We are proud to receive validation for our efforts, and continue our work to improve our performance going forward. In the past year, some of these actions have included setting a diversity plan, assessing how we measure and follow-up diversity dimensions among employees, and including diversity and inclusion in our onboarding for new employees.

Building an inclusive culture together with our employees

By engaging with our employees, we believe that we also capture new dimensions and perspectives on how our employees experience the company culture and areas of improvement within diversity and inclusion. Tele2's Diversity and Inclusion (D&I) Council is therefore an important forum to both gain more insight and increase engagement. The council consists of employee representatives who provide feedback on the diversity strategy and measures as well as arrange activities by and for employees to increase awareness. One such activity initiated in 2023 is Swedish practice lunches at the headquarters in Kista. Every other week employees are able to practice Swedish in a work context together with Swedish speaking colleagues. Other activities include seminars and activities to highlight women's rights and gender equality during Women's day in March, learning lunches on unbiased recruitment and inclusive leadership, and co-hosting the Global Virtual Telco Pride event together with other Swedish tech companies.

In 2022, members of the D&I Council conducted a deep dive to identify best practice on how to create inclusive teams. The results showed that leaders that are open to and recognise the value of different perspectives in decision making and work actively with this in their team are well positioned to create an inclusive culture where employees thrive and develop as a team. In 2023, the insights from the deep dive have been developed into a workshop which is now offered to all teams at Tele2.

Our aim to include the Rewire for inclusion training for additional employees was not achieved, and will remain as an activity for 2024.

Boosting our partnerships and collaborations

Throughout the year, we have continued working with our network of NGOs and partners that promote a more diverse tech industry. Tele2 was a co-creating partner of Women in Tech 2023, the largest conference in the Nordics aimed towards women that work in the tech industry. During this year's conference, Tele2 held a well-attended seminar together with ECPAT Sweden on Tele2's blocking solution to prevent the distribution of child sexual abuse material. In 2023, Tele2 also initiated a new collaboration with Ruter Dam, a one-year executive development and mentorship program for female executives, aiming to increase the number of women in top positions in Swedish enterprises. During the year, Tele2's Sales Director B2B participated in the program, and Tele2's CEO mentored one of the female business leaders in the program.

Support for future female business leaders in Ruter Dam

Tele2 has collaborated with Ruter Dam, a mentorship program that aims to increase the number of women in top positions in Swedish enterprises. Among others, Tele2's Sales Director B2B, Sofia Ahlmark Hyvärinen, participated in the program during the year.

For more information visit tele2.com/sustainability

SDG 5.1
SDG 5.5

This focus area contributes to the SDG targets above. See page "Working with the Sustainable Development Goals" for a description of how Tele2 works with the SDGs.

Protect children in a connected society

Activities for 2023

- Define monitoring process of behavioural change and customer growth based on child protection
- Conduct Human Rights due diligence with particular focus on children
- Implement improvements to Tele2's child sexual abuse material (CSAM) blocking solutions
- Conduct pilot regarding development of online safety tools directed towards children
- Activity regarding prevention of child trafficking online
- Align with UNICEF's Children's Rights and Business Principles
- Information to customers about our activities to protect children through digital channels, partner events and Tele2 stores
- Ensure responsible marketing practices with regards to children's rights

Key Performance Indicators 2023

- Percentage of customer availability of Trygg Surf (child profile) for Tele2 Sweden: 100%
- Change in percent customers using Trygg Surf (child profile) for Tele2 Sweden: +34% (+21%)
- # blocked attempts to access CSAM (avg/month): 339,000 (214,000)

Enabling a safe and secure use of Tele2's services for children and young people remains one of our most prioritised topics. We therefore work continuously with both proactive and preventative measures to limit the risk of harm for our youngest online users.

We have continued our partnership with the Swedish Prince Carl Philip and Princess Sofia's Foundation, where we work together to create a safer connected life for children. On the foundation's educational site, Lajka, we have co-created an educational module dedicated to parents with the purpose of sharing knowledge on online child protection. As children are now introduced to online life at younger ages, we have identified the need to support parents in the child's first online interactions. To meet these needs, we have expanded the parent module with guides and information customised for parents of younger children.

A majority of children and youth are using digital games today, which unlocks new opportunities for enjoyment for children and new forms of social interaction. Like the new digital services and social media platforms that the younger generation explore, digital games present a new territory for parents to navigate, where both risks and benefits could be difficult to outline. To support parents with gaming children, Tele2 hosted a seminar together with Prince Carl Philip and Princess Sofia's Foundation at DreamHack, the world's biggest LAN party held semiannually in Sweden. The seminar covered practical guidelines, parent engagement, and a panel discussion with prominent figures in gaming including a Swedish member of parliament and one of Sweden's most popular streamers.

While prioritising these initiatives, activities for prevention of child trafficking online, monitoring behavioural change and customer growth based on child protection, and customer communication in stores about our activities have not been completed.

Strengthening children's rights

To strengthen children's rights in Tele2's operations and identify our impact in more depth, we have conducted a Child Rights Impact Assessment (CRIA). The assessment was conducted in line with UNICEF's self-assessment tool for mobile operators based on the 10 Children's Rights & Business Principles, and included desktop analysis, dialogues with internal and external stakeholders, and evaluation of our current policies and internal processes. The results from the CRIA will be used as a foundation to deepen our efforts in the coming years.

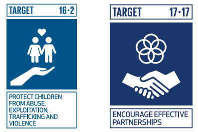
Increasing blocking of CSAM with new technical solutions

In early 2023, Tele2 completed the implementation of Project Arachnid, a new solution for blocking access to child sexual abuse material (CSAM). The implementation of Project Arachnid, combined with updated blocking lists from Interpol and the Swedish police have resulted in 5,120,879 blocked attempts to access CSAM using a Tele2 connection in 2023, a 99% increase compared to last year. These figures are a clear reminder of the scope of this issue and the number of children falling victim to this abuse, and shows the value of continuously developing our blocking solutions.

Partnering to fight the spread of CSAM

Collaborating with multiple actors is key to effectively combat the spread of CSAM online. By joining forces with Project Arachnid and the child rights organisation ECPAT we enable the detection, identification, blocking, and finally removal of CSAM.

For more information visit tele2.com/sustainability



SDG 16.2
SDG 17.17

This focus area contributes to the SDG targets above. See page "Working with the Sustainable Development Goals" for a description of how Tele2 works with the SDGs.

Tele2 ESG Targets 2023

We annually set activities for the coming calendar year, for each of the four focus areas of our sustainability strategy, to ensure progress towards our long-term goals. These Environmental, Social, and Governance (ESG) targets, help us focus on the most important issues, as has been our approach for several years. We have also defined KPIs for the four focus areas, that measure progress towards the long-term goals. The outcome of our ESG targets for 2023 can be found in the table below.

ESG Target	Achieved
Advance circular economy to combat climate change	
• Measure and communicate the business value of implemented circular economy initiatives	No
• Set process for B2B NaaS product life-cycle equipment return	Full
• Launch Tele2 Mobile buy-back for B2B Large/Public customers	No
• Continue to increase rate of re-use and refurbishment on hardware (B2C, B2B and DCT)	Full
• Continue to lead GSMA project on Circular Economy for Mobile Phones	Full
• Increase take-back rate for B2C	Full
• Define roadmap for 100% circular network equipment by 2025	Full
• Ensure that top 20 suppliers have set CO_2 reduction targets in line with Tele2's SBT's	Full
• Make implementation plan for scope 1 and 2 emissions reductions	Full
• Test internal price of carbon	No
Boost innovation for sustainability	
• Map current activities to evaluate sustainability value	No
• Propose new initiatives, for innovation in product and service offering	Full
• Support "Property of tomorrow" project (Landlord business)	Full
• Evaluate increased internal efficiencies from using AI	Full
• Communicate sustainability impact analysis of IoT customer cases	No
• Evaluate opportunities for new research projects following AI4Green	Full

ESG Target	Achieved
Maximise potential through an inclusive and diverse workplace	
• Set a Diversity Plan	Full
• Roll-out of rewire for inclusion short version for employees in Customer Service & Stores and include in onboarding new employees	Partial
• D&I awareness included in onboarding of new employees	Full
• Continue the work with our ERGs (D&I Council and Women@Tele2)	Full
• Define diversity aspects and assess measurement	Full
• Regular D&I activities (both internal and external)	Full
• Continue external collaborations with NGO's and networks that promote D&I	Full
Protect children in a connected society	
• Define monitoring process of behavioural change and customer growth based on child protection	No
• Conduct Human Rights due diligence with special focus on children	Full
• Implement improvements to Tele2's child sexual abuse material (CSAM) blocking solutions	Full
• Conduct pilot regarding development of online safety tools directed towards children	Full
• Activity regarding prevention of child trafficking online	No
• Align with UNICEF's Children's Rights and Business Principles	Full
• Information to customers about our activities to protect children through digital channels, partner events and Tele2 stores	Partial
• Ensure responsible marketing practices with regards to children's rights	Full

TELE2

Deep-dive:

B2B's sustainability program and climate impact tool

To ensure that sustainability is an integrated part of our B2B business, we have conducted a project during 2023 with the aim of creating a roadmap for sustainability in B2B. Our B2B clients, particularly from large enterprises and the public sector, are placing increasingly strict sustainability requirements on Tele2 as their supplier. These clear customer requirements act as an important catalyst for new sustainability initiatives within Tele2. The business benefits of leading sustainability activities are clear from our B2B perspective. To ensure that we meet and exceed current and future customer requirements, the B2B sustainability program has been developed.

The program has been developed on the basis of a current state analysis that evaluated B2B's strategy and offerings in relation to customers' sustainability needs and industry peers' sustainability products and services.

The current state analysis included activities such as:

- Evaluating Tele2's sustainability strategy, initiatives and targets in relation to B2B
- Mapping sustainability values in B2B strategy and the current products and services
- Identify and prioritise B2B key customer needs, demands and opinions on sustainability for Tele2
- Benchmark of industry peers

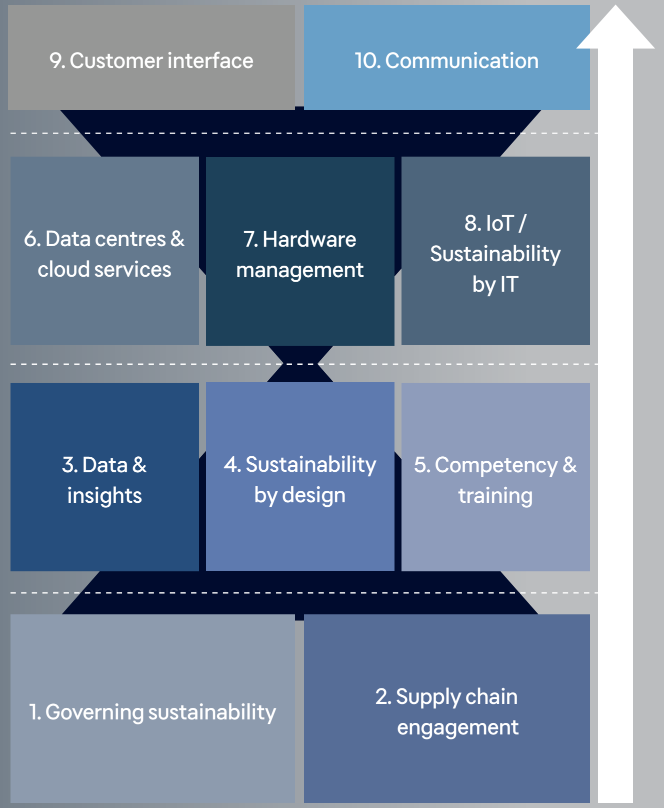
Based on the current state analysis, a target state was developed. This target state concluded that Tele2 B2B can deliver on the group sustainability strategy through a sustainability program combining ten areas of impact listed below:

Internal structure
- Governing sustainability
- Supply chain engagement

Product & people development
- Data & insights
- Sustainability by design
- Competency & training

Services provided
- Data centres & cloud services
- Hardware management
- IoT / Sustainability by IT

Friendly expert
- Customer interface
- Communication



Climate Impact Tool

Understanding the climate impact from goods and services purchased is becoming an increasing requirement for businesses and organisations. To respond to these requirements Tele2 has developed a Climate Impact Tool.

The purpose of the Tele2 Climate Impact Tool is to provide customers with calculations of the climate impact of products and services they purchase from Tele2. The output from the Climate Impact Tool can either be communicated upon request or as part of a sales process.

Results from the Climate Impact Tool show the climate impact in CO_2-equivalents from products or services.

The emissions have been calculated using emission factors from suppliers or industry best practice average. The emissions derive from the manufacturing and transportation related to the products included in the service as well as the emissions from transportation between Tele2 and the client. It does not include the emissions from the use of the product, for example charging a smartphone.

Deep-dive:

Project Arachnid and blocking child sexual abuse material

The number of cases of child sexual abuse online is rapidly increasing, and this is a growing problem globally. As more and more children are affected and the consequences for the victims are serious, this is an increasingly important societal issue.

Tele2 has a long-standing history of leadership and a strong commitment to preventing the distribution of child sexual abuse material by blocking access to this type of material. We go to great lengths to ensure that we stand by this commitment, even if it could lead to conflicts with regulatory bodies. Tele2 has an extensive partnership with ECPAT, which operates the Swedish national hotline against child sexual exploitation and abuse. Tele2 co-founded ECPAT's telecom coalition in Sweden in 2018, which has developed into ECPAT's tech coalition. As a part of our partnership, Tele2 also provides the technical solution for "Your ECPAT" – a phone support line for children, and "Parental Help" – a phone support line for parents. Calls to these helplines are free and anonymous. Tele2 also provides telephony, telephone switches and technical support to ECPAT.

During 2023, Tele2 has made use of the latest innovative technology to further improve the work that we do in this important area. Tele2 has introduced new blocking lists from Project Arachnid, which has been developed by the Canadian child rights organisation the Canadian Center for Child Protection. Project Arachnid uses innovative technology to identify child sexual abuse material and creates new blocking lists containing this material. During the year, we blocked over 5 million attempts to access child sexual abuse material, and over 1.2 million of those blocks came from the Arachnid blocking lists.

This is an area where new challenges are constantly arising. A new area causing growing problems is AI-generated child sexual abuse material. Tele2 and ECPAT are investigating how we can jointly prevent and block access to this type of material.

> *The new AI-based technology has made it easier for perpetrators to come into contact with children, spread sexual abuse material, and create networks with the purpose of sexually exploiting children. Tele2's important commitment to work with blocking access to this material clearly shows how companies can make a difference and contribute to stopping sexual abuse of children.*
>
> Anna Karin Hildingson Boqvist, Secretary-General ECPAT Sweden

Facts on blocking:
The blocking lists block on a domain level. If an internet user attempts to access a domain included in the blocking lists, the person is automatically redirected to a police stop page informing them that the site is blocked, how they can provide the police with tips about similar material online, and a guide on how people with a sexual interest in children can seek help.

Facts on Project Arachnid:
Arachnid was founded in 2017 by the Canadian Center for Child Protection. The project connects automated CSAM detection methods with a team of experts from around the world to quickly send removal notices to electronic service providers. At the end of 2023 almost 40 million takedown notices have been sent.

Partnerships and industry collaboration

To ensure we have topic-specific expertise required to reach our long-term sustainability goals, Tele2 has entered into strategic partnerships with a selected number of organisations and associations. These partnerships are an important way for Tele2 to support the Sustainable Development Goals, particularly Goal 17's target to encourage and promote effective partnerships, that build on the experience and the resources of the partners.

Tele2 co-founded Reach for Change in 2010 to support social entrepreneurship as a means of tackling societal issues facing children and youth. Other partnerships include Civil Rights Defenders, ECPAT, and Prince Carl Philip and Princess Sofia's Foundation.

By coming together as an industry we can learn from each other, and gain the strength we need to tackle some of the issues that our industry faces. Through our industry association the GSM Association (GSMA), Tele2 can both contribute to and gain access to the shared global expertise of our industry.

During 2023, Tele2 has remained a project manager for the GSMA project on circular economy for devices. The project has developed a circularity target to take back at least 30% of distributed mobile phones by 2030 that Tele2 and 11 other telcos from Europe, Africa and Asia committed to.

Through our partnership with Prince Carl Philip and Princess Sofia's Foundation we have expanded the Lajka knowledge platform with content for parents of the youngest internet users. Through the partnership we also assisted parents in supporting their children in the gaming world, including a joint event at the gaming convention DreamHack.

Tele2 has during the year joined the Exponential Roadmap Initiative. The initiative brings together companies from various sectors with the common mission to halve emissions by 2030 and to reach net-zero emissions before 2050.

The GSM Association
The GSMA promotes the leading role that our industry can play in solving some of the challenges that societies face today, from reducing emissions to tackling issues regarding human rights.

ECPAT Sweden
ECPAT Sweden is a child rights organisation working to fight sexual exploitation and abuse of children, by spreading information and taking measures to prevent children and youth from being sexually abused.

Reach for Change
Reach for Change is an international non-profit founded in Sweden that empowers local social entrepreneurs to develop innovative solutions that improve the lives of children and youth.

Civil Rights Defenders
The international human rights organisation based in Sweden supports human rights defenders who work in some of the most repressive countries. Tele2 provides connectivity to the organisation's Natalia Project.

Prince Carl Philip and Princess Sofia's Foundation
One of the foundation's areas of operation is to create a safer and more empathetic everyday online life for children and youth. It runs projects and initiatives to inform and create awareness of how parents and children can live safer lives online.

Exponential roadmap initiative
With its foundation in science, promoting the "Carbon Law" to halve emissions every decade, the Exponential Roadmap Initiative points the direction for how to build a stronger, more resilient and future-proof global economy while at the same time increasing human prosperity and health.

Stakeholder dialogue

During the year, Tele2 conducted a major stakeholder dialogue, which gathered input through surveys and interviews from over 6,600 of our key stakeholders. These included investors, employees, customers, the Board of Directors, suppliers, NGOs and ESG analysts. According to their preference, the stakeholders were asked to rank the importance of the most material sustainability issues for Tele2 and the industry. More information can be found in Note S11.

Three topics stood out as the most important to stakeholders:

- Prevent the distribution of child sexual abuse material
- Child protection
- Attract and retain talent

We used this information, combined with the double materiality analysis conducted, to inform our sustainability strategy which was launched in the beginning of 2024.

In our stakeholder dialogue we also surveyed our stakeholders about the importance of Tele2 having a strong sustainability agenda. Employees answered on average 8.8, B2C customers 7.0 and B2B customers 7.0 out of 10.

Tele2 aims to conduct a major stakeholder dialogue every 3–4 years, depending on internal factors, such as our progress on sustainability strategy implementation, and external factors such as new macroeconomic trends, legislation or technology. In addition to this, Tele2 conducts continuous stakeholder dialogues with its key stakeholders.

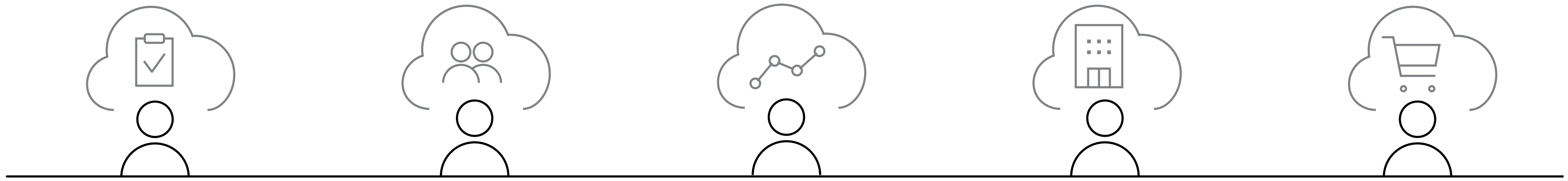
A summary of the most important topics for each of our key stakeholders groups can be found below.

For more information, click on the link to go to the sustainability section of our website.

Continuous stakeholder dialogues

To ensure that our strong sustainability agenda meets the demands of our stakeholders, Tele2 conducts continuous stakeholder dialogues with our stakeholders.

- From investors we see a strong interest in our sustainability efforts. Throughout the year we hold meetings and presentations to keep our investors updated on our performance.
- Our B2B customers give us input on our sustainability efforts both through their evaluation of tenders that we participate in, and through regularly requested meetings where sustainability matters are discussed.
- We keep our employees informed about our sustainability efforts through meetings and our intranet. We continuously gather input through our employee survey, and directly from our employees.



Board of Directors

- Circular economy
- Diversity & inclusion
- Taking action against climate change

Quote: "ESG is at the heart of the senior management team at Tele2."

Employees

- Prevent the distribution of Child Sexual Abuse Material
- Attract and retain talent
- Child protection

Quote: "Tele2 is actively working to lead in sustainability. It is a natural part of our business."

Shareholders and investors

- Diversity & inclusion
- Circular economy
- Responsible supply chain

Quote: "Our focus is on "Planet" & "People" – Tele2 is inspiring in these areas."

B2B customers

- Circular economy
- Business ethics
- Responsible supply chain

Quote: "Sustainability is a collaboration, we want to go hand in hand on sustainability."

B2C customers

- Prevent the distribution of Child Sexual Abuse Material
- Privacy, integrity & digital ethics
- Child protection

Quote: "Smart use of materials to minimise resource use and energy consumption needed to keep materials in circular loops."

Our updated sustainability strategy

Tele2 exists to enable a society of unlimited possibilities. That includes enabling a sustainable society. During 2023, Tele2 developed an update to its successful sustainability strategy, which was launched in 2021. The purpose of the updated strategy is to ensure that sustainability is an integrated part of our core business and creates shared value for our stakeholders. As a sustainable business we maximise new business opportunities with a win-win-win perspective for us, our customers and society at large.

The updated strategy has identified four focus areas for Tele2 where we will focus our efforts, because we are convinced that we can differentiate ourselves from our competitors in these areas. This will help us maintain our current, and win new customers, investors, and employees. These focus areas have been identified through a rigorous stakeholder dialogue and materiality analysis, which is based on the EU CSRD requirements for double materiality analysis.

The updated strategy sets new ambitions for 2026, and new activities will be developed each calendar year to move towards our 2026 ambition. Each of the four focus areas has an Executive Vice President and member of the Group Leadership Team as focus area owner. The four focus areas of the updated strategy are presented in the model below.

Even though talent is a key topic for Tele2, attracting and retaining talent was not made a separate focus area of the updated sustainability strategy, but rather included in our occupational health and safety as well as diveristy and inclusion topics.

Working with the Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDG) has established a framework for the most important issues in society that we collectively must address by 2030. With an ambition to lead in sustainability, we have done an analysis of which goals and targets we address, and ensure that we support all 3 dimensions; biosphere, social and economic aspects. In addition to supporting all 3 dimensions we also address SDG 17 – Partnerships for the goals, as this is a goal that all companies should work with. Below you will find a presentation of which goals, and targets within each goal, that Tele2 works with, along with a brief description of how we work with them.

SDG 5 – Gender equality

Tele2 has a dedicated anti-discrimination policy, and promotes and monitors gender equality.

Tele2 has set a goal to be gender-balanced in executive and managerial roles, to ensure full and effective participation for women and equal opportunities for leadership.

SDG 8 – Decent work and economic growth

Tele2 contributes to increasing resource efficiency, among other things by reusing and recycling returned phones and technology hardware.

SDG 9 – Industry, innovation and infrastructure

Tele2 is furthering research in innovative technology based on connectivity, such as IoT. This is likely to create both social and environmental value for various stakeholders.

SDG 11 – Sustainable cities and communities

Smart buildings, transports and cities, using IoT solutions, can significantly reduce the environmental impact of cities, creating more sustainable cities and communities.

SDG 12 – Responsible consumption and production

Tele2 promotes a more sustainable consumption and minimising the use of natural resources.

Tele2 is committed to reducing the amount of waste generated throughout the value chain.

SDG 13 – Climate action

Climate action matters are addressed in policies and the planning processes within Tele2 by promoting sustainable ways of operating through lowering the emissions of greenhouse gases and considering the adverse impacts of climate change.

SDG 16 – Peace, justice and strong institutions

To eradicate violence and abuse against children, Tele2 is an active, co-founding member of ECPAT's Tech coalition. Tele2 works actively to block access to websites containing child sexual abuse material.

SDG 17 – Partnerships for the goals

Tele2 actively supports civil society to foster sustainable development. Tele2 is a founding member, and long-standing partner, of Reach for Change. Other partnerships include Civil Rights Defenders, ECPAT and Prince Carl Philip and Princess Sofia's Foundation.

Sustainability information

Tele2's sustainability information is presented in two sections. The first section includes notes with information on relevant disclosures and material sustainability topics for Tele2, including disclosure of the management approach to these topics. The second section include the GRI Content Index, followed by the EU Taxonomy statement,SASB index and the SFDR framework, which either contain or refer to information on the relevant disclosures for Tele2.

Consolidated sustainability notes

NOTE S1 ABOUT THE SUSTAINABILITY REPORT

The sustainability report is prepared in accordance with Global Reporting Initiatives (GRI) Standards 2021, and in accordance with the reporting requirements defined in the Swedish Annual Accounts Act. The sustainability report includes the following pages: 40-91. The sustainability report covers Tele2 AB and its subsidiaries. Legal entities are listed in the parent company's financial statements in Note 18. The reporting period is January 1, 2023 up to and including December 31, 2023.

This report includes disclosures specifically referencing the metrics identified for Tele2's sector by the Sustainability Accounting Standards Board (SASB). It includes a mapping of existing reporting to the relevant SASB metrics where possible, and relevant information where necessary.

Tele2's reporting boundaries have been defined through interactions with stakeholders, and during in-house discussions with for example the legal department, where the degree of ownership and areas of work for each entity were reviewed. The content of reported information mirrors the material sustainability areas as defined in the corporate strategy. There have been no significant restatements within the scope of sustainability.

Identifying and managing key aspects

Sustainability risk management is part of the sustainability requirements of Tele2's largest shareholders. Therefore, discussions and reviews of key aspects are conducted with the largest shareholders annually. Sustainability risks and opportunities are regularly discussed at board meetings. The sustainability report is approved by the Board.

Organisational changes

No organisational changes that impact our reporting have taken place during 2023.

External initiatives

Tele2 adheres to applicable parts of the following: the United Nations Universal Declaration of Human Rights, the International Labor Organisation's core conventions, the Organisation for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles.

Note S1 cont.

External assurance

Deloitte has been engaged to provide limited assurance on the Sustainability Report in its entirety, including all the relevant GRI Standards disclosures presented in the GRI Content Index and GHG emission data. Conducting a limited assurance review of the full report is important to ensure high quality and transparency in Tele2's sustainability efforts and reported sustainability disclosures.

See page 158 for Auditor's Limited Assurance Report and statement regarding the Statutory Sustainability Report.

Sustainability report index – Annual Accounts Act

The table below shows where the requirements for sustainability information of the Annual Accounts Act is reported in Tele2 Annual and Sustainability Report 2023.

Area	Disclosure	Page reference
General	Business model	p. 11
Environment	Policy, management approach and environmental issues	p. 66, 67, 69, 74
	Risks and their management regarding environmental issues	p. 25–27
	Targets and results related to environmental issues	p. 49, 66–74
Social conditions & Personnel	Policy, management approach and social issues	p. 59, 62, 63
	Risks and their management regarding social issues	p. 25–27
	Targets and results related to social issues	p. 49, 59–64
Respect for human rights	Policy, management approach and human rights issues	p. 64, 65
	Risks and their management regarding human rights issues	p. 25–27
	Targets and results related to human rights issues	p. 49, 65
Anti-corruption	Policy, management approach and anti-corruption issues	p. 57, 58
	Risks and their management regarding anti-corruption issues	p. 25–27
	Targets and results related to anti-corruption issues	p. 57, 58

NOTE S2 BUSINESS ETHICS & COMPLIANCE

Topic description and materiality

As a profit driven corporation, Tele2 is dependent on profit to remain viable. Tele2's profits contribute to society through payment of wages, taxes and purchases of services and products. This impacts economic activity, government and society and contributes to economic growth.
Tele2 aims to deliver high quality in its products and services, and efforts to promote fair and ethical business conduct is therefore a key aspect of its daily operations and an integral part of Tele2's values. Compliance with local laws and regulations ensures investors that Tele2 is a trustworthy business partner. To mitigate risks and manage impacts, Tele2 uses a Code of Conduct (CoC) and a Business Partner Code of Conduct (BPCoC) based on the United Nations Global Compact. It encompasses labour rights, anti-corruption, environment, freedom of association and collective bargaining, child labour, and forced labour, and other fundamental human rights.

Management and governance

Economic performance

In order to manage impacts related to economic performance, Tele2's internal audit monitors its payroll and the payment of taxes in countries of operation. Results on economic performance are reported in the Annual and Sustainability Report, as well as in quarterly interim reports.

Code of conduct

Tele2's requirement is that sound business practices shall prevail throughout its operations and daily business. Tele2 requests that all employees and business partners sign and comply with the Tele2 Code of Conduct, and does not tolerate deviations. Since 2020, a digital training and re-signing process for the Code of Conduct is conducted annually to ensure that all employees understand and comply with its contents, and underlines the commitment to the business ethics principles that are a foundation for the way Tele2 does business. During the 2023 annual training, Tele2 achieved a 100% completion rate for the training and re-signing among employees and consultants in active service.

Anti-corruption and anti-competitive behavior

Tele2 has established a common perspective on group level of how to deal with anti-competitive behavior and anti-corruption, and is formalised in the Anti-corruption Policy and the Fair Competition Standards Policy. Responsibility lies with each function to put it in practice in each market. The legal teams support the organisation in its efforts. Anti-competitive behavior and anti-corruption are included in the training of selected risk functions (for example Procurement and Sales) and the annual Code of Conduct training for all employees. It is the responsibility of each country organisation to provide the relevant training. Any potential cases or incidents are reported internally using the Tele2 Incident Report System.

Note S2 cont.

Compliance with laws and regulations

For Tele2, it is important to remain compliant with local laws and regulations in the countries where it operates. In order to manage impacts, Tele2 has established a common perspective on group level on how to deal with compliance. Responsibility lies with each function to ensure compliance in practice in each market. The legal teams support the organisation in its compliance efforts. The legal teams make use of an open-door policy for employees seeking advice on ethical and lawful behavior.

Marketing and labelling

Marketing communications is a core aspect of Tele2's interaction with its customer base and therefore identified as a material aspect. Responsibility for marketing and sales lies with local teams as legislation differs between countries. In order to manage impacts, the legal team reviews marketing material before it is published to assure compliance. If incidents occur, they are reported to the responsible management. Ethical communication is also included in the Tele2 Code of Conduct. Relevant functions are introduced to communication and marketing guidelines, and in Sweden there is a training for new employees on these types of guidelines.

Customer health and safety

Tele2 strives to provide its customers with safe products and services that do not have a negative impact on their health, and works proactively to identify and monitor potential health and safety issues related to its products and services. Tele2's networks emit electromagnetic fields, and in order to manage impacts Tele2's networks are designed to operate well within the applicable regulations and guidelines of the countries of operation. Tele2 measures the radio wave signals emitted in the networks at the request of property owners.

Reporting violations

Tele2 is committed to the highest possible standards of transparency, honesty and accountability. The Tele2 whistleblowing policy is in place to ensure the correct procedures, protection for whistleblowers, and availability of reporting channels in case of wrongdoing. Employees can report violations of Tele2's policies through Tele2 Incident Reporting System and go to their manager with any concerns. Additionally, anonymous whistleblowing channels are available to both employees and external parties.

The legal teams make use of an open door policy for employees seeking advice on ethical and lawful behavior. Processes are in place to report or escalate incidents to the relevant group functions or to the highest governing bodies if warranted. Members of the Leadership Team and (Audit Committee of) the Board are informed ad-hoc of ongoing or concluded investigations when their importance requires this. During 2023, six whistleblowing cases were communicated to the Audit Committee, but none of the cases were of critical concern. Furthermore, the Leadership Team and Audit Committee receive regular reports, at least quarterly, on the functioning of Whistleblowing in Tele2.

Results and progress

Significant instances of non-compliance with laws and regulations

Tele2 had one (2022: four) significant instance of non-compliance with laws and regulations[1] that occurred in 2023. By using the marketing analytics tool Google Analytics, Tele2 was accused of non-compliance with the GDPR, resulting in a fine of SEK 12 million. The decision has been appealed.

Confirmed incidents of corruption and actions taken[2]

Tele2 had no incidents of corruption reported, no incidents in which employees were dismissed or disciplined for corruption reported, and no incidents where contracts with business partners were terminated or not renewed due to violations related to corruption reported, during the year, nor the previous year. Furthermore, there have not been any public legal cases or ongoing investigations regarding corruption brought against Tele2 or its employees reported during the year, nor the previous year.

Legal actions for anti-competitive behavior, anti-trust, or monopoly practices

No legal actions (2022: zero) for anti-competitive behavior, antitrust, or monopoly practices have been reported during the year.

Incidents of non-compliance concerning marketing communication

Tele2 had seven (2022: eight) incidents of non-compliance with regulations or voluntary codes concerning marketing communication, including advertising, promotions, and sponsorships, during the year. Three (2022: three) of these incidents resulted in a warning and none (2022: one) of these incidents resulted in a fine.

Incidents of non-compliance concerning health and safety of products

Tele2 had no (2022: one) incident of non-compliance with regulations and codes concerning the health and safety of products.

No adverse health risks have been identified in relation to the exposure to electromagnetic fields from base stations for mobile telephony, wireless networking or similar transmitters.

[1] Significance was determined by evaluating the severity of an actual or potential negative impact, determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).
[2] Tele2 does not report on fraud committed against the company under this indicator. Attempts to defraud telecommunications companies through their services are common, and Tele2 has adequate measures in place to mitigate those attempts. Reporting figures on telecommunications fraud would create a skewed perspective and distract from more material cases of corruption if they would occur.

NOTE S3 EMPLOYEE DATA

Topic description and materiality

With the ambition to deliver the best service in the industry, Tele2 invests in the well-being and development of its employees. Attracting and retaining talented and diverse employees is essential for Tele2 to deliver on its strategy and sustain its culture.

Management and governance

Tele2 conducts employee surveys at least annually to follow up on employees' satisfaction and well-being, aiming at cultivating a rewarding workplace. A particular focus in these surveys is placed on work-life balance, preceived inclusion and psychological safety, contentment at work, and intrinisic and extrinsic drive. Results are gauged against benchmark scores of other companies to understand changes and trends. Critical points of improvement are communicated to local managers who turn them into local action plans.

Diversity is an integral aspect of Tele2's operations and our standpoint is described in the Diversity and Inclusion Policy, as well as in the Code of Conduct. In order to manage impacts, a gender KPI is followed up on all functional levels to inform promotion and recruitment decisions. Tele2 is strongly committed to gender pay equality, and regularly conducts gender pay gap analyses to ensure equal pay for the same kind of position or job.

Tele2's zero tolerance for any type of discrimination is frequently communicated, each case is evaluated individually, and appropriate actions are taken. Tele2 encourages employees to share information with their manager or the responsible function within HR/Security about any case of discrimination that they have information about.

Training and development programs

Tele2 is highly engaged in the continued development of employees and offers various training and development programs for employees and managers within areas such as customer operations, sales, environment, and data privacy. Tele2's ambition is for all employees, including senior executives, to have performance plans and annual performance dialogues.

Tele2 encourages a growth mindset with relevant feedback and continuous performance dialogue between manager and employee, as well as between peers. The approach seeks to ensure that all employees have clear and updated goals, and frequent and meaningful conversations with their manager around their aspirations, performance, and drivers for engagement. Tele2 believes in learning by doing, through exposure to challenging assignments together with good coaching, collaboration and learning from others.

Tele2 places high demands on leadership throughout the organisation, and offer programs for managers for continuous development, including theoretical sessions, group training sessions and individual reading. The programs provide managers with tools and inspiration to translate high-level strategy and engage their teams towards even greater performance. To exemplify, here are some exemples from Tele2's operations. In Sweden, Tele2 offers counselling and psychological services, outplacement services and severance packages exceeding legal requirements to support continued employability in case of unavoidable redundancies. In Estonia, Tele2 offers internal coaching and psychological services for all employees. HR offers support in case of termination and transition, such as coaching and services to help support with the next career step.

For more information on employee development, performance and remuneration, please see pages 24, 92, 137-139 in the Annual and Sustainability Report 2023.

Note S3 cont.

Results and progress

All employee data is presented in head count as per 2023-12-31.

Employees

	2023				
	Full-time employees		Part-time employees		
	Women	Men	Women	Men	Total
Sweden	893	1,846	56	54	2,849
Lithuania	478	243	38	4	763
Latvia	278	218	0	0	496
Estonia	225	117	26	7	375
Netherlands	0	2	0	0	2
Total	**1,874**	**2,426**	**120**	**65**	**4,485**

	2023				
	Permanent employees		Temporary employees		
	Women	Men	Women	Men	Total
Sweden	905	1,862	44	38	2,849
Lithuania	479	215	37	32	763
Latvia	263	215	15	3	496
Estonia	244	118	7	6	375
Netherlands	0	2	0	0	2
Total	**1,891**	**2,412**	**103**	**79**	**4,485**

Workers who are not employees

	2023	2022
Sweden	4,870	4,101
Lithuania	261	237
Latvia	470	378
Estonia	87	68
Total	**5,688**	**4,784**

Workers who are not employees is presented in head count as per the end of 2023. Workers include consultants and service personnel, where System Developers, Network Engineers, Technicians, Customer Service and Financial system experts are representing the majority of all non-employee workers. Consultants are hired to either fill a competence gap or for capacity needs over a limited period of time. Service personnel are external resources for outsourced work tasks and perform work that has been specified in a service agreement between Tele2 and the vendor.

New employee hires and turnover

	2023								
	Women				Men				Total
	<30	30-50	>50	Total women	<30	30-50	>50	Total men	
New hires:									
Sweden	90	80	7	177	94	86	17	197	374
Lithuania	93	70	0	163	78	32	1	111	274
Latvia	91	32	0	123	46	20	1	67	190
Estonia	49	16	1	66	21	7	1	29	95
Netherlands	0	0	0	0	0	0	0	0	0
Total new hires	**323**	**198**	**8**	**529**	**239**	**145**	**20**	**404**	**933**
Employees leaving									
Sweden	69	48	14	131	76	78	29	183	314
Lithuania	87	98	1	186	66	26	0	92	278
Latvia	74	47	1	122	33	16	1	50	172
Estonia	36	34	5	75	17	9	3	29	104
Netherlands	0	0	0	0	0	0	0	0	0
Total employees leaving	**266**	**227**	**21**	**514**	**192**	**129**	**33**	**354**	**868**
Employee turnover rate:									
Sweden	33%	9%	8%	14%	27%	7%	5%	10%	11%
Lithuania	50%	28%	9%	35%	64%	20%	0%	39%	36%
Latvia	75%	28%	8%	44%	51%	12%	12%	24%	35%
Estonia	42%	22%	29%	29%	40%	13%	19%	23%	23%
Netherlands	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total employee turnover rate	**47%**	**19%**	**10%**	**26%**	**39%**	**9%**	**6%**	**14%**	**19%**

Turnover rate is based on employees leaving divided by average number of employees, using the starting point and end point of the reporting year.

The turnover in the Baltics is likely due to inhouse stores and customer service, that can have higher turnover rates.

Note S3 cont.

Total number of employees and collective bargaininging

In Sweden, all employees, except for the Group Leadership Team employed at Tele2 AB, are covered by the collective agreement, which results in 2,840 employees being covered. The coverage rate is at a level of 99.7% for Sweden and 63.3% for the Group in total. For Tele2's other countries of operations, working conditions and terms of employment is determined according to local labour laws. Tele2 has a positive view on collective bargaining and supports the right of all employees to form trade unions and sign collective bargaining agreements.

Non-discrimination

Zero incidents of discrimination have been reported in 2023 (2022: zero).

Employee diversity

Continuing operations	2023								
		Women				Men			
	Total	<30	30-50	>50	Total women	<30	30-50	>50	Total men
Sweden	2,849	198	569	182	949	266	1,084	550	1,900
Lithuania	763	164	341	11	516	102	136	9	247
Latvia	496	100	166	12	278	66	142	10	218
Estonia	375	86	149	16	251	41	68	15	124
Netherlands	2	-	-	-	-	-	-	2	2
Total	4,485	548	1,225	221	1,994	475	1,430	586	2,491

Please refer to financial Note 31 for more details on gender distribution for board of directors and management in active group companies.

Gender pay gap

The last gender pay gap analysis was conducted for Sweden as per end of December 2023 and is presented in the table below. The analysis is based on the legal requirement from the Equality Ombudsman in Sweden and conducted in cooperation with local union representatives and an external vendor. The analysis includes base pay, excluding variable pay such as short-term incentives or commissions. The Group Leadership Team employed at Tele2 AB is excluded. The differences in pay is mainly due to gender imbalance in senior level positions rather than unequal pay due to gender for the same kind of position or job. This is something Tele2 actively works on as part of the diversity work to further achieve a gender balanced workforce. Figures presented below are based on data from Tele2 Sweden, as data from the other markets is not available.

As of 2023-12-31 Employee groups in Tele2 Sweden	Ratio[1]	Mean gender pay gap
Tele2 Stores and Customer Operations employees	99%	-1% to achieve equal pay
All other employees	92%	-8% to achieve equal pay
Managers[2]	98%	-2% to achieve equal pay
Senior managers[3]	99%	-1% to achieve equal pay

[1] Average female salary / Average male salary
[2] Numbers include team leads and junior department managers
[3] Numbers include senior department managers, division managers and managers with functional responsibility of an entire function

Average hours of training per employee and manager

Hours of training	2023		2022	
	Total	Average per person (hours)	Total	Average per employee (hours)
Employees	61,737	15.7	23,764	5.4
Managers	10,427	19.2	-	-

2023 is the first year reporting training hours separately for employees and managers, and therefore no comparable data is available for 2022. In 2023, the scope of trainings have been expanded to include not only group-wide trainings, but also specialised trainings in all markets. Average hours per person is based on 3,943 employees and 542 manager in 2023, and 4,438 employees and managers in 2022.

TELE2

NOTE S4 OCCUPATIONAL HEALTH AND SAFETY

Topic description and materiality

Tele2 strives to provide its employees with a safe and healthy work environment in which we can develop their long-term ambitions. In order to manage impacts, Tele2 has policies and processes in place to ensure access to health care and for the prevention of accidents. Tele2's approach to health and safety is adapted to the local legislation in each of its countries of operation. As stated in the Tele2 Business Partner Code of Conduct, Tele2 expects business partners to take similar responsibility for the health and safety of employees within their organisations, including workers that are working on behalf of Tele2.

Management and governance

Tele2 works systematically, through internal and external commitments, to identify work-related hazards and risks of high-consequence injuries by examining, implementing and following up on the work environment and improvements. The processes for risk assessment are conducted according to local legislation on work environment and occupational health and safety. In Sweden, this work is done in cooperation with the unions associated with the company. In Lithuania, the health and safety requirements are supervised and developed through a third-party organisation. In Estonia, employers have a legal obligation to organise a medical examination for an employee whose health may be affected as a result of assessed risks in the working environment. Such examination is done for every employee and repeated at least every three years.

There are numerous examples of how Tele2 minimises risk to hazards: a slippery floor is handled by putting a mat on the floor, a heavy door is handled by installing a door opener, heavy lifting and high climbing is not allowed without the appropriate tools and security equipment. If any work-related injuries were to happen, a report is made through the Tele2 Incident Report System or an external partner, which is then followed up by the Facility department to prevent any future injuries. Managers are trained in how to write these reports. Employees report any work-related injuries to their immediate manager and/or HR and work environment representatives. Tele2's employees can also report incidents via the Tele2 Incident Report System or through Tele2's Whistleblowing channels to report anonymously.

In order to minimise impact from health and safety hazards identified in the workplace, all employees are provided training in occupational health and safety during paid working hours. Employees are also provided the necessary instructions, safety equipment and training depending on their position to ensure that all work can be performed safely in line with local health and safety legislation.

In Sweden and Estonia, Tele2 has work environment representatives to form work environment committees, in line with local legislation. Regular meetings are held with the committees to discuss and follow-up on all work-related incidents and work environment conditions.

Apart from the requirements of the Business Partner Code of Conduct, Tele2 address occupational health and safety for subcontractors in line with local legislation.

Promotion of worker health and rehabilitation

In Sweden, Tele2 follows up on employee absence and offers rehabilitation plans for employees who have been ill long-term with support of external experts. Employees have an insurance program that covers rehabilitation and preventive care from specialists. Tele2 respects the privacy of employees and the confidentiality of personal and medical information. There are also policies in place to support employees in treating and preventing injuries. Tele2 applies self-assessment checklists for both managers and employees to ensure that all legal requirements are met, and that employees are satisfied with their work environment. These checklists are updated on a regular basis.

In Estonia, Latvia and Lithuania, employees are offered additional health insurance coverage, including outpatient assistance.

Results and progress

Occupational health and safety management system

100% of Tele2's employees (2023: 4,485 employees) are covered by an occupational health and safety management system, including the psychosocial and physical work environment. 301 workers that are not employees in Sweden, 2 in Latvia, and 2 in Lithuania, are covered by an occupational health and safety system. These include consultants that are covered by the occupational health and safety system through the work that they perform for Tele2. At the head office in Kista, Sweden, the physical work environment of the health and safety management system also covers all persons visiting or that are situated at the office, such as consultants.

Injuries

Six (2022: two) work-related injuries were reported during 2023, none of which have caused or contributed to high-consequence injuries. The types of injuries reported relate to accidents that occurred at work, but not related to employees' performance of work or to identified work-related hazards. The injury frequency rate per 200,000 hours worked was 0.18. No comparable data is available for 2022 as this is the first year reporting on injury frequency rate.

NOTE S5 RESPONSIBLE MANAGEMENT OF SUPPLIERS

Topic description and materiality

In order to uphold the same standards in our entire value chain, Tele2 wants to ensure the same high level of awareness and engagement in environmental and social issues among its suppliers, or business partners as Tele2 calls them, as in its own operations. Tele2 therefore includes sustainability requirements in both the selection and contracting of suppliers.

In order to mitigate risks related to human rights, labour conditions and environment in its supply chain, Tele2 requires its significant business partners to sign the Tele2 Business Partner Code of Conduct. For those that are unable to do so, there is an exception process in which Tele2 evaluates that the business partners' code of conduct is in line with Tele2's requirements. Through this process, Tele2 includes clauses about human rights, labour rights, anti-corruption, environment, etc. into a vast majority of its agreements with its business partners.

Management and governance

Tele2's suppliers

Most of Tele2's business partners, based on spend, are producers of input material or products such as handsets, base stations, sim cards, construction companies for telecom mast constructions, network & IT system solutions platforms as well as service providers within areas such as customer operations and media. Additionally, business partners may be consultants, financial auditors, M&A firms, legal advisors, etc. Other telecommunications providers are suppliers of wholesale interconnection and roaming services which are necessary to deliver our services on or to other networks. Business partners are either contracted through the central procurement function, country procurement or directly by various business ownership parties at central or country level. The central procurement function also serves the Swedish operations.

Tele2's supplier base consists of several thousands of suppliers. There may be changes from year to year as contracts expire, and new potential suppliers are signed on. These changes have not been significant during the year.

Responsible business and sustainable procurement

There is potential social and environmental impact throughout Tele2's entire value chain which is described in the Business Partner Code of Conduct, Human Rights Policy, and Environmental Policy, including how this is managed and the grievance mechanisms that are available.

In 2023, suppliers representing over 90% of addressable spend[1] had signed the Business Partner Code of Conduct, or equivalent. In case of breaches of the Business Partner Code of Conduct, Tele2 primarily conducts dialogues with business partners to establish remediation plans. If this would not produce the desired changes, Tele2 can terminate the relationship with the specific business partner. Tele2 also has a Conflict Minerals Policy to specifically target one of the most material topics of its suppliers.

Supplier social and environmental assessment

Tele2's framework for sustainable procurement defines routines for sourcing new business partners, and how Tele2 follows up on strategic and critical suppliers. These procedures include sustainability as a part of the Request for Proposals process, the use of EcoVadis Business Sustainability Ratings scores, an annual risk assessment, and a process for selecting suppliers for on-site audits. In 2023, 90% of new suppliers, based on addressable spend[1], were screened using social and environmental criteria. Tele2's suppliers on the EcoVadis platform covered around 46% of addressable spend[1] in 2023. Each year a risk assessment of the total supplier stock will be performed, and the following criteria will be taken into account for selection of suppliers for on-site audits: 1) the suppliers' score on the EcoVadis platform 2) suppliers from the different high-risk categories 3) suppliers with strong exposure to countries with high sustainability risks 4) top 20 vendors (highest spend). Based on these 4 criteria, 5 suppliers will be appointed to be audited the following year. Audits are arranged by the sustainability department and focus on the suppliers' compliance with the Tele2 Business Partner Code of Conduct and Tele2's requirements imposed on their supply chain.

1) Addressable spend is defined as the total spend in scope for Group Procurement.

Results and progress

Risk assessment and audits

Supplier assessment	2023
Total number of suppliers assessed for social and environmental impacts through EcoVadis [2]	82
Number of suppliers audited on site	5
Number of suppliers where social or environmental non-conformities were identified	5
Percentage of the suppliers assessed or audited where non-conformities were identified and a Corrective Action Plan was established	100%
Percentage of the suppliers assessed or audited where relationships were terminated	0

2) Tele2 uses EcoVadis Business Sustainability Ratings to screen and monitor business partners.

Note S5 cont.

On-site audits

The 2023 supplier risk assessment identified five suppliers for on-site audits. Five out of five planned on-site audits were conducted in 2023.

The first audit was of a supplier with production in China, identified as operating within a high-risk industry (technology hardware) and with operations in high-risk countries. Non-conformities were identified through the audit and resulted in a Corrective Action Plan, which will be followed-up.

The second audit was of a supplier with production in China, identified as operating within a high-risk industry (technology hardware) and with operations in high-risk countries. Non-conformities were identified through the audit and resulted in a Corrective Action Plan, which will be followed-up.

The third audit was of a supplier in India, with operations in high-risk countries. Non-conformities were identified through the audit and resulted in a Corrective Action Plan, which will be followed-up.

The fourth audit was of a supplier in Sweden, identified as operating within a high-risk industry (real estate). Non-conformities were identified through the audit and resulted in a Corrective Action Plan, which will be followed-up.

The fifth audit was of a supplier in Sweden, providing consulting services. Non-conformities were identified through the audit and resulted in a Corrective Action Plan, which will be followed-up.

Tele2 aims to publish all audit reports at Tele2.com.

NOTE S6 HUMAN RIGHTS

Topic description and materiality

Tele2 aims to conduct its business with the highest degree of ethics while also being compliant with local laws and regulations and respecting human rights. Tele2's markets are all different in this aspect.

Tele2 believes that all people are entitled to basic human rights and recognises its responsibility to respect and support human rights in all its business operations, including in the supply chain and communities in which we operate. This means that Tele2 avoids causing or contributing to negative human rights impact through the business operations, as well as through activities to which Tele2 is directly linked via a business relationship. Tele2's human rights policy further emphasises its human rights commitments.

Management and governance

To mitigate risks, Tele2 uses a Code of Conduct applicable to its own operations and a Business Partner Code of Conduct applicable to its business partners, based on the UN Global Compact. It encompasses labour rights, anti-corruption, environment, freedom of association and collective bargaining, child labour and forced labour, and other basic human rights. The Code of Conduct was last updated in May 2023 and the Business Partner Code of Conduct was last updated in June 2021.

Fair working conditions

All employees of Tele2 and its Business Partners are entitled to fundamental human rights which shall be known, understood, respected and applied equally. No one shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. Forced, exploited or bonded labour is strictly forbidden. Employees shall not be required to lodge deposits or original identity papers as a condition for employment. Employees shall not be forced to work more than the limits on regular and overtime hours allowed by the laws of the country in which they are employed. Overtime shall be compensated at no less than the legally required rate. All employees shall have contracts specifying the terms of employment. Children under the minimum working age established by local law or 15 years, whichever is greater, shall not be used as part of the labour force. Employees under 18 years shall not be engaged in hazardous or heavy work, or on night shifts. The rights of employees to freely associate and to bargain collectively, in accordance with the laws of the countries in which they are employed, shall be recognised and respected.

Note S6 cont.

Protection of children's rights

Child protection is a high priority for Tele2, and one of the four focus areas of the sustainability strategy. To support the protection of children's rights, Tele2 gives guidance to its employees regarding child protection. Protecting the rights of children is included in the Code of Conduct and the Business Partner Code of Conduct. Business partners are expected to adhere to the same standards in relation to the work they do for Tele2.

Tele2 also takes responsibility through the continous blocking of attempts to access web pages that have been classified as containing child sexual abuse material, for both our customers but also detection on devices used by our employees. This is done in all countries of operation and is based on lists from Interpol, the Swedish police and Project Arachnid.

Customer integrity

Tele2 is committed to safeguarding and respecting customers' rights to privacy, integrity, and freedom of expression, all of which are governed by Tele2's Code of Conduct, and complies with applicable laws and regulations in these areas. Tele2 does not process customers' personal data other than as allowed by applicable legislation or with the customers explicit consent. Tele2 reviews requests from relevant authorities on each occasion for compliance with existing legislation, as well as fully participate in referral procedures from authorities regarding new or updated legislation affecting freedom of expression and legitimacy. More details on the management of information security and privacy can be found in Note S11.

Results and progress

As part of the human rights due diligence (HRDD) process and in order to ensure fulfillment of the EU Taxonomy regulations on Minimum Safeguards, Tele2 carried out a human rights impact assessment (HRIA) in 2022 to identify actual and potential negative impacts on human rights that Tele2 may be involved in. Consequently, six salient human rights impacts were identified, which were privacy rights, freedom of expression, non-discrimination, forced labour, labour rights and child rights. Consequently, Tele2 intensified its work within Human Rights by conducting a Child Rights Impact Assessment (CRIA) in 2023. The goal was to identify actual and potential negative impact on child rights that Tele2 may be involved in through its business operations, its partnerships and across its value chain. It complements existing procedures that cover human rights, such as Tele2's supply chain process and whistleblower procedure. The CRIA was carried out in accordance with the UNICEF Child Rights Impact Self-Assessment Tool for Mobile Operators (MO-CRIA), a tool created for companies in the mobile industry to understand their impact on children in their operations. Based on the MO-CRIA, benchmark, industry analysis and stakeholder dialogue, six main child rights impact areas were identified for Tele2:

- Child online safety
- Digital inclusion
- Working conditions
- Suppliers and business relations
- Marketing and advertising
- Product safety

Tele2 offers training for its employees on human rights issues through the annual Code of Conduct training, which gives Tele2 the ability to meet new human rights expectations and mitigate and address negative human rights impacts identified in its processes. In 2024, Tele2 will strengthen the HRDD process by acting on negative human rights impacts, measure and follow-up on actions, provide remedy where needed, and continue to communicate on human rights in annual sustainability reports. To ensure that Tele2 continuously identifies and manage actual and potential negative impacts on human rights, further human rights consideration will also be incorporated into existing company processes and supplement the HRIA with additional parts of Tele2's business and value chain. Tele2 will review human rights impact assessments on an annual basis.

Blocking of Child Sexual Abuse Material

	2023	2022
Number of blocked attempts to access child sexual abuse material	5,120,879	2,569,602

Project Arachnid, combined with updated blocking lists from Interpol and the Swedish police have resulted in a 99% increase of blocked attempts to access CSAM in 2023 compared to 2022.

NOTE S7 WASTE AND WATER

Topic description and materiality

Creating a more circular economy is one of the most material topics for Tele2's stakeholders, and one of the four focus areas of the sustainability strategy. Closing the loop of material and production flows extends the lifetime, as well as upholds the value of materials and products in Tele2's value chain.

Risks connected to water stress or loss of water resources are emerging topics where companies must identify and manage their role regarding the issue. While Tele2's current impact from its operations on water resources is insignificant, it is important to measure and follow water usage and climate related risks to limit potential damage to local ecosystems and effects on critical network infrastructure for society.

Management and governance

Materials and waste

Tele2 is continuously working towards finding new ways to increase its product take-back and reduce waste throughout the value chain. Since 2021, Tele2 is monitoring generated waste from its operators by disposal methods, to map the greatest sources of waste and identify potential improvements.

Water and effluents

Water stress and access to clean water is a growing global problem. Through the water usage in its operations, the information and technology industry is part of the problem, but can also be part of the solution. IoT and smart technologies create opportunities to manage and monitor water supply and increase water efficiency to reduce the negative impacts on ecosystems and climate change.

In 2021, a water risk assessment based on the WWF Water Risk Filter was conducted for Tele2's offices and data centres in Sweden in order to identify actual and potential water risks. The results indicated an overall low risk at all assessed facilities.

The withdrawal and discharge of water in Tele2's operations originate from and go to third-party water distributors (i.e. municipal water solutions). For Tele2, water abstraction impacts and dependencies are primarily present within the supply chain rather than in the own operations, while water abstraction impact still indicates a potential risk for Tele2 in terms of shortages of products or longer delivery times. Since 2021, Tele2 measures the water consumption from operations as a first step towards identifying potential measures to reduce water usage and limiting the negative impact on water critical locations. Tele2 is committed to annually monitor and report on the water use in offices and data centres, and is committed to set a target for water consumption in Tele2's own operations once enough data is available.

Results and progress

Waste generated at operational units by disposal method[1) 2)]

Tonnes	2023				2022			
	Consumer	Network	Facility	Total	Consumer	Network	Facility	Total
Hazardous waste								
for reuse	100.0	0.4	-	100.4	73.0	0.8	-	73.8
for recycling	2.7	257.7	7.1	267.5	1.9	197.9	8.2	208.0
for incineration	-	52.1	-	52.1	-	32.8	-	32.8
sent to disposal	-	17.0	-	17.0	0.2	18.4	-	18.6
Total hazardous waste	**102.7**	**327.2**	**7.1**	**437.0**	**75.1**	**249,9**	**8,2**	**333.2**
Non-hazardous waste								
for reuse	1.5	12.4	0.3	14.2	10.0	1.2	-	11.3
for recycling	50.0	571.1	32.5	653.6	58.8	423.5	30.3	512.6
for incineration	-	191.0	14.4	205.4	-	95.0	5.7	100.6
sent to disposal	1.5	5.2	-	6.7	0.8	7.8	-	8.7
Total non-hazardous waste	**53.0**	**779.7**	**47.2**	**879.9**	**69.6**	**527.5**	**36.0**	**633.2**
Total amount of waste	**155.7**	**1,106.9**	**54.3**	**1,316.9**	**144.7**	**777.4**	**44.2**	**966.4**

1) Consumer includes reclaimed electronic waste, Network includes waste from construction and maintenance of the mobile network, Facility includes waste from offices.

2) Calculations are based on data from waste disposal suppliers and their classification of hazardous and non-hazardous waste. In cases of unavailable information, data has been extrapolated from known waste data.

Generated waste increased 36% in total in 2023 compared to 2022. This is mainly due to increased waste from network construction and maintenance in all markets. Improved data availability for additional consumer and network waste in Sweden resulted in increased consumption levels, which has also been updated for reported data in 2022.

Note S7 cont.

Reclaimed products [1]

Product category	2023			2022		
	Share of reclaimed products	of which re-used	of which recycled	Share of reclaimed products	of which re-used	of which recycled
Mobile phones	19.9%	88.9%	11.1%	13.2%	81.5%	18.5%

1) Data on reclaimed products is based on sales data on number of products sold and data from Tele2' Sweden's partners for collecting used products from B2B and B2C operations.

The scope for 2023 and 2022 includes the take-back and processing of mobile phones from Swedish operations. The share of reclaimed mobile phones in Sweden has increased, both due to an increase in the number of reclaimed products, and due to a decrease in number of shipped mobile phones. In 2023, new reports on take-back of mobile phones were added to the report, both for 2023 and 2022, which resulted in a slight increase in take-back and reuse of mobile phones also in 2022. Other product categories are omitted as data is not reported.

Water consumption from operations

Mega liter	2023	2022
Sweden	6.5	5.2
Lithuania	1.5	1.3
Latvia	1.6	0.9
Estonia	0.6	0.6
Total	**10.2**	**8.0**

Water consumption increased 28% in 2023 compared to 2022, and is related to increasing office presence for employees and visitors after the Covid-19 pandemic. Reported figures cover offices and retail consumption. Tele2 had planned to implement a water management system during 2023. Due to resource constraints, Tele2 was unable to implement such a system, but aims to do so during 2024.

NOTE S8 ENERGY, TRAVEL AND TRANSPORT

Topic description and materiality

As a telecommunications operator and connectivity provider, Tele2 is highly dependent on the energy used in its operations. By implementing new solutions and processes for increased efficiency, Tele2 can both reduce energy consumption and the environmental impact of its operations. For Tele2, electricity consumption is key, as this has been the major source for Tele2's emissions of greenhouse gases (GHG) in its own operations. To mitigate these impacts, Tele2 has transitioned to using 100% renewable electricity in its own operations.

Management and governance

Tele2 has pronounced an ambition for increased energy efficiency, and works continuously to optimise energy consumption in its operations and networks. Tele2's commitment and efforts to reduce energy consumption is formalised in Tele2's Environmental Policy, which all employees and business partners are required to follow. In order to advance the transition to renewable energy, Tele2 has committed to become a fossil fuel free business using 100% renewable energy in its own operations by 2025.

In order to phase out the use of fossil fuels from business travel, all new company cars (except service vehicles) are required to be electric vehicles as of 2020, and is formalised in Tele2's Car Policy.

Note S8 cont.

Results and progress

Energy consumption

	2023		2022		2019 [1]	
	Consumption	Share of consumption	Consumption	Share of consumption	Consumption	Share of consumption
Energy fuel within the organisation (MWh)						
Natural gas	-	-	351	0.2%	367	0.1%
Petrol	-	-	-	-	-	-
Diesel	133	0.0%	105	0.0%	1,862	0.7%
Total fuel within the organisation	**133**	**0.0%**	**456**	**0.2%**	**2,229**	**0.8%**
Fuel from cars (MWh)						
E85	-	-	-	-	7	0.0%
Petrol	3,206	1.2%	2,882	1.1%	4,466	1.6%
Diesel	2,187	0.8%	3,161	1.2%	10,382	3.7%
Gas mix	47	0.0%	35	0.0%	9	0.0%
Electricity	403	0.2%	263	0.1%	184	0.1%
Total fuel from cars	**5,843**	**2.2%**	**6,341**	**2.4%**	**15,048**	**5.4%**
Share of renewables in total fuel consumption (%)[2]	0.8%		0.5%		0.1%	
Electricity, heating, cooling and steam purchased for consumption (MWh)						
Electricity	260,094	95.8%	248,358	93.9%	244,429	87.9%
District heating	1,778	0.7%	1,727	0.7%	5,863	2.1%
District cooling	3,609	1.3%	7,500	2.8%	10,474	3.8%
Total electricity, heating, cooling and steam	**265,481**	**97.8%**	**257,585**	**97.4%**	**260,766**	**93.8%**
Total energy consumption	**271,457**	**100%**	**264,382**	**100%**	**278,043**	**100%**

[1] Base year for science-based targets
[2] The share of renewables from fuel consumption is calculated based on 85% share of renewables in E85 and 96% share of renewables in gas mix.

The consumption of electricity and district heating in Tele2's operations is at a similar level as in 2022. The consumption of district cooling has decreased significantly compared to 2022, which is related to a credit note issued in 2023 from a supplier and not related to an actual decrease in consumption. District cooling consumption is therefore likely to return to 2022 levels from next year. Due to the phase out of natural gas for heating, the consumption of natural gas fuel in the organisation has decreased to zero. Self-produced electricity from wind and solar energy increased in Latvia and Estonia, resulting in a higher share of off-grid energy. In 2023 the consumption of off-grid energy accounted to 105 MWh, compared to 18 MWh in 2022. The energy consumption from leased cars has increased significantly for electric fuel, vehicle gas and slightly for diesel, while consumption of petrol has decreased. Although fuel from cars represent only 2% of the total energy consumption, the impact from cars make up around 80% of Tele2's total scope 1 and 2 emissions and comes primarily from petrol and diesel consumption.

The 2023 reporting includes also minor updates to the 2022 energy figures due to erroneously reported figures in 2022, including an updated car fuel consumption of vehicle gas, petrol, diesel and electricity in cars, and added consumption of self-generated electricity. It also includes a minor methodology update for district heating consumption in offices, resulting in lower energy consumption in 2022 than previously reported.

Share of green energy and electricity

	2023	2022
Percentage of green energy total	95.83%	93.95%
Percentage of green electricity total	100%	100%

Energy and emissions intensity per RGU

	2023	2022
Energy consumed per RGU[1] kWh	32.63	31.46
Emissions (scope 1 and 2) emitted per RGU[1] kg CO_2-eq	0.18	0.20

[1] Revenue Generating Unit

Reduction of energy consumption

In 2023, Tele2 has engaged in several initiatives to reduce the energy consumption of its operations. With increasing demand for data from customers, activities to increase energy efficiency are mainly targeted towards Tele2's networks.

In Estonia, new solar panels have been installed in 2023 on existing network towers, and are now in use at 4 pilot sites, generating a total of 7.5 MWh off-grid electricity during the year.

Following an energy audit conducted in Latvia in 2021, Tele2 continues to replace cooling equipment with free cooling solutions and install new solar panels in selected base stations. In 2023, total self-produced electricity from new and existing solar panels and wind turbines amounted to 100 MWh.

In Lithuania, initiatives to reduce energy consumption from Radio Access Network (RAN) have continued in both 4G and 5G networks by implementing functions for reduced site capacity and switching off hardware during low traffic or when no traffic is transmitted. Actual power measurements in 4G and 5G base stations indicate energy reductions of 350 MWh in 2023.

In Sweden, Tele2 has continued the parameter optimisation in the N4M and Sunab networks and implementation of energy saving features, with energy savings of around 3.68 GWh in 2023 for Tele2's share throughout the networks. One such example is MIMO-muting where the base station antennas are switched on and off based on traffic load. Additional initiatives include continued hard shutoffs and removal of legacy equipment following the Remote-Phy rollout. The energy reductions for Tele2 include both actual reductions and reductions related to relocating hardware. The estimated total power saving in the network was at approximately 321 MWh in 2023. Moreover, continued decommissioning of legacy data centre equipment has resulted in additional 785 MWh annual energy savings. To increase energy efficiency, we have also modernised data centre equipment with estimated energy reductions of 534 MWh per year.

TELE2

NOTE S9 GHG AND OTHER EMISSIONS

Topic description and materiality

Greenhouse gases and other emissions are identified as material aspects in light of climate change being a global challenge. The information and communication technology industry contributes to this global challenge, but can also contribute to solving problems and promote mitigation, through offering sustainable innovation based on connectivity.

Management and governance

Tele2 has developed a climate strategy with both short and long term actions to mitigate greenhouse gas (GHG) emissions in Tele2's own operations and value chain. Additionally, climate change risks are integrated in Tele2's strategic risk management process, where a member of the Group Leadership Team (GLT) is assigned responsibility for identifying actions to mitigate the risks and to monitor and report any development to the rest of the GLT. More information can be found under Enterprise Risk Management in the Annual and Sustainability Report.

Results and progress

Total direct and indirect emissions (scope 1, 2 and 3)

Emissions (Tonnes CO_2-eq)	2023 Total	2023 Share of total GHG emissions (market-based)	2022 Total	2022 Share of total GHG emissions (market-based)	2019[1] Total	2019[1] Share of total GHG emissions (market-based)
Scope 1 GHG emissions						
Gross scope 1 GHG emissions (tCO_2eq)	1,347	0,4%	1,467	0.5%	3,311	1.1%
Scope 2 GHG emissions						
Gross location-based scope 2 GHG emissions (tCO_2eq)	47,786	-	45,392	-	44,816	-
Gross market-based scope 2 GHG emissions (tCO_2eq)	167	0.1%	176	0.1%	39,947	13.8%
Scope 3 GHG emissions						
Purchased goods and services	164,782	60.0%	165,224	64.3%	174,394	60.2%
Capital goods	78,621	28.6%	58,318	22.7%	39,713	13.7%
Fuel and energy related activities	2,973	1.1%	2,940	1.2%	4,496	1.6%
Upstream and downstream transportation and distribution	2,063	0.8%	2,542	1.0%	2,201	0.8%
Waste generated in operations	17	0,0%	12	0.0%	6	0.0%
Business travel	1,307	0.5%	1,088	0.4%	2,546	0.9%
Employee commuting	2,734	1.0%	1,575	0.6%	3,384	1.2%
Use of goods sold	20,672	7.5%	23,613	9.2%	19,494	6.7%
End-of-life treatment of sold products	48	0.0%	47	0.0%	37	0.0%
Total Gross indirect (scope 3) GHG emissions (tCO_2eq)	273,217	99.5%	255,359	99.4%	246,271	85.1%
Total GHG emissions						
Total GHG emissions (location-based) (tCO_2eq)	322,350	-	302,218	-	294,398	-
Total GHG emissions (market-based) (tCO_2eq)	274,731	100%	257,002	100%	289,529	100%

[1] Base year for science-based targets

Direct and indirect emissions Scope 1 and 2

For 2023, Tele2's operations included the markets in Sweden, Estonia, Latvia, and Lithuania, referred to in this report as continuing operations. The total emissions in scopes 1 and 2 for Tele2 in 2023 were 1,514 tonnes CO_2-eq which is a decrease of 97% compared to 2019 (43,258 tonnes CO_2-eq). When looking at the scope 1 and 2 emissions using the location-based method, the emissions are 49,133 tonnes CO_2-eq in 2023, compared to 46,859 tonnes CO_2-eq in 2022, an increase of 5% for the continuing operations. This is mainly due to increased electricity consumption. During the last few years, Tele2's scope 1 and 2 emissions have decreased greatly due to increased sourcing of renewable electricity with Guarantees of Origin certificates. In 2023, Tele2 continued its sourcing of 100% renewable electricity which means that the emissions from purchased electricity using the market-based method are close to zero, with some emissions coming from the production of biomass-based electricity (7 tonnes CO_2-eq in total in 2023). Emissions from energy fuels decreased by 62% compared to 2022, mainly due to implementation of new energy heating in offices as well as reduced use of back-up power generators. Since Tele2 started sourcing 100% renewable electricity, the climate impact from cars is the largest source of emissions in Tele2's scopes 1 and 2. The impact from cars corresponds to around 80% of Tele2's total scope 1 and 2 emissions and primarily comes from petrol and diesel consumption. The emissions from cars have decreased 6% since 2022. This is a result of increasing electricity consumption in electric and hybrid cars. Further transition to electric cars and increased share of biofuels can further reduce emissions from cars. In 2023, Tele2 has maintained more than 90% emission reductions in scope 1 and 2 compared to the 2019 base year, and is on path for its science based target of 100% reduced emissions by 2029.

Indirect emissions Scope 3

Emissions in scope 3 are in total 273,217 tonnes CO_2-eq. This is an increase by 7% compared to last year. The increase is largely due to increased emissions in purchased goods and services and capital goods relating to Tele2's purchases of consumer electronics and network equipment. Emissions from business travel and employee commuting have increased due to increased air travel and less working from home as the year 2022 was still influenced by the Covid-19 pandemic. Several updates have been made to the reporting methodology to improve data quality, which have been applied both on the 2023 reporting and retroactively for 2022 and the 2019 base year. The updates have resulted in an increase of total emissions in scope 3 by 36% for 2022 and 17% for 2019. More details on the updates can be found on pages 72, 73. Compared to the base year in 2019, the total scope 3 emissions have increased 11% in 2023.

Total GHG emissions and intensity (Scope 1, 2 and 3)

The emissions of direct and indirect GHG emissions in scope 1, 2 and 3 (market-based) totaled to 274,731 tonnes CO_2-eq.

The total GHG intensity in 2023 was: 9.44 tonnes CO_2-eq/ MSEK revenue. Calculations are based on a total 29,099 MSEK revenue.

Note S9 cont.

Direct and indirect emissions by market (scope 1 and 2)

Emissions by market (Tonnes CO_2-eq)	2023				2022				2019[1]			
	Direct	Energy indirect	Total	Share	Direct	Energy indirect	Total	Share	Direct	Energy indirect	Total	Share
Continuing Operations												
Sweden	512	135	647	43%	541	96	637	39%	2,357	468	2,825	7%
Lithuania	426	0	426	28%	410	0	410	25%	235	6,051	6,286	14%
Latvia	289	31	320	21%	357	80	437	26%	432	8,766	9,198	21%
Estonia	120	1	121	8%	159	-	159	10%	287	24,662	24,949	58%
Total continuing operations	**1,347**	**167**	**1,514**	**100%**	**1,467**	**176**	**1,643**	**100%**	**3,311**	**39,947**	**43,258**	**100%**

[1] Base year for science-based targets

EU Emission Trading System

The EU Emission Trading System (ETS) is a policy instrument with the purpose of reducing greenhouse gas emissions. It is based on a cap-and-trade system that limits the amount of greenhouse gases that can be emitted each year, and requires companies in selected sectors to obtain allowances for their emissions through trade.

Tele2 is not subject to the regulations of the EU ETS framework but uses the framework as a tool to monitor emissions by theoretically putting a price on its GHG emissions, as can be seen in the tables below.

EU Emission Trading System (ETS), calculation of cost (market-based)

	2023	2022
Total scope 1 & 2 GHG emissions (market-based) Tonnes CO_2-eq	1,514	1,643
Cost per ton, EUR	83	81
Total ETS cost, EUR	125,662	133,083
Change in ETS cost, (%)	-6%	-[1]

If Tele2 was part of the EU ETS (the European Emission Trading System), our total climate impact in scopes 1 and 2 would mean a cost of 125,662 EUR (market-based) of allowances. Compared to 2019, the annual average cost per ton of allowances has more than tripled (increased by 297%). During this time Tele2 reduced the scope 1 and 2 GHG emissions by -97% (market-based method) in the continuing operations and at the same time divested the operations in the Croatian and German markets.

EU Emission Trading System (ETS), calculation of cost (location-based)

	2023	2022
Total scope 1 & 2 GHG emissions (location-based) Tonnes CO_2-eq	49,133	46,859
Cost per ton, EUR	83	81
Total ETS cost, EUR	4,078,039	3,795,579
Change in ETS cost, (%)	7%	-[1]

[1] Data for 2022 is not possible to provide as there is no comparative data available from 2021"

During 2023, location-based emissions increased 5% and the related cost per tonne CO_2-eq increased slightly, which would have resulted in a 7% increase in overall cost of allowances within the EU ETS framework.

Carbon offsetting

To offset Tele2's scope 1 and 2 emissions and emissions from business travel in scope 3 for 2023, and scope 2 emission in 2022 totaling 56 tonnes CO_2-eq stemming from biomass energy attribution certificates that were incorrectly reported as having 0 emissions of CO_2-eq, Tele2 has purchased carbon offset credits equivalent to 2,877 tonnes CO_2-eq.

Tele2 has used 3 types of projects for carbon offsetting: 1) Gold Standard certified projects for reforestation and biodiversity in Australia and India, as well as a Verra Verification Carbon Standard certified project to restore mangrove forests in Pakistan (these three projects account for a majority of credits), 2) Biochar carbon credits from a projects in Bolivia, which is Puro Earth certified with a potential permanence of hundreds of years, 3) Carbon removal using a Direct Air Capture project, verified according to ISO 14064-2 by DNV, with an estimated permanence of over 1,000 years.

Avoided emissions

Tele2 has conducted an analysis of its impact on avoided emissions of carbon and energy consumption that are enabled through our products and services. Based on the report "The Enablement Effect" published by GSMA and Carbon Trust, both general data and specific Tele2 data was used. The analysis accounts for the annual avoided carbon dioxide equivalent for each included product or service and the energy saved by Tele2 customers through the use of certain products and services. The purpose of calculating the avoided emissions is to assess the contribution of a service/product to the 1.5°C target from the Paris Agreement. As it is based on scenarios, the results inherently come with a degree of uncertainty. In the analysis, the solutions listed in GSMA's "The Enablement Effect" report were compared to Tele2's products and services, after which key solutions were identified based on their relevance with regard to their possible enablement effect. The selected key solutions cover the following categories of solutions that Tele2 offers:

Note S9 cont.

Smart buildings:
- HVAC Control (commercial buildings)
- Building Energy Management Systems (electricity commercial & gas commercial)
- Smart meters (electricity residential)

Smart working, living and health:
- Audio conferencing
- Video-calling with friends and families
- Working from home
- Sharing economy

Smart transport and cities:
- Smart logistics efficient routing and fleet management
- Fleet vehicle driver behaviour improvement

Smart energy:
- Electric vehicle connection

Smart manufacturing:
- Inventory management

In total, Tele2 enables the avoidance of around 866,000 tonnes of CO_2-eq through the products and services included in the analysis. Compared to Tele2's total gross emissions in scope 1, 2 and 3 in 2023, the avoided emissions represent more than 315% of the gross emissions across the supply chain. The majority of Tele2's avoided emissions are enabled by fleet vehicle driver behaviour improvement, video-calling with friends and family, audio conferencing and inventory management. These four categories represent more than 90% of the avoided emissions.

The estimated avoided emissions per category are presented in the table below:

Enablement Category	Enablement Sub-Category	Enablement Mechanism	Unit of Measurement	Range of Tele2's avoided emissions (best estimate) ton CO_2-eq
Smart buildings	Building Energy Management Systems (electricity commercial)	Energy management systems lead to optimised energy and heating demand, resulting in energy savings.	Number of connected BEMS systems	2330 – 8330 (4893)
Smart buildings	Building Energy Management Systems (gas commercial)	Energy management systems lead to optimised energy and heating demand, resulting in energy savings.	Number of connected BEMS systems	178 – 634 (386)
Smart buildings	HVAC Control (commercial building)	Monitoring and control of HVAC systems, including automatic reaction based on occupancy, leads to a reduction in energy consumption.	Number of offices with connected HVAC	4018 – 6857 (5318)
Smart buildings	Smart meters (electricity residential)	Use of smart meters enablses monitoring of energy used, raises awareness, and leads to behavioural change reducing energy consumption and therefore emissions.	Number of connected smart meters	9275 - 25628 (17086)
Smart working, living and health	Audio conferencing	Use of smartphones to join conference calls reduces the need for business travel, thus reducing carbon emissions.	Audioconferencing minutes	15278 – 132687 (53684)
Smart working, living and health	Video-calling with friends and families	Use of mobile device for video calls to friends and family, thus reducing carbon emissions by reducing the need for travel to visit them.	Number of mobile subscriptions	38763 - 231620 (118224)
Smart working, living and health	Working from home	Use of smartphone technology allowing people to work from home, reducing the need for business travel and thus reducing carbon emissions .	Home office days	1375 – 157738 (14227)
Smart working, living and health	Sharing economy	Use of mobile technology facilitates a market for secondhand goods. Renting equipment avoids the purchase and manufacture of new goods, thus reducing carbon emissions.	Number of mobile subsciptions	608 - 1628 (1006)
Smart transports and cities	Smart logistics, efficient routing and fleet management	Better routing and coordination of vehicle fleets, enabled through telematics systems connected via mobile networks in HGVs, results in reduction of total distance travelled, avoiding areas of high congestions, optimising fuel usage and ultimately reducing emissions.	Number of connected HGV/cars/buses	8536 – 18928 (13506)
Smart transports and cities	Fleet vehicle driver behaviour improvement	Improvement of driver behaviour, enabled through telematics systems connected via mobile networks in HGVs, leading to reduced overall journey distance, fuel consumption and lower emissions.	Number of installed systems	384907 - 769813 (577360)
Smart energy	Electric vehicle connection	Smart grids enabling connection of electric vehicles, therefore increasing shift from petrol and diesel cars to electric cars.	Number of charging points	10712 – 45734 (22728)
Smart manufacturing	Inventory management	Inventory management systems reduce the overall level of inventory needed. As a result, less warehouse storage space is required. Smaller storage space requires less energy for lighting and cooling, resulting in energy savings and emission reductions.	Number of installed systems	31758 - 42344 (37551)

Note S9 cont.

Reduction of GHG emissions

Tele2 continuously engages in activities to reduce greenhouse gas emissions from its operations and value chain. To combat the significant contribution from car fuel on scope 1 and 2 emissions, Tele2 has introduced a company car policy that promotes the use of electric company cars.

During the year, Tele2 has continued the roll-out of solar panels and wind turbines in the Latvian and Estonian operations, in an effort to increase the generation of renewable energy. Tele2 has also continued its implementation of free-cooling systems in Latvia, to decrease its dependency on air conditioning systems using refrigerants. Additionally, Tele2 has phased out the use of natural gas for heating, resulting in lower emissions from energy fuels.

Tele2 continues to engage with suppliers to reduce the impact from purchased goods and services and capital goods. During 2023, the climate targets of Tele2's largest suppliers were evaluated against Tele2's science-based targets. Supplier dialogues will continue in 2024 to make expectations clear to suppliers with insufficiently ambitious targets and ensure continous emission reductions in the value chain.

Calculation of emissions Scope 1, 2 and 3

Scope 1:

Tele2 apply the operational control approach to the calculations, meaning that emissions from facilities and vehicles under the operational control of Tele2 is reported. Emissions from company cars include all cars operated by Tele2's employees in duty and includes company owned cars, leased cars, rental cars and private cars operated in business purposes. Refrigerant leakages emissions are included in scope 1 for facilities where Tele2 has the operational control. The primary source of data for fuel combustion was the actual volume of fuel consumed per fuel type, e.g. litres of diesel or cubic meters of gas. If the fuel volume was not available, the travelled distances per fuel type was used, e.g. km travelled using diesel cars. Refrigerant leakages are assumed to equal the refilled volumes of a cooling system. If data was not available, assumptions based on known data sources were made to estimate the unknown parts.

Scope 2:

Emissions in scope 2 relate to purchased electricity, district heating and district cooling. Data on actual energy use was primarily used, e.g. the actual electricity consumption for a facility. Where primary data was not available, the energy use was based on the energy cost and an assumed cost per kWh. If data was not available, assumptions based on known data sources were made to estimate the unknown parts. Tele2 primarily applies the market-based method when calculating scope 2 emissions. However, emissions were also calculated with the location-based method, in accordance with the recommendations in the GHG Protocol, and reported separately. The calculations are based on the same data and assumptions, but different emission factors were applied.

Scope 3:

Purchased goods and services: Where possible, Tele2 collected data through surveys to hardware suppliers requesting product-level data. If the data was unavailable, Tele2 requested aggregated emissions data allocated to Tele2 based on revenue. Secondly, surveys were sent out to service suppliers asking for aggregated company-level emissions which were allocated to Tele2 based on revenue. To close the remaining data gaps a combination of additional methodologies were used, including the use of emission factors from public sources and extrapolation of supplier data from previous years. Data on purchased hardware was used to estimate the emissions from hardware unless no representative emission factors were available. In cases where none of the above methodologies were applicable, a spend-analysis was applied.

Capital goods: Calculations follow the same methodology as described in the Purchased goods and services section above since these emissions also relate to purchases from Tele2's suppliers.

Fuel and energy related activities: This category represents the life-cycle emissions from direct fuel use and indirect purchased energy, i.e. production and distribution of fuels and energy that had direct emissions reported in scopes 1 and 2. The same data used in scopes 1 and 2, was used to calculate the emissions in scope 3. The supplier-specific method was used when emission factors were available. If this was not available average-data method was used, e.g. industry averages for fuel production and distribution.

Upstream and downstream transportation and distribution: Emissions from outbound transports are based on data reported directly by carriers and extrapolated emissions in cases where data was unavailable. New for the 2023 disclosure was that Tele2 estimated the inbound transport emissions using the weights from the purchased hardware together with assumptions on transport distances and shares of travel modes. Previously these emissions were based on a spend-analysis. The updated methodology was applied to the base year and 2022 as well. Transport data from the Baltics has been unavailable until 2023. During 2023, these emissions were mapped and updated for the base year, 2022 and 2023. The transport emissions were accounted for well-to-wheel (WTW) and a radiative forcing index (RFI) of 2.7 was added.

Waste generated in operations: Data on waste disposal and transports is mainly based on primary data. If data was not available, extrapolations based on known data sources were made to estimate the unknown parts. Data covers consumer and network waste, and waste generated in offices. If the waste is used to produce e.g. district heating or new materials, this should be accounted for in the created product's lifetime and is therefore not included in Tele2's inventory. Note that for waste that goes to landfill the emissions from waste management are included. Emissions from waste transport are also included in this category. The average waste factor from Defra is applied to these calculations as well.

Note S9 cont.

Business travel: Calculations primarily based on data from travel agencies used by Tele2 and covers flights, hotel nights, taxis, and train travel. As some trips were booked outside the travel agencies, these emissions were estimated using the same emission intensity per EUR as for the travels booked within the travel agency.

Employee commuting: The methodology was updated during the year. Instead of using the Swedish survey on travel habits, a commuting survey was sent out to the employees in Sweden and the Baltics. The responses were used to calculate the number of days spent at the workplace weekly, which travel modes were used and the commuting distances for an average employee in each country. The results were then multiplied by the number of FTE:s in 2023, the number of workdays during the year and emission factors for each travel mode. The results from the survey were statistically validated.

Use of sold products and end-of-life treatment of products: This category is calculated using the average-data method and includes emissions from the products sold to end-users by Tele2. The number of sold products was used as a basis for the calculations this year. The electricity consumption from sold products was estimated and resulting emissions were calculated by applying the respective country grid mix emission factor. Product lifetimes, usage, required power, and weights were estimated for product groups using reference products. Emissions from the end-of-life treatment were calculated using the same emission factors as for the waste generated in operations category. Packaging of sold products is included in the calculations. The average-data method was applied for these calculations, where the share of waste to recycling, combustion and landfill was estimated based on national statistics. The waste transport emissions are included here too.

Spend and emissions from hardware, used for calculating Purchased goods and services, Capital goods, Upstream transportation and distribution, and End-of-life treatment of products, was collected for the period November 1st 2022 - October 31st 2023, to ensure timely input from suppliers.

Notes on changes and altered calculation methods

- The estimated share of electricity and fuels used in hybrid cars was updated to 53% of the distance run on electricity and 47% on fuel, based on data from the Swedish Energy Agency. Previously the assumption of a 50/50 split was used.
- The methodology for several scope 3 categories was updated as better data was identified and used. These updates relate to scope 3 categories 1, 2, 4, 11 and 12. As these updates significantly change the scope 3 inventory for Tele2, the results for the base year and 2022 have been updated using the same methodology.
- Data on purchased hardware was used to estimate the emissions from hardware unless no representative emission factors were available. A spend-based analysis was used previously to calculate these emissions. The change relates to emissions in scope 3 Purchased goods and services and Capital goods. This led to decreased emissions of about 6,000 tonnes CO_2-eq in the base year in 2019 and increased emissions of about 18,000 tonnes CO_2-eq in 2022.
- Inbound transport emissions were estimated using the weights from the purchased hardware together with assumptions on transport distances and shares of travel modes. Previously these emissions were based on a spend-analysis. The update led to decreased emissions of about 7 tonnes CO_2-eq in the base year in 2019 and an increase of about 850 tonnes CO_2-eq in 2022.
- Emission factors for upstream production and distribution for the Baltics were updated as a result of increased data availability. This was also updated for the emissions in 2022 and the base year.
- Data on the number of sold products was available as basis for the calculations in scope 3 Use and end-of-life of sold products. Previously these calculations were based on number of revenue-generating units. The estimated weights of the sold products were also updated based on reference products. The total change in the use of sold products and end-of-life treatment of sold products led to a decrease of about 11,300 tonnes CO_2-eq in the base year in 2019 and 9,000 tonnes CO_2-eq in 2022.
- Employee commuting emissions were based on a Tele2-specific survey sent out to employees in Sweden and the Baltics. In previous years these emissions were estimated based on a public survey on Swedish travel patterns.

Changes in data compared to previous years:

- A minor methodology update for district heating consumption in offices was done for the 2022 calculations, resulting in lower energy consumption in 2022 than previously reported.
- During the disclosure for 2023, a historic reporting error for refrigerant leakage was identified in the Estonian facilities which was corrected during the year. The correction led to updated, lower emissions, from refrigerant leakage in 2022 and in 2019.
- During 2023 it was noted that the electricity kilometres for hybrid cars were not previously reported in 2022. This was updated for 2022, resulting in lower consumption of diesel and petrol fuel from cars and increased consumption of electricity from cars, and consequently lower emissions in scope 1 and 2.
- In 2023, data on self-generated electricity in Latvia and Estonia was added, both for 2023 and 2022.
- In 2023, Vehicle gas was discovered to have been erroneously calculated and was adjusted – resulting in lower consumption in 2022 than previously reported (26 MWh instead of 29 MWh).
- Transport data from the Baltics has been unavailable until 2023. During 2023, these emissions were mapped and updated for the base year, 2022 and 2023. The emissions from the outbound transport emissions from the Baltics amounted to about 350 tonnes CO_2-eq in the base year in 2019, and 250 tonnes CO_2-eq in 2022.
- The underlying spend data was updated, as it was identified that the Baltics were not included in the reported figures historically. This error was rectified and updated for the base year and 2022 as well. This resulted in an increase of about 52,000 tonnes CO_2-eq in the base year in 2019, and close to 56,000 tonnes CO_2-eq in 2022.

NOTE S10 BIODIVERSITY

Topic description and materiality

Industries such as telecommunications services are dependent on environmental assets and ecosystem services within their value chain. Tele2's dependencies mostly relate to the company being dependent on managed land for its operations of different facilities (offices, data centres and telecommunication masts).

While Tele2's current impact on biodiversity from its operations is seen as insignificant, it is still important to identify and manage risks from its operations to prevent the loss of biodiversity and restrain the potential harm to ecosystem services that are crucial to society.

Management and governance

Because of growing concerns regarding biodiversity, a biodiversity risk assessment was conducted in 2023. The goal was to analyse whether Tele2's offices, data centres or telecommunication masts operate in biodiversity-rich areas or protected areas and if Tele2's operations contribute to biodiversity loss. The analysis was based on different spatial mapping tools for the geographical localisation of sites, such as the UN Biodiversity Lab (UNBL) map or the Biodiversity Information for Europe database. Moreover, open access data from the Swedish Forest Agency and the Swedish Environmental Protection Agency was used. The results showed an overall low risk at the assessed facilities. In addition, Tele2 is compliant with local and international laws and regulations in all operations, including the Swedish Environmental Code (Ds 2000:61) regulating the construction of infrastructure to mitigate potential negative environmental impact.

Results and progress

The analysis included Tele2's largest office buildings and data centres located in all countries of operation. Telecommunication masts over which Tele2 has operational control were screened on an overarching level across Sweden.

The results showed that two of Tele2's largest offices are located near biodiversity-rich areas with a low potential impact on biodiversity loss. Only 10% of the assessed data centres are located close to an area of importance to biodiversity out of which one is deemed to have a medium potential contribution to biodiversity loss. The impact derives from a data centre in the south of Sweden which is located close to a nature reserve and a key biotope area. Due to security reasons Tele2 has chosen to not disclose the exakt location and size of the data centre. Tele2's overall contribution to biodiversity loss is assessed as low, with one exception as described above.

NOTE S11 INFORMATION SECURITY AND PRIVACY

Topic description and materiality

Tele2 has customer and employee privacy and data protection as a high priority. Due to the nature of the services Tele2 provides, it processes personal data.

Management and governance

In order to manage impacts, Tele2 has organisational and technical measures, policies and guidelines, and a governance structure, which all serve to protect its customers' data and meet the requirements of the GDPR in the EU. Tele2 continuously monitors the development of laws and regulations and updates its processes and controls accordingly. Tele2 has a Group Data Privacy Officer, and in all of its markets Tele2 has a dedicated Data Privacy Officer who works on privacy and data protection. A privacy impact assessment has been integrated in its project model. The Group Data Privacy Officer is also the Data Privacy Officer for Sweden. Data privacy processes are similar in all local operations. All Tele2 employees are required to participate in a data privacy awareness training.

To ensure data privacy and protect the personal integrity of Tele2's customers, regular stress tests, vulnerability tests and penetration tests are conducted to prevent cyberattacks on Tele2's networks. In its proactive activities, Tele2 uses the services of so called white hat hackers, that look for potential issues in the IT-security measures, and report them to Tele2 to enable the resolving of issues without the risk of damage to customers or other stakeholders. The General Data Protection Regulation (GDPR) continues to play an important role in Tele2's privacy and integrity efforts. To ensure that all employees have a good understanding of the GDPR, Tele2 conducts an annual online training for all employees. The training explains key concepts of the regulation, describes how employees should act in certain situations, as well as provides information about who they can contact with questions about the regulation.

Tele2 Sweden is certified according to the Payment Card Industry Data Security Standard (PCI-DSS) and ISO 27001, and conducts annual third-party audits.

Results and progress

Reported substantiated complaints received during the year, concerning breaches of customer privacy, from outside parties and substantiated by Tele2 or from regulatory bodies, as well as reported identified leaks, thefts or losses of customer data discovered by Tele2, are stated in the table below.

Information security and privacy incidents reported through Security Incidents Management System:

	2023			2022		
	Total number of substantiated complaints received concerning breaches of customer privacy			Total number of substantiated complaints received concerning breaches of customer privacy		
Country	From outside parties and substantiated by Tele2	From regulatory bodies	Breaches of customer privacy discovered by Tele2	From outside parties and substantiated by Tele2	From regulatory bodies	Breaches of customer privacy discovered by Tele2
Sweden	6	-	4	1	-	-
Lithuania	-	-	1	1	-	1
Latvia	2	-	-	-	-	-
Estonia	3	-	1	1	-	8
Total	11	0	6	3	0	9

NOTE S12 STAKEHOLDER ENGAGEMENT AND MATERIALITY

Engaging with our stakeholders is a key aspect of our sustainability efforts. This type of engagement helps us determine which sustainability topics are most relevant for us to build our sustainability strategy and, as a consequence, which sustainability topics are most material for Tele2 to report on in its sustainability report.

Stakeholder engagement

Tele2's dialogue with stakeholders takes different forms, both a more structured and formal dialogue, for instance through surveys and interviews carried out during major materiality analysis updates, and more continuous dialogues with stakeholders, such as day-to-day meetings with clients, investors and employees, where sustainability topics are discussed. Tele2 continuously engages with stakeholders to follow up on material topics, and a new stakeholder dialogue covering all stakeholder groups should be conducted every three or four years.

Tele2 has identified a number of stakeholders as most important, either where Tele2's actions have a significant impact on them or where the stakeholders' actions have a significant impact on Tele2. This analysis is updated regularly to ensure Tele2 engages with all of its most important stakeholders. The stakeholders identified as the most important are presented in the figure below.

Reporting materiality

In 2020, Tele2 conducted a major stakeholder dialogue with key stakeholders, including employees, customers, the Board of Directors, suppliers, investors and ESG analysts, to determine the most important sustainability topics for Tele2. On the basis of this stakeholder dialogue, an updated materiality analysis was conducted, which has determined the material aspects for Tele2 to report on. The impact analysis was conducted using an alignment with the GRI Standards usage of the term impact from a dual materiality perspective; The effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. In addition to this external impact, internal impact in the form of financial, legal, reputational or operational impact, as well as the level of Tele2's possibility in affecting value with regard to the specific sustainability topics, has also been considered. In total, 18 topics were considered relevant for analysis, and mapped from N/A to high potential impact. The scoring was aggregated, and used to inform the materiality analysis. The assessment of material topics has been confirmed through an annual review for the sustainability reporting for the financial years 2021, 2022 and 2023.

Identified material topics for Tele2's industry and business

- Attract and retain talent
- Business ethics
- Child protection
- Circular economy
- Community engagement
- Digital consumption
- Diversity and inclusion
- Equal and reliable access of ICT for all
- Health and safety
- Innovation for sustainability
- Prevent distribution of child sexual abuse material
- Privacy, integrity & digital ethics
- Renewable energy and energy efficiency
- Responsible marketing and sales
- Responsible supply chain
- Sourcing of products and services
- Sustainable acquisition
- Taking action against climate change

Double materiality assessment

In 2023, Tele2 updated its materiality assessment to prepare for the upcoming Corporate Sustainability Reporting Directive (CSRD). The process was initiated by a rigorous assessment on trends, industry analysis and competitor analysis and followed by the steps for a double materiality assessment according to CSRD. During the double materiality Tele2 considered all material topics, sub-topics and sub-sub topics defined in the European Sustainability Reporting Standards (ESRS) and assessed materiality from two perspectives: impact and financial.

Note S12 cont.

An industry and competitor analysis was conducted using secondary data and research findings. In the industry analysis, Tele2 conducted a mapping of risks and opportunities within the value chain of the telecommunications industry as a basis to identify material aspects. In the competitor analysis, Tele2 benchmarked the sustainability governance and performance of both competitors in local markets, as well as international peers.

A key difference between the materiality conducted in 2020 and the one conducted in 2023 is that stakeholder views have only been used to provide perspectives and knowledge, not to influence area priorities. This led to a larger emphasis on topic experts from Tele2, representatives from civil society and NGOs in the dialogues. Despite this, Tele2 wanted to understand the full spectrum of stakeholders' perspectives, as Tele2 has the ambition to lead in sustainability. Therefore, we engaged with more than 6,600 individuals. Stakeholder groups included employees, investors, B2B clients, B2C customers, industry organisations, representatives from civil society, NGOs and suppliers.

The impact and financial analyses were completed according to the methodology in the ESRS. The impact materiality evaluates positive and negative impacts, severity, likelihood and time horizons. The financial materiality considers risks, opportunities, financial magnitude, and likelihood. Some topics where Tele2 has similar impacts were then grouped to make the analysis more manageable. Finally, strategy areas were mapped against ESRS topics to make sure that our sustainability strategy delivers on the most material topics to Tele2.

The assessment resulted in 10 material topics for Tele2:

	Impact	Financial
Climate change mitigation	Yes	Yes
Energy	Yes	Yes
Substances of concern & Substances of very high concern	Yes	Yes
Water and marine resources	Yes	No
Biodiversity and ecosystems	Yes	Yes
Resource use & Circular economy	Yes	Yes
Own Workforce	Yes	Yes
Workers in the value chain	Yes	Yes
Consumers & end-users	Yes	Yes
Business conduct	Yes	Yes

The result of the double materiality assessment has informed our updated sustainanility strategy, but the sustainability report for 2023 is prepared in accordance with the reporting materiality assessment. The results from the double materiality assessment will be reflected in our sustainability reporting prepared in accordance with European Sustainability Reporting Standards going forward.

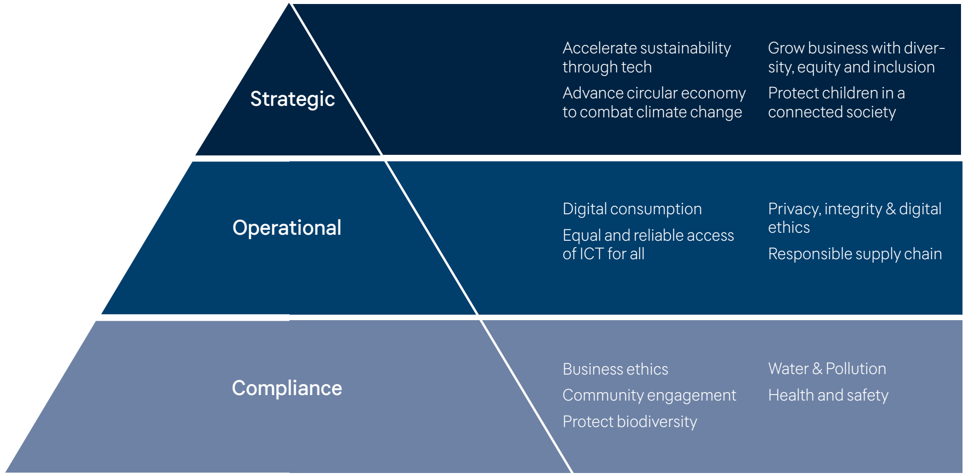
Strategic materiality

By combining results from the stakeholder dialogue and materiality assessment, as well as aligning with business priorities and competitors' positions, the material topics were combined to a total of 13, and segmented into 3 different levels that determine Tele2's approach to them:

Strategic: take an industry leading position and differentiate Tele2 from competitors to enable us to retain current and win new customers, investors and employees.

Operational: continuously develop to a similar level as competitors within the industry to meet stake-holder expectations.

Compliance: maintain at current level of governance and performance as the topics are foundational, but have reached maturity in Tele2 and/or society.



NOTE S13 CLIMATE-RELATED SCENARIO ANALYSIS, RISKS, AND OPPORTUNITIES

Understanding climate change and the associated climate risks is fundamental to future-proofing Tele2's business. In 2021, Tele2 implemented the Task Force on Climate-related Financial Disclosure (TCFD) reporting recommendations to disclose current knowledge about the climate risks and opportunities most material to Tele2. The TCFD recommendations include disclosures within four categories: Governance, Strategy, Risk Management, and Metrics and Targets. Tele2 published its TCFD report in 2021, and it can be found in full on Tele2's website.

Governance

Tele2's Board of Directors holds the responsibility to approve the sustainability strategy, which also supports Tele2's business strategy. The Board is also responsible for the ongoing quality evaluation of the company's internal control functions and risk management, ensuring that the company is adequately equipped to mitigate and manage all kinds of risks.

The Board reviews and approves the sustainability strategy and strategic risk registry once a year, whilst the mandate to execute on the strategy has been delegated to the Head of Sustainability and for the strategic risk registry to the Head of Internal Audit, who reports to the EVP Corporate Affairs. The Audit Committee reviews the sustainability strategy and the progress made on a quarterly basis. As part of the advancement of Tele2's sustainability strategy and its deepened understanding of how climate risks can affect the company, Tele2 will assess how the proactive approach to climate change and climate risks should best be strengthened.

Strategy

In 2020, Tele2 initiated a risk assessment to gain a more complete picture of Tele2's climate risk landscape, assessing both physical risks and transition risks, according to the TCFD recommendations. These include acute and chronic physical risks, and transition risks concerning reputation, market, technology, policy and legal risks. The assessment includes activities upstream and downstream, as well as the daily operations. In the assessment, the potential financial impact was put into context in terms of whether it could have an impact on tangible assets, such as infrastructure, or on intangible assets, such as our reputation. The risk assessment was conducted considering potential financial impact, risk likelihood, and timeline for risks to manifest. An overview of the risk assessment can be found in the table to the right.

Overview of climate-related risks

Risk category	Tangible assets	Intangible assets	Timeline
Physical			
Acute	X		Mid term
Chronic	X	X	Long term
Transitional			
Reputation		X	Mid term
Market	X		Short term
Technology	X		Mid term
Policy and legal		X	Short term - mid term

* For full disclosure of climate risks, please refer to Tele2 TCFD Report 2020.
Short term: 0–5 years
Mid term: 6–10 years
Long term: 11–50 years

The table shows an overview of the risk assessment. The X's indicate an identified potential financial impact on tangible and/or intangible assets from physical and transitional risks.

Overview of climate-related opportunities

Opportunities	Tangible assets	Intangible assets	Timeline
Efficiency	X	X	Mid term
Market		X	Long term
Reputation		X	Short term

The X's indicate an identified potential financial positive impact on tangible and/or intangible assets from climate-related opportunities.

Identified specific climate-related risks

Physical risks	Transition risks
1. Extreme weather and frequent storms	10. Failure to meet investor demands on climate change performance
2. Floodings and flash floods	11. Failure to meet banking criteria for credit and financing
3. Wildfires	12. Increased and/or volatile raw material prices as a result of increased pricing of carbon
4. Cold waves	13. Fossil fuel industry and fossil fuel reliant industries become banned or heavily restricted
5. Heat waves	14. Restrictions and bans on refrigerants used in data centres
6. Decreases in precipitation	15. Increased pricing and/or taxes on greenhouse gas emissions
7. Increases in precipitation	16. Increasing stakeholder demands on corporate climate action
8. Increased mean temperature	17. Unreliable electric grid capacity
9. Sea level rise	18. Disruptive change of user behavior

Note S13 cont.

Physical risks can have a considerable impact on Tele2. However, the mitigation of several physical risks are included in Tele2's operations. Transition risks are unpredictable, however changes in regulation can usually be prepared for in advance. Based on the assessment made of these risks, 18 detailed risks have been evaluated to determine the impact that they could have on Tele2's operations. The 18 risks have been evaluated in terms of their likelihood of occurring and the impact it would have if occuring. To ensure correct assessment of the risks, this evaluation has been conducted with the concerned parties in the organisation. The conclusion was that risks (1), (12), (13), (15) and (17) have the highest combined potential likelihood and impact of occurring. Identified potential mitigators relate to measures that increase resilience to climate-related risks and a deeper understanding of the implications that transitional changes can have on Tele2's business areas.

Risk management

Risk management is fundamental to Tele2's ability to achieve its strategic objectives, and all material risks are assessed by the Group Leadership Team (GLT). Although the climate risk exposure is lower compared to other sectors such as heavy industry, materials and buildings or agriculture, Tele2 must work proactively to mitigate the risks associated with climate change.

The work with climate risks is at the early stages and Tele2 must increase the capacity and know-how of how to deal with climate risks and what they entail, dispersing climate change knowledge throughout the organisation. The risks associated with climate change will only grow bigger with time, and as such, climate risks are listed in Tele2's strategic risk registry on page 27 of the Annual and Sustainability Report 2023. This means that strong effort is made by the GLT to discuss, evaluate and mitigate the climate risks.

As per the risk management process, risk areas identifying the climate risks have been defined. The risk areas have been assigned to a risk owner (an individual GLT member) who is responsible for the ongoing work and continuous assessments of potential impact and likelihood. Challenges and advancements are to be reported to the GLT, as well as to the Audit Committee and/or the Board of Directors. During 2023, the GLT conducted a more detailed review of the climate risk management program. This included reviewing a comprehensive list of suggested actions to mitigate both physical and transitional risks. The suggested actions for physical risks related both to the fixed and mobile networks. The transitional risks primarily have impacts related to Tele2's Finance department, but also to the Sustainability department, B2B, B2C as well as the fixed and mobile networks.

Climate risks have undergone the initial integration into the overall risk management framework and Tele2 will continuously work to implement them. Tele2's operational risk management has been integrated into the financial reporting and operational processes to ensure accountability, effectiveness, efficiency, business continuity and compliance with corporate governance, legal and other requirements.

Metrics and targets

Tele2 has laid the groundwork for assessing the climate risks and opportunities material to Tele2, considering the kind of impact a risk can have on business. The progress on scope 1, 2 and 3 GHG emissions can be found in Note S9. To demonstrate the commitment to fighting climate change, Tele2 has developed Science-based targets, that have been approved by the Science-Based Target initiative:

Tele2 AB commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2029 from a 2019 base year. Tele2 AB commits to reduce scope 3 GHG emissions by 60% per subscription by 2029 from a 2019 base year. Tele2 AB commits to achieve net-zero emissions in its value chain by 2035.

Metrics that have been considered on a general level besides carbon emissions and carbon intensity (per subscription), are operational costs such as those of interrupted service and the cost of renovation and increased maintenance, disrupted supply chains, increased or volatile energy prices and changes in the energy supply, and national and regional taxes and fees. To strengthen the work with climate risks Tele2 recognises the need to involve more company functions to develop and quantify the metrics especially relevant to its business. This includes the development of performance metrics related to climate risk mitigation.

Climate scenarios and business resilience

The Paris Agreement commits the world to limit the global temperature rise to 2°C by 2100, and aims to limit it to 1.5°C. Tele2's scenario analysis has been conducted using two emission reduction pathways as defined by the Intergovernmental Panel on Climate Change (IPCC), the Representative Concentration Pathway (RCP) 2.6 and the RCP8.5 and was updated during 2023 to include the IEA Net Zero Emissions by 2050 Scenario (IEA NZE 2050).

RCP2.6:

RCP2.6 is the emissions reduction pathway compatible with the Paris Agreement, and Tele2's science-based targets. This scenario sees a drastic reduction of emissions of carbon dioxide and other greenhouse gases, a transition to a zero, and even net negative, carbon economy, partly relying upon carbon capture technologies.

On a general level, transition risks are expected to be greater than physical risks under this scenario, but Tele2's business model implies a moderate exposure to transition risks. The highest risk exposure to transition risks will be found in highly polluting industries such as manufacturing, buildings and materials, agriculture and energy. Given the accumulative characteristics of greenhouse gases, the world will see climate change and physical risks even in the RCP2.6 scenario, but they can be expected to be a little less frequent and severe compared to less stringent emission trajectories.

Note S13 cont.

RCP8.5:
RCP8.5 is the emissions reduction pathway that the world is currently on, i.e. a future where emissions of carbon dioxide and other greenhouse gases follow current trajectories. With it comes global warming of 3-5°C and a range of other changes.

The physical effects are expected to be severe in this scenario, with a direct impact on the geographies where Tele2 operates, with even more severe impacts upstream in the supply chain, as well as downstream in the wider value chain. Even though limited transition risks are anticipated in the RCP8.5, it is crucial to remember that the EU has already made regulatory and policy decisions that will impact Tele2. National governments have also passed climate-related legislation that will bring changes to companies even in this lax policy future, and transition risks must thus be understood and mitigated.

IEA NZE 2050:
The IEA Net Zero Emissions by 2050 Scenario is a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. It is consistent with keeping global temperature rise below 1.5°C in 2100. The scenario assumes that CO_2 emission reductions primarily take place within the energy sector, with global energy-related and industrial CO_2 emissions to fall by around 40% between 2020 – 2030 and to reach net zero in 2050, and that universal access to sustainable energy is achieved by 2030. Current and future technologies play the largest part of the transition in this scenario, while behavioural changes only account for a small part of CO_2 emission savings.

Given that the IEA NZE 2050 transition scenario focuses on the transition of the energy sector, several risks included in Tele2's analysis are impacted. The following four transition risks are considered to be most relevant for Tele2 in IEA NZE 2050 transition scenario:

- Increased and/or volatile raw material prices as a result of climate change policy and/or depletion of resources. Possible implications for Tele2 include increased costs due to higher prices of critical materials throughout the value chain, and increased demand for critical materials could lead to supply shortages, impacting both Tele2's sales and infrastructure.
- Fossil fuels industry becoming outlawed or heavily restricted. Possible implications for Tele2 include increased investments in R&D and renewable energy solutions and increased prices throughout Tele2's value chain as suppliers need to consider higher costs of energy.
- Increased prices/taxes on greenhouse gas emissions. Possible implications for Tele2 include increased cost due to higher prices of production throughout the value chain and increased costs due to higher prices on renewable energy.
- Unreliable electric grid capacity. Possible implications for Tele2 include business disruptions due to power shortages or energy disruptions, causing unforeseen costs and potential loss of revenue.

GRI content index

GRI Standard		Reference	Comment
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	Board of Directors' report (p. 12), p. 112	Annual and Sustainability Report 2023
2-2	Entities included in the organization's sustainability reporting	Note S1	
2-3	Reporting period, frequency and contact point	Note S1, p. 163, Tele2.com	Financial calendar on Tele2.com
2-4	Restatements of information	Sustainability information (p. 56-75)	Included in each respective material topic results
2-5	External assurance	Note S1, p. 158	
Activities and workers			
2-6	Activities, value chain and other business relationships	Board of Directors' report (p. 12), Note S1, Note S5	
2-7	Employees	Note S3	
2-8	Workers who are not employees	Note S3	
Governance			
2-9	Governance structure and composition	Corporate governance report, Board of Directors' report, Our approach to sustainability	
2-10	Nomination and selection of the highest governance body	Corporate governance report (p. 28)	
2-11	Chair of the highest governance body	Board of Directors' report (p. 12)	
2-12	Role of the highest governance body in overseeing the management of impacts	Our approach to sustainability, Note S13	
2-13	Delegation of responsibility for managing impacts	Our approach to sustainability, Note S13	
2-14	Role of the highest governance body in sustainability reporting	Note S1	
2-15	Conflicts of interest	Corporate governance report (p. 28)	The Board

GRI Standard		Reference	Comment
2-16	Communication of critical concerns	Corporate governance report (p. 28), Note S2	
2-17	Collective knowledge of the highest governance body	Our approach to sustainability	
2-18	Evaluation of the performance of the highest governance body	Corporate governance report (p. 28)	The Board
2-19	Remuneration policies	Note 31	
2-20	Process to determine remuneration	Note 31	
2-21	Annual total compensation ratio	Remuneration report (p. 92)	
Strategy, policies and practices			
2-22	Statements on sustainable development strategy	CEO Letter	
2-23	Policy commitments	Note S2	
2-24	Embedding policy commitments	Note S2	
2-25	Process to remediate negative impacts	Note S2	
2-26	Mechanisms for seeking advice and raising concerns	Note S2	
2-27	Compliance with laws and regulations	Note S2	
2-28	Membership associations	Partnerships and industry collaborations	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Note S12	
2-30	Collective bargaining agreements	Note S3	
GRI 3: Material Topics 2021			
Disclosures on material topics			
3-1	Process to determine material topics	Note S12	
3-2	List of material topics	Note S12	
3-3	Management of material topics	Sustainability information (p. 56–75)	Included in each respective material topic

GRI Standard		Reference	Comment
SPECIFIC DISCLOSURES - GRI 200: Economic			
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	Board of Directors' report (p. 12)	Tele2 does not publicly disclose data for taxes paid on a country-by-country level
GRI 205: Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	Note S2	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Note S2	
SPECIFIC DISCLOSURES - 300: Environmental			
GRI 301: Materials 2016			
301-3	Reclaimed products and their packaging materials	Note S7	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Note S8	
302-3	Energy intensity	Note S8	
302-4	Reduction of energy consumption	Note S8	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Note S7	
303-2	Management of water discharge-related impacts	Note S7	
303-5	Water consumption	Note S7	
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Note S10	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Note S9	
305-2	Indirect (Scope 2) GHG emissions	Note S9	
305-3	Other indirect (Scope 3) GHG emissions	Note S9	
305-4	GHG emissions intensity	Note S9	
305-5	Reduction of GHG emissions	Note S9	

GRI Standard		Reference	Comment
GRI 306: Waste 2020			
306-3	Waste generated	Note S7	
306-4	Waste diverted from disposal	Note S7	
306-5	Waste directed to disposal	Note S7	
GRI 308: Supplier environmental assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Note S5	
308-2	Negative environmental impacts in the supply chain and actions taken	Note S5	
SPECIFIC DISCLOSURES - 400: Social			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Note S3	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Note S4	
403-2	Hazard identification, risk assessment, and incident investigation	Note S4	
403-3	Occupational health services	Note S4	
403-4	Worker participation, consultation, and communication on occupational health and safety	Note S4	
403-5	Worker training on occupational health and safety	Note S4	
403-6	Promotion of worker health	Note S4	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Note S4	
403-8	Workers covered by an occupational health and safety management system	Note S4	
403-9	Work-related injuries	Note S4	

GRI Standard		Reference	Comment
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	Note S3	Omission of gender distribution, data not available
404-2	Programs for upgrading employee skills and transition assistance programs	Note S3	
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	Note S3, Note 31	
GRI 406 Incidents and discrimination and corrective actions taken 2016			
406-1	Incidents of discrimination and corrective actions taken	Note S3	
GRI 407: Freedom of association and collective bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Note S6	
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labour	Note S6	
GRI 409: Forced and compulsory labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Note S6	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Note S5	
414-2	Negative social impacts in the supply chain and actions taken	Note S5	
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Note S2	
GRI 417: Marketing and labeling 2016			
417-3	Incidents of non-compliance concerning marketing communications	Note S2	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Note S11	

TELE2

EU Taxonomy

Reporting according to article 8 of the EU Taxonomy Regulation

The EU Taxonomy Regulation (2020/852) is a part of the EU Action Plan on Sustainable Finance, and provides a common classification system for environmentally sustainable economic activities. The EU Taxonomy consists of six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

In the reporting for 2022, Tele2 reported eligibility for the first two objectives included in the Climate Delegated Act. In 2023, the EU Commission released the Environmental Delegated Act covering the technical screening criteria for the last four objectives. These objectives are from now on to be included in the reporting under the EU Taxonomy Regulation, starting with Taxonomy-eligibility for the financial year 2023. Tele2's Taxonomy reporting for 2023 is based on an assessment of Taxonomy-eligibility and alignment for economic activities covered by the Climate Delegated Act as well as Taxonomy-eligibility of economic activities covered by the Environmental Delegated Act. The vast majority of Tele2's economic activities are not covered by the EU Taxonomy and were assessed as non-eligible.

Assessment of Taxonomy-eligibility

Tele2's Taxonomy-eligibility assessment covers all economic activities in relation to our own operations and was during 2023 expanded further for our capital and operational expenditures. This expanded analysis together with the extension of objectives resulted in six Taxonomy-eligible activities for 2023. Tele2's Taxonomy-eligible activities include:

5.4 Sale of second-hand goods

The activity covers turnover from pre-used electronical devices from our customer segment B2C, resold to third parties. The products included under this activity are Tivo-boxes and mobile phones.

5.5 Product-as-a-service and other circular use- and result-oriented service models

This activity includes turnover and capital expenditures for our broadband, TV, and mobile broadband services within our B2C segment, as well as mobile phones services in our B2B segment, where those are provided to our customers under a product-as-a-service contract. The hardware is provided to the customer under the condition that it must be handed back to Tele2 at the end of the contract.

6.5 Transport by motorbikes, passenger cars and commercial vehicles

Capital expenditures for leased company cars are included under this activity.

7.7 Acquisition and ownership of buildings

Under this activity, we report the capital expenditures in relation to our leased office spaces and stores. We may extend our assessment of buildings to also include potential smaller buildings connected to our network infrastructure during 2024, but for this year we do not separate these capital expenditures.

8.1 Data processing, hosting and related activities

This activity covers our data centre services which are generating direct revenue. The activity does not include Tele2's services that require data centers to function.

8.2 Data-driven solutions for GHG emissions reductions

This activity covers online meeting services within our B2B segment which are assessed to enable GHG emission savings for our customers compared to alternative physical meetings.

Assessment of Taxonomy-alignment

For an activity to be considered Taxonomy-aligned, there are three criteria that must be fulfilled; the activity must make a Substantial Contribution to at least one of the six environmental objectives outlined above, it must Do No Significant Harm to the other five objectives and the company must have established Minimum Safeguards in relation to human rights, labour rights, and anti-corruption. For 2023 Taxonomy-alignment has been assessed for the economic activities related to the Climate Change Mitigation objective (6.5, 7.7, 8.1 and 8.2). Tele2 will investigate alignment for Taxonomy-eligible activities in relation to the Circular Economy (5.4 and 5.5) during 2024.

Substantial Contribution

6.5 Transport by motorbikes, passenger cars and commercial vehicles

Compliance with the technical screening criteria for substantial contribution requires Tele2 to collect and review data from leasing partners for vehicles related to specific emissions. Currently, it is possible to identify the electric vehicles in the carpool but for the remaining part of our vehicles an assessment will need to be conducted on the compliance with the transitional emission criteria (<50gCO2/km). During 2024, Tele2 will review the possibility of obtaining this data for all of leased vehicles.

7.7 Acquisition and ownership of buildings

Compliance with the technical screening criteria for substantial contribution requires Tele2 to collect and review data from real estate owners related to energy performance of buildings that Tele2 lease. Tele2 does not comply with the substantial contribution criteria due to lack of data. Tele2 will review the possibility to obtain this data during 2024.

8.1 Data processing, hosting and related activities

The activity is eligible but not aligned with the technical screening criteria for substantial contribution as the threshold for this activity also relies upon usage of refrigerants with GWP not exceeding 675, which the Tele2 data centres do not yet support. In addition, it also requires implementation of all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency .

8.2 Data-driven solutions for GHG emissions reductions
The criteria for substantial contribution with regards to our online meeting services, enabling emission reductions (8.2), requires demonstration of substantial life cycle GHG emission savings compared to the best performing alternative solution on the market. Online meeting services reduce the need for transportation, as well as other potential physical materials related to physical meetings. This reduces the emissions substantially as the emissions of online meeting services are assessed as low in comparison to physical meetings. Therefore, a lifecycle assessment is deemed not necessary.

Do No Significant Harm (DNSH)
Tele2 has during 2023 reviewed the DNSH criteria for potentially Taxonomy-aligned activities. We have identified some gaps to be reviewed during 2024 to ensure compliance for 2024. This includes for example conducting a more comprehensive water risk assessment in relation to our locations and the impact we have on water (relating to activities CCM 8.1, CE 5.4 and CE 5.5). Our existing TCFD analysis will be updated to include all physical climate risks listed in Appendix A to the Climate Delegated Act. In addition, there are more specific data collection that will have to be made for compliance with some of the activities with regards to e.g., reusability/recyclability/recoverability and requirements on car tires.

Minimum Safeguards
Human rights
Tele2's new and strengthened human rights due diligence (HRDD) process was developed during 2022 and is being continuously implemented throughout the company. The responsibility for the HRDD-process is assigned to the Head of Sustainability. The HRDD-process takes action against negative impact on human rights, measures and follows-up on actions, provides remedy where needed, and continuously involves vulnerable groups. During 2023, Tele2 focused on one of the six salient human right impacts that has been identified, namely child rights, by conducting a Child Rights Impact Assessment (CRIA). To conduct the CRIA, Tele2 used UNICEF's Child Rights Impact Self-Assessment Tool for Mobile Operators (MO-CRIA), which has been created for telecommunication companies to understand their impact on children in their operations. The analysis has identified actual and potential impacts on child rights that Tele2 may be contributing to through its operations, partnerships and throughout its value chain. The HRDD process is carried out in accordance with the UN Guiding Principles of Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In 2022, Tele2 carried out a Human Rights Impact Assessment (HRIA) which identified negative human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company causes, contributes, or is directly linked to the impact; the severity of the impact; and how the impact should be managed based on company connection. This impact assessment was reviewed and confirmed in 2023. A review of the human rights impact assessment will be carried out annually.

Tele2 has not been found in breach of any of the OECD Guidelines, nor has Tele2 been found non-compliant with the OECD Guidelines by any of the OECD's national contact points. The Business and Human Rights Resource Centre has not accused Tele2 of violating human rights and labour laws.

Taxation
Tax compliance is essential to Tele2, and governance and tax compliance are treated as important elements of oversight. Tele2 strives to comply with tax regulations in every jurisdiction in which it operates and ensures tax compliance through adequate tax risk management processes and strategies. Tele2's tax risk management strategies and processes are described in Tele2's Tax Process Narrative, which is continuously developed to ensure compliance with market developments. Furthermore, Tele2 has a Tax Policy that applies to all group companies in which Tele2 has decisive control. The current Tax policy was prepared by Group Accounting with external tax consultants and reviewed by the CFO before it was approved by the Board of Tele2 AB through the Audit Committee. The Tax policy was revised and approved in November 2023. Tax risks are managed within Tele2's financial risk management system, which is centralised within the Corporate Affairs function. Tele2 should always endeavor to seek tax advice from large and reputable accounting or law firms. Neither Tele2, nor its senior management, has been found in violations of tax laws.

Fair competition
Tele2 strongly believes in the necessity for continued competition in telecommunications and content markets. No company should hold a decisive power to act independently from competitors, suppliers, or customers, in any market or submarket, at retail or wholesale level. Tele2's Fair Competition Standards, Anti-corruption policy, Code of Conduct, and Business Partner Code of Conduct stipulates Tele2's commitments to fair competition. To fulfil these commitments, Tele2 promotes employee awareness of the importance of compliance with all applicable competition laws and regulations through the annual Code of Conduct training and invest to make sure that employees, who in their day-to-day work may encounter competitors, are trained to do so in a way that is compatible with relevant laws and regulations. Neither Tele2, nor its senior management, have been convicted of violations of competition laws.

Anti-corruption

Tele2 is committed to conducting its business at the highest ethical levels and therefore has anti-corruption processes in place. Tele2 has developed and adopted adequate internal controls, ethics and compliance programs, and measures for preventing and detecting corruption and bribery. Tele2 governs corruption and business ethics through various anti-corruption policy frameworks (e.g., Anti-corruption policy, Code of Conduct, and Business Partner Code of Conduct) and identifies and monitors risks through the enterprise risk management system and supply chain management system. Tele2 trains management and employees on anti-corruption, bribery, and business ethics as part of the annual Code of Conduct training and requires business partners and suppliers to sign the Business Partner Code of Conduct. Furthermore, suppliers are screened for anti-corruption and bribery risk, and high-risk suppliers are followed-up through supplier audits. Neither Tele2, nor its senior management, have been convicted of corruption or bribery.

Accounting standards and principles

The consolidated financial statements for 2023, is prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC). In relation to the EU Taxonomy Regulation, Tele2 reports the three key performance indicators of Taxonomy-eligible economic activities outlined above. How the key performance indicators have been determined is described below. This year, Tele2 has not had any Taxonomy-related capital expenditure plans.

Contextual information

A majority of Tele2's business is not included in the Taxonomy. For the reporting year 2023, Tele2 has zero (0) Taxonomy-aligned economic activities. However, mitigating CO_2 emissions and promoting circular economy are still prioritised areas for Tele2, please find our climate initiatives on pages 45, 46 and 69-73 and circular economy initiatives on pages 45 and 66-67.

Turnover

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities	Code[1]	Turnover	Proportion of Turnover year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible turnover (A.2) 2022	Category enabling activity	Category-transitional activity
		SEK million	%	Yes (Y)/ No (N)/ Non-eligible (N/EL)						Yes / No						Yes / No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		
Of which Enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	E	
Of which Transitional		-	0.0%	0.0%						N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)				Objective(s) for which activity is eligible[2]															
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sale of second hand goods	CE 5.4	48	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Product as a service	CE 5.5	4,348	14.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Data processing, hosting and related activities	CCM 8.1	108	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	29	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4,533	15.6%	0.5%	0.0%	0.0%	0.0%	15.1%	0.0%								0.4%		
A. Turnover of Taxonomy Eligible activities (A.1 + A.2)		4,533	15.6%	0.5%	0.0%	0.0%	0.0%	15.1%	0.0%								0.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		24,566	84.4%																
TOTAL		29,099	100%																

1) **Abbreviated activity codes:**
CE: Circular economy
CCM: Climate change mitigation
2) **EL:** Eligible
N/EL: Non-eligible

Turnover

The denominator for turnover is defined as the total group revenue excluding internal sales, and can be found in Note 3 on page 117 of the Annual and Sustainability Report 2023. The numerator is based on financial and customer data and includes revenue from provided services to customers. The numerator includes turnover related to our respective Taxonomy-eligible activities, except for activity 6.5 and 7.7.

	Proportion of turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.0%	0.5%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	15.1%
Pollution prevention and control	0.0%	0.0%
Biodiversity	0.0%	0.0%

CapEx

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities	Code[1]	Turnover	Proportion of CapEx year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible CapEx (A.2) 2022	Category enabling activity	Category-transitional activity
		SEK million	%	Yes (Y)/ No (N)/ Non-eligible (N/EL)						Yes / No						Yes / No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		
Of which Enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	E	
Of which Transitional		-	0.0%	0.0%						N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)				Objective(s) for which activity is eligible[2]															
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5	46	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	11	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting and related activities	CCM 8.1	18	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	-	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		75	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%								0.4%		
A. CapEx of Taxonomy Eligible activities (A.1 + A.2)		75	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%								0.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		5,013	98.5%																
TOTAL		5,088	100%																

[1] **Abbreviated activity codes:**
CE: Circular economy
CCM: Climate change mitigation

[2] **EL:** Eligible
N/EL: Non-eligible

Capital expenditure (CapEx)

The denominator for Capex is defined as the direct investments related to property assets and includes additions to intangible assets excluding goodwill, tangible assets and rights-of-use before amortisation and impairment, and can be found in Note 11, 12 and 13 on pages 123, 125, 126 of the Annual and Sustainability Report 2023. The numerator includes the value of purchased products (5.5), value of leased vehicles (6.5) and value of our new lease contracts for buildings (7.7) and investments related to data centre services (8.1).

	Proportion of CapEx/total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.0%	1.5%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	0.0%
Pollution prevention and control	0.0%	0.0%
Biodiversity	0.0%	0.0%

OpEx

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code[1]	Turnover	Proportion of OpEx year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible OpEx (A.2) 2022	Category enabling activity	Category-transitional activity
		SEK million	%	Yes (Y)/ No (N)/ Non-eligible (N/EL)						Yes / No						Yes / No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		
Of which Enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	E	
Of which Transitional		-	0.0%	0.0%						N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)				Objective(s) for which activity is eligible[2]															
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	34	2.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.9%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		34	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%								1.9%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		34	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%								1.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1,718	98.0%																
TOTAL		1,753	100%																

[1] **Abbreviated activity codes:**
CE: Circular economy
CCM: Climate change mitigation
[2] **EL:** Eligible
N/EL: Non-eligible

Operating expenditure (OpEx)

The denominator for Opex is defined as the direct costs related to the maintenance of property assets that are necessary for the continued and correct functioning of these assets, including short-termed leases, maintenance and repairs, and third-party license and service agreements. The numerator includes the direct production costs related to data centre services (8.1).

	Proportion of OpEx/total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.0%	2.0%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	0.0%
Pollution prevention and control	0.0%	0.0%
Biodiversity	0.0%	0.0%

SASB index

Accounting Metrics	References	
Environmental Footprint of Operations		
(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) Annual Report Note S8 (2) Annual Report Note S8 (3) Annual Report Note S8	271,457 MWh 99.96% 95.83%
Data Privacy		
Description of policies and practices relating to behavioral advertising and customer privacy	Annual Report Note S2, Note S11 *Web: Privacy and Integrity* Tele2 customers have access to more detailed information from the Tele2 business they are a subscriber with, for example the local privacy policy.	
Number of customers whose information is used for secondary purposes	Tele2 complies with the General Data Protection Regulation (GDPR). Thus, personal data is collected based on legitimate interest, or a contract is in some cases used for secondary purposes, but only after establishing that the new purpose is compatible with the original purpose.	
Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Annual Report Note S2 In 2023, one significant fine has been reported as a result of Tele2 being accused of non-compliance with GDPR. The decision has been appealed.	
(1) Number of law enforcement requests for customer information, (2) Number of customers whose information was requested, (3) Percentage resulting in disclosure	Not disclosed due to legal confidentiality requirements. This is only disclosed in accordance with national and EU legal requirements.	
Data Security		
(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of customers affected	(1) Annual Report Note S11 Only data breaches involving PII are disclosed (2) Annual Report Note S11 100% of disclosed data breaches as per (1). No sensitive data according to GDPR is processed. (3) Measured and reported to supervisory authorities, but not publicly disclosed by Tele2.	
Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Annual Report "Enterprise Risk Management" Annual Report Note S11	
Product End-of-life Management		
(1) Materials recovered through take back programs (2) Percentage of recovered materials that were - reused - recycled - landfilled	(1) Not disclosed (2) Note S7 - 89 % reused - 11 % recycled - 0 % landfilled	

Accounting Metrics	References
Competitive Behavior & Open Internet	
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2023, no significant fines have been reported as a result of legal proceedings associated with anticompetitive behavior regulations.
Average actual sustained download speed of (1) Owned and commercially associated content (2) Non-associated content	Download speed mobile: > 60 Mbit/s Download speed fixed: 295 Mbit/s For Tele2, there is no difference between (1) and (2).
Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	Annual Report "Enterprise Risk management" Web: Privacy and Integrity All network traffic is treated equally, no difference between Tele2 or third-party. Peering settlement is free within Tele2.
Managing Systemic Risks from Technology Disruptions	
(1) System average interruption frequency (2) Customer average interruption duration	Not disclosed. Tele2 does not currently calculate and report metrics relating to the frequency and duration of system interruptions in the manner specified by the standard.
Discussion of systems to provide unimpeded service during service interruptions	Tele2 continuously discusses systems to provide unimpeded service during service interruptions.
Number of Subscribers and Network Traffic	
Number of wireless subscribers	Annual Report p. 18–23
Number of wireline subscribers	Annual Report p. 18–23
Number of broadband subscribers	Annual Report p. 18–23
Network traffic	Mobile: 65 PB/month Fixed: 567 PB/month

Principal Adverse Impacts – Sustainable Finance Disclosure Regulation

The EU's Sustainable Finance Disclosure Regulation (SFDR) aims to harmonize, simplify, and increase clarity regarding the sustainability-related information of investments. The disclosures range from carbon emissions, fossil fuel exposure, gender diversity, due diligence on human rights issues, and exposure to corruption and bribery. SFDR sets out regulation for financial market participants such as fund managers and investors to report on a set of mandatory and additional indicators on principal adverse impact indicators (PAIs).

Principal Adverse Impacts – Mandatory indicators

Adverse sustainability impact and indicator	Reference
GHG emissions	
Scope 1 emissions (tonnes CO_2-eq)	Note S9
Scope 2 emissions (tonnes CO_2-eq)	Note S9
Scope 3 emissions (tonnes CO_2-eq)	Note S9
Total GHG emissions (tonnes CO_2-eq)	Note S9
Carbon Footprint	
Carbon footprint (investors)	N/A
GHG Intensity	
GHG intensity (Scope 1+2+3)/(€M revenue)	Note S9
Exposure to companies active in the fossil fuel sector	
Active in the fossil fuel sector	No
Share of non-renewable energy consumption and production	
Share of non-renewable energy consumption and non-renewable energy production (%)	Note S8, Energy production data unavailable
Energy consumption intensity per high impact climate sector	
Energy consumption in GWh per million EUR of revenue, per high impact climate sector	N/A
Activities negatively affecting biodiversity sensitive areas	
Company has sites/operations located or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	Note S10
Emission to water	
Tonnes of emissions to water	Data unavailable
Hazardous waste ratio	
Tonnes of hazardous waste generated	Note S7
Radioactive waste ratio	N/A
Violation of UN Global Compact & OECD Guidelines for Multinational Enterprises	
Involvement in violation of the UNGC principles or OECD Guidelines for Multinational Enterprises	No
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Guidelines for Multinational Enterprises	
Company without policy to monitor compliance with UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations	No
Unadjusted gender pay gap	
Average unadjusted gender pay gap	Note S3
Board gender diversity	
Average ratio of female to male board members	Note 31
Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	
Involved in the manufacture or selling of controversial weapons	No

Principal Adverse Impacts – Additional indicators

Adverse sustainability impact and indicator	Reference
Breakdown of energy consumption by type of non-renewable sources of energy sources of energy	
Share of energy from non-renewable sources broken down by each non-renewable energy source	Note S8
Incidents of discrimination	
Number of incidents of discrimination reported in investee companies expressed as a weighted average	Note S3
Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	Note S3

Remuneration report

Introduction

This report describes how the guidelines for executive remuneration of Tele2 AB (publ), adopted by the annual general meeting 2020 and annual general meeting 2023 respectively, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's outstanding long-term share and share-price related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Stock Market Self-Regulation Committee's Remuneration Rules.

Further information on executive remuneration is available in note 31 (Employees and personnel costs) in the Annual and Sustainability Report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available in the Annual and Sustainability Report 2023.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 31 in the Annual and Sustainability Report 2023.

Key developments 2023

The CEO summarises the company's overall performance in his statement in the CEO letter in the Annual and Sustainability Report 2023.

The company's remuneration guidelines: scope and purpose

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests and its sustainability, is that the company is able to attract and retain driven and engaged employees. To this end, it is necessary that the company offers competitive remuneration packages to attract, motivate and retain key employees within the context of an international peer group. The aim is to create incentives for the management to execute strategic plans and deliver excellent operating results, and to align management's incentives with the interests of the shareholders.

Under the remuneration guidelines adopted by the annual general meeting 2023, executive remuneration shall be on market terms and remuneration to the senior executives should comprise annual fixed base salary, variable short-term remuneration, variable long-term incentives, pension benefits and other benefits. For analysing the remuneration of senior executives, the remuneration committee utilises external vendor benchmark both within the Telecom and General industry sector. The Board considers the remuneration and the average annual increases for all employees an important element in determining the annual salary increase for senior executives. The variable short-term remuneration ("STI") shall be linked to predetermined and measurable criteria, measured over a period of maximum one year, which can be financial, such as EBITDA or revenue, or non-financial, such as sustainability. In addition, they may be individualised, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the senior executive's long-term development.

The remuneration guidelines, adopted by the annual general meeting 2023 are found in note 31 in the Annual and Sustainability Report 2023 and have been fully implemented. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share and share-price related incentive plans.

CEO remuneration for 2023 is presented in the table below.

Total CEO remuneration in 2023

kSEK	Fixed remuneration		Variable remuneration					
Name of director	Base salary [1]	Other benefits	One-year variable [2]	Multi-Year variable [3]	Extraordinary items [4]	Pension expense [5]	Total remuneration	Proportion of fixed and variable remuneration
Kjell Johnsen	9,309	213	6,761	6,334	12,786	2,809	38,212	32/68

[1] Including holiday pay of kSEK 164.
[2] Refers to the annual Short Term Remuneration for 2023 ("STI"), paid out in March 2024.
[3] Refers to the value of vested LTI shares in 2020 years program, vested in April 2023 and the value of vested shares is calculated at the market share price (2020: 103,66).This constitue a difference compared to Note 31, due to different reporting rules connected to IFRS2 in Note 31 compared to the Remuneration report.
[4] Refers to the One Time Transformation Award, introduced in 2021, and paid out in August 2023, comprising a 2.5 years vesting period, as further described in the remuneration report 2021. This constitute a difference compared to Note 31, in the Annual & Sustainability report, which only includes the reserved amount for the part referring to 2023 years award.
[5] Pension expense, which in its entirely refers to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

Outstanding share-related and share price-related incentive plans

The company has during 2023 vested the 2020 long-term share based incentive plan (LTI) and implemented the 2023 LTI Plan as well as having 2021 and 2022 LTI Plans ongoing. The long term incentive plans are offered to senior executives and a selected number of other key employees within the Tele2 Group. Subject to the employee having made an own investment in shares in the company (savings shares), the employee has been awarded a number of performance shares.

Tele2's CEO Kjell Johnsen, is participating in the LTI program 2021, LTI program 2022 and LTI program 2023. For the plans of participation, the CEO has invested 20,000 saving shares in each LTI program 2021, 2022 and 2023 respectively and thus been awarded 200,000 performance rights for LTI program 2021, 2022 and 2023, respectively. Performance rights have been awarded free of charge (but subject to own investment) and are subject to a vesting period of three years and continued employment. Vesting of performance rights is also subject to the satisfaction of performance conditions, for the 2021, 2022 and 2023 year program – Absolute TSR and Relative TSR vs Peer Group during the three-year period, and for 2021 and 2022 year program Operating Cashflow measured on cumulative basis for the consolidated Tele2 Group during the Operating Cash flow measurement period. The 2023 year program Cash flow measurement parameter includes change in working capital. The Absolute TSR measurement will give maximum one performance share, the Relative TSR and the Operating Cashflow (defined as Cashflow for the 2023 year program) has a weight on 50% each, enabling the maximum possibility of nine performance shares per saving share for the CEO.

Share awards plans (CEO)

SEK

		The main conditions of share award plans				Information regarding the reported financial year				
						Opening balance	During the year		Closing balance	
Name of director	Name of plan	Performance period	Award date	Vesting date	End of retention period	Share awards held at beginning of year[1]	Awarded[1]	Vested[2]	Subject to performance condition[1]	Awarded and unvested at year end[1]
Kjell Johnsen	LTI 2020	2020-2023	2020-09-15	2023-Q2	2023-Q2	16,146,248		6,333,833		0
	LTI 2021	2021-2024	2021-05-10	2024-Q2	2024-Q2	27,157,349	2,065,365	0	29,222,713	29,222,713
	LTI 2022	2022-2025	2022-05-16	2025-Q2	2025-Q2	27,304,537	2,076,595	0	29,381,132	29,381,132
	LTI 2023	2023-2026	2023-05-29	2026-Q2	2026-Q2	0	19,841,311	0	19,841,311	19,841,311

[1] The value is calculated as the market share price at the time of the award (2020: 121.91, 2021: 110.69, 2022: 131.63, 2023: 95,27) multiplied with the number of maximum shares each right entitle to, including compensation for dividends executed during the year.
[2] The value of vested shares is calculated at the market share price (2020: 103,66) at the time of vesting of the share award and based on the perfomance conditions, of which some were not fulfilled, as presented in below table.

Performance of the CEO in the reported financial year: share–based incentives

Name of director	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome	Actual awards in shares	Actual award in SEK
Kjell Johnsen	LTIP 2020	Absolute TSR	10%	Fulfilment 2.5%, Allotment 100%	13,246	1,373,080
		Relative TSR	45%	Fulfilment -16.4%, Allotment 0%	0	
		Operating cashflow	45%	Fulfilment 104.4%, Allotment 80.29%	47,856	4,960,753
	LTIP 2021	Absolute TSR	10%	N/A[1]		
		Relative TSR	45%	N/A[1]		
		Operating cashflow	45%	N/A[1]		
	LTIP 2022	Absolute TSR	10%	N/A[1]		
		Relative TSR	45%	N/A[1]		
		Operating cashflow	45%	N/A[1]		
	LTIP 2023	Absolute TSR	10%	N/A[1]		
		Relative TSR	45%	N/A[1]		
		Cashflow	45%	N/A[1]		

[1] Performance period still running.

Short term variable remuneration

Application of performance criteria

The performance measures for the CEO's variable remuneration have been established to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the determination of performance measures, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. The non-financial performance measures individual performance of business related goals and sustainability goals and further contribute to alignment with sustainability as well as the company values. Due to the commercial sensitiveness, the company cannot reveal the exact target measurements of the goal part of the Short-term Incentive plan until it has been paid out. Each goal has a minimum, target and maximum level, based on a target range and the table shows the exact outcome of each goal. The CEO participated in the company's One Time Transformation Program which was implemented in 2021 with a vesting period until Q2 2023 with payment in August 2023, as further described in the remuneration report 2021. The outcome of the One Time Transformation award is decribed under the Table "Total CEO remuneration 2023" section Extraordinary items, page 92 in this Remuneration Report.

Performance of the CEO in the reported financial year: variable cash remuneration

Kjell Johnsen					
Measure	Weighting	Threshold performance level	Target performance level	Maximum performance level	Actual Performance
		kSEK outcome at threshold performance	kSEK outcome at target performance	kSEK outcome at maximum performance	kSEK outcome
Underlying EBITDAaL	30%	95%	100%	105%	99%
		0	2,195	2,743	1,571
End User Service Revenue	30%	95%	100%	105%	100%
		0	2,195	2,743	2,196
Operating cash flow	20%	90%	100%	110%	103%
		0	1,463	1,829	1,577
Sustainability Goals[1]	5%	96%	100%	104%	101%
		0	366	457	183
Individual Goals[2]	15%	0%	80%	100%	90%
		0	1097	1,372	1,235
Total	**100%**	0	**7,316**	**9,145**	**6,761**

[1] Sustainability goals for 2023 are measuring percentage of female employees. weighted 3% and CO_2 emission reductions, weighted 2% and above table display the weighted outcome of the two goals. The D&I goal was not reached and the Climate goal was reached at maximum performance.
[2] Individual goals include a weighted assessment of personal business impact goals as well as living up to Tele2 values and Tele2 code of conduct.

Deviations from the remuneration guidelines

According to the remuneration guidelines, the Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. No derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.tele2.com/ governance/general-shareholders-meetings/.

Comparative information on the change of remuneration and company performance

Remuneration and company performance

kSEK	2023	2022	2021	2020
Kjell Johnsen CEO remuneration (from 2020-09-15)	38,212	17,049	18,241	5,036
Anders Nilsson CEO remuneration (1/1-14/9 2020)	0	0	0	13,766
Underlying EBITDAaL	10,409,000	10,060,000	9,639,000	9,239,000
Average remuneration on a full time equivalent basis of employees within Sweden, excluding parent company. [1]	855	781	750	743
Ratio remuneration CEO vs average Employee[2]	**44.69**	**21.84**	**24.32**	**25.30**

[1] Average remuneration for an employee includes base salary, holiday pay, benefits, variable pay at target and pension.
[2] CEO remuneration for 2023 includes the One Time transformation Award, comprising 2.5 years vesting period, as further described in the remuneration report 2021. In this table the total remuneration includes the Transformation Award for not only 2023, but for 2021 and 2022 years, as well. This constitute a difference compared to Note 31, in the Annual & Sustainability report, which only includes the reserved amount for the part referring to 2023 years award.

Financial statements

Financial statements – Group

Notes

Financial statements – Parent company

Notes

Consolidated income statement

SEK million	Note	2023	2022
Revenue	3, 4	29,099	28,102
Cost of services provided and equipment sold	5	-17,288	-16,887
Gross profit		**11,811**	**11,215**
Selling expenses	5	-4,447	-4,228
Administrative expenses	5	-2,176	-2,183
Result from shares in associated companies and joint ventures	15	0	1,672
Other operating income	6	387	283
Other operating expenses	7	-109	-163
Operating profit		**5,466**	**6,596**
Interest income	8	98	33
Interest expenses	9	-1,061	-611
Other financial items		76	-111
Profit after financial items		**4,578**	**5,907**
Income tax	10	-846	-694
Net profit, continuing operations		**3,731**	**5,213**
Net profit, discontinued operations	33	4	361
Net profit, total operations	4	**3,735**	**5,574**
Continuing operations			
Attributable to:			
Equity holders of the parent company		3,731	5,213
Net profit, continuing operations		**3,731**	**5,213**
Earnings per share (SEK)	23	5.40	7,55
Earnings per share, after dilution (SEK)	23	5.36	7,51
Total operations			
Attributable to:			
Equity holders of the parent company		3,735	5,574
Net profit, total operations		**3,735**	**5,574**
Earnings per share (SEK)	23	5.40	8.07
Earnings per share, after dilution (SEK)	23	5.37	8.03

Consolidated comprehensive income

Total operations SEK million	Note	2023	2022
NET PROFIT		**3,735**	**5,574**
Components not to be reclassified to net profit			
Pensions, actuarial gains/losses	31	5	189
Pensions, actuarial gains/losses, tax effect	10	-1	-39
Components not to be reclassified to net profit		**4**	**150**
Components that may be reclassified to net profit			
Translation differences in foreign operations		-6	441
Reversed cumulative translation differences from divested companies	6, 33	-1	—
Translation differences in associated companies	15	0	-4
Translation differences		-7	437
Hedge of net investments in foreign operations		10	-199
Tax effect on above	10	-2	41
Hedge of net investments		8	-158
Exchange rate differences		**2**	**278**
Profit arising on changes in fair value of hedging instruments	2	-91	130
Reclassified cumulative profit/loss to income statement	2	39	-27
Tax effect on cash flow hedges	10	11	-21
Cash flow hedges		**-42**	**82**
Components that may be reclassified to net profit		**-40**	**360**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**-36**	**510**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,698**	**6,084**
Attributable to:			
Equity holders of the parent company		3,698	6,084
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,698**	**6,084**

Consolidated balance sheet

SEK million	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Goodwill	11	29,898	29,905
Other intangible assets	11	12,683	13,835
Intangible assets		**42,580**	**43,740**
Property, plant & equipment	12	8,986	8,220
Right-of-use assets	13	4,216	5,422
Tangible assets		**13,202**	**13,642**
Shares in associated companies and joint ventures	15	6	6
Other financial assets		1,044	957
Capitalized contract costs	17	810	633
Deferred tax assets	10	104	81
Non-current assets	4	**57,746**	**59,060**
Inventories	18	**824**	**1,254**
Trade receivables	19	2,111	1,986
Other current receivables	20	2,038	2,421
Prepaid expenses and accrued income	21	1,622	1,607
Current receivables		**5,771**	**6,015**
Current investments		84	156
Cash and cash equivalents	22	1,634	1,116
Current assets		**8,313**	**8,542**
Assets classified as held for sale	14, 33	**–**	**54**
TOTAL ASSETS		66,059	67,656

SEK million	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Share capital	23	870	869
Other paid-in capital		27,378	27,378
Reserves		171	211
Retained earnings		-5,640	-4,775
Attributable to equity holders of the parent company		**22,780**	**23,683**
Equity		**22,780**	**23,683**
Liabilities to financial institutions and similar liabilities	24	22,171	24,080
Lease liabilities	29	3,111	4,289
Provisions	25	1,045	1,286
Other interest-bearing liabilities	24	162	193
Interest-bearing liabilities		**26,488**	**29,848**
Deferred tax liability	10	3,597	3,807
Other non-interest-bearing liabilities	24	340	0
Non-interest-bearing liabilities		**3,938**	**3,807**
Non-current liabilities		**30,426**	**33,655**
Liabilities to financial institutions and similar liabilities	24	4,148	2,550
Lease liabilities	29	1,209	1,172
Provisions	25	46	76
Other interest-bearing liabilities	24	976	498
Interest-bearing liabilities		**6,379**	**4,296**
Trade payables	26	2,233	2,165
Current tax liabilities		33	27
Other current liabilities	24	605	592
Accrued expenses and deferred income	26	3,518	3,148
Non-interest-bearing liabilities		**6,388**	**5,931**
Current liabilities		**12,767**	**10,227**
Liabilities directly associated with assets classified as held for sale	14, 33	**86**	**91**
TOTAL EQUITY AND LIABILITIES		66,059	67,656

Consolidated cash flow statement

Total operations SEK million	Note	2023	2022
Operating activities			
Net profit		3,735	5,574
Non-cash items in net profit			
- Depreciation/amortisation and impairment	5	6,150	6,191
- Result from shares in associated companies and joint ventures	15	0	-1,671
- Gain/loss on sale of tangible assets		36	55
- Gain/loss on sale of operations		-4	-2
- Incentive program		97	77
- Financial items	30	53	265
- Income tax	30	81	-597
- Deferred tax expense		-221	-261
Adjustments for non-cash items in net profit		6,193	4,056
Working capital			
- Inventories	18	431	-469
- Trade receivables		-128	-137
- Other current receivables		-43	-424
- Other financial assets		37	-261
- Capitalized contract costs		-177	-124
- Prepaid expenses and accrued income		-13	-34
- Trade payables		-232	370
- Accrued expenses and deferred income		305	-200
- Other current liabilities		14	-34
- Provisions		-109	-67
Changes in working capital		85	-1,380
Cash flow from operating activities		**10,013**	**8,250**

Total operations SEK million	Note	2023	2022
Investing activities			
Acquisition of intangible assets		-1,295	-988
Acquisition of tangible assets		-2,764	-2,593
Sale of tangible assets		7	20
Sale of shares in group companies	14	54	26
Sale of shares in associated companies	14	—	8,956
Other minor acquisitions	14	—	-6
Other financial assets, made payments		72	-156
Cash flow from investing activities		**-3,926**	**5,259**
Financing activities			
Proceeds from credit institutions and similar liabilities	24	2,949	5,010
Repayment of loans from credit institutions and similar liabilities	24	-2,570	-3,878
Amortisation of lease liabilities	29	-1,240	-1,226
Proceeds from other interest-bearing lending	24	133	201
Repayment of other interest-bearing lending	24	-159	-115
Dividends paid	23	-4,702	-13,629
Cash flow from financing activities		**-5,589**	**-13,638**
Net change in cash and cash equivalents		**497**	**-129**
Cash and cash equivalents at beginning of the year	22	1,116	880
Exchange rate differences in cash and cash equivalents	22	21	366
Cash and cash equivalents at end of the year	22	**1,634**	**1,116**

Consolidated statements of changes in equity

Total operations SEK million	Note	Dec 31, 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		—	—	—	—	3,735	3,735
Other comprehensive income for the year, net of tax		—	—	-33	-7	4	-36
Total comprehensive income for the year		**—**	**—**	**-33**	**-7**	**3,739**	**3,698**
Other changes in equity							
Share-based payments	31	—	—	—	—	97	97
Share-based payments, tax effect	10, 31	—	—	—	—	3	3
New share issue		2	—	—	—	—	2
Repurchase of own shares		—	—	—	—	-2	-2
Dividends	23	—	—	—	—	-4,702	-4,702
Equity at the end of the year		**870**	**27,378**	**-411**	**582**	**-5,640**	**22,780**

Total operations SEK million	Note	Dec 31, 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		—	—	—	—	5,574	5,574
Other comprehensive income for the year, net of tax		—	—	-77	437	150	510
Total comprehensive income for the year		**—**	**—**	**-77**	**437**	**5,724**	**6,084**
Other changes in equity							
Share-based payments	31	—	—	—	—	77	77
Share-based payments, tax effect	10, 31	—	—	—	—	10	10
New share issue		3	—	—	—	0	3
Repurchase of own shares		—	—	—	—	-3	-3
Dividends	23	—	—	—	—	-13,629	-13,629
Equity at end of the year		**869**	**27,378**	**-378**	**589**	**-4,775**	**23,683**

Notes

NOTE 1 ACCOUNTING PRINCIPLES AND OTHER INFORMATION

General

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and interpretations of the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU at the date of publication of this annual report. The Group also applies the Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for groups which specifies additional disclosures required under the Swedish Annual Accounts Act.

The consolidated financial statements are prepared on the basis of historical cost, with the exception of some financial instruments in form of other non-current holding of securities, contingent considerations and derivatives which are carried at fair value. A defined benefit pension liability/asset is recognised at the net fair value of plan assets and the present value of the defined benefit liability, adjusted for any asset constraints. Unless otherwise specified, all amounts are in millions of Swedish kronor (SEK) and are based on the twelve-month period January 1 to December 31 for items related to comprehensive income and cash flows, and as of December 31 for items related to financial position. Adjustments for rounding are not made.

New and revised IFRS applied from January 1, 2023

There are no new or revised standards and interpretations adopted as of January 1, 2023 that have had a significant impact on the Tele2's financial statements.

New and revised IFRS not yet adopted

There are no new or revised standards and interpretations that will have a significant impact on Tele2's financial statements in 2024. No newly issued IFRS or interpretations have been adopted in advance.

Consolidation

Subsidiaries

The consolidated financial statements include the parent company Tele2 AB and companies in which the parent company has control. Control is achieved when Tele2 is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. All intercompany balances and transactions have been eliminated.

The consolidated financial statements are prepared in accordance with the acquisition method. This means that consolidated equity only includes the subsidiary's equity that has arisen after the acquisition and the consolidated income statements only include earnings from the date of acquisition until the date of divestment if the subsidiary is sold. The Group's acquisition value of the shares in subsidiaries, transferred consideration, consists of the total of the fair value at the time of the acquisition of what was paid in cash, incurred liabilities to former owners, fair value of emitted shares, the value of the non-controlling interests in the acquired subsidiary and the fair value of the previously owned shares. Contingent consideration is included in the transferred consideration and is reported at fair value at the time of the acquisition. Subsequent effects from the revaluation of contingent consideration are reported in the income statement. Acquired identifiable assets and assumed liabilities are generally reported initially at fair value at the time of the acquisition. Reported goodwill is measured as the difference between 1) the transferred consideration for the shares in the subsidiary, the value of the non-controlling interests in the acquired subsidiary and the fair value of the previously owned share compared to 2) the fair value of acquired assets and assumed liabilities. Acquisition related expenses (transaction expenses) are recognised as cost in the period in which they arise.

When the Group loses control of a subsidiary, a gain or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interests and
- the previous carrying amount of the assets (including goodwill), and liabilities and any non-controlling interests.

Any gain or loss is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to that subsidiary are, proportionally in relation to the divested share, reclassified to profit or loss.

Joint arrangements

Joint arrangements are arrangements of which two or more parties have a joint control. Joint arrangements are classified either as joint operation or joint venture. Joint operations, usually structured through separate vehicles, are joint arrangements in which Tele2 and one or more parties have rights to substantially all of the economic benefits from the assets of the arrangement. In addition, the liabilities incurred by the arrangement are satisfied by the cash flows received from the parties through their purchases of the output or capital contributions. Joint operations are reported according to the proportional method at which Tele2 reports its part of assets, liabilities, revenues and expenses and its share of joint assets, liabilities, revenues and expenses line by line in the consolidated financial statements. Sales and other transactions with joint operations are eliminated in the consolidated financial statements. For Tele2, joint operations consist of jointly owned companies, please refer to section Estimates and judgments.

Joint ventures are arrangements where Tele2 has right to the net assets of the other entity and are accounted for under the equity method.

At the acquisition of a share in a joint arrangement, a purchase price allocation is prepared at the acquisition date. The acquisition date is the date when the Group becomes a part to and jointly shares the control of the joint arrangement. The starting-point for the purchase price allocation consists of the acquisition value of the share in the joint arrangement. The acquisition value is allocated on the Group's

Note 1 cont.

share of the acquisition date fair values of acquired assets and assumed liabilities including related deferred taxes and any implied goodwill.

Associated companies

Associated companies are companies in which Tele2 has a voting power of between 20 percent and 50 percent or has significant influence in some other way.

Associated companies are accounted for in accordance with the equity method. This means that the Group's carrying amount of the shares in the company corresponds to the Group's share of equity after application of the Group's accounting principles as well as any residual value of consolidated surplus values. The share of the company's profit or loss after tax is reported under "Operating profit", along with depreciation of the Group surplus values.

Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent that corresponds to the Group's interest in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no need for impairment.

Foreign currency

The accounts of all foreign group companies, joint arrangements and associated companies are prepared in the currency used in the primary economic environment of each company, i.e. the functional currency which for all group companies, joint arrangements and associated companies is the local currency.

The assets and liabilities of foreign group companies, joint arrangements and associated companies are translated into Tele2's reporting currency (SEK) at the closing exchange rates, while revenues and expenses are translated at the period's average exchange rates. Exchange rate differences arising from translation are reported in other comprehensive income. When foreign group companies, joint arrangements and associated companies are divested, the accumulated exchange rate difference attributable to the sold operation is recognised in the income statement.

Goodwill and adjustments at fair value that are made in connection with the acquisition of a foreign operation are treated as assets and liabilities in the functional currency of the acquired operation.

Discontinued operations

A discontinued operation is a component of the Group which either has been disposed of or is classified as held for sale and represents a separate line of business or geographical area of operation. A discontinued operation is reported separately from continuing operations in the income statement, and comparable information for prior periods is re-presented.

Assets classified as held for sale and associated liabilities are presented separately on the face of the balance sheet. Prior periods are not affected. Assets classified as held for sale are valued at the lower of carrying value and fair value less costs to sell (Note 33).

Revenue recognition

Revenues include sale of services to consumers, business to business (B2B), landlords and other operators of mobile and fixed telephony, broadband, and TV. This includes subscription and periodic charges, call charges, interconnect revenue from other operators, sale of equipment such as mobile phones and modems, connection and installation charges, data and information services and service revenues. Revenues are valued and recognised on the basis of the compensation specified in the contract with the customer, i.e. net of VAT, discounts and returns. Assessments or judgements on customer behaviour used in revenue recognition are continually revised as to secure a fair representation.

For subscription and periodic charges, Tele2 transfer the control of the service over time and the revenue is recognised on a straight-line basis over the period. The fees are invoiced in advance or monthly after the service has been transferred to the customer, the payment term is typically up to 30 days. Periodic charges for basic television services to landlords are invoiced largely quarterly. When the fees are invoiced in advance and Tele2 has received the consideration or has an unconditional right to the consideration, Tele2 accounts for a contract liability which is recognised as revenue as the customer obtains the control of the service.

Call charges and interconnect revenue are recognised in the period during which the service is provided.

Revenue from the sale of prepaid cards and similar prepayments are recognised based on the actual use of the card up until the expiry date. The timing of revenue recognition related to the portion expected not to be utilised by the customer will be recognised as revenue in proportion to the customer's use pattern. The timing difference between the payment and the revenue recognised is accounted for as a contract liability.

Revenue from sale of equipment is recognised when control of the equipment has been transferred to the customer and the group has the right to payment. The payment is made through monthly instalments or at the time of delivery. When there is a significant difference in timing between the payment and the revenue recognised for the equipment, the group adjust the transaction prices allocated to the equipment, for the time value of money.

Connection and installation charges and other upfront fees are recognised at the time of the sale to the extent that Tele2 delivered goods or service according to the same principles as for customer contracts containing multiple performance obligations as described above.

Revenues from data and information services such as data buckets, text messages and third-party services are recognised when the service is provided.

Services to B2B customers, including functional based solutions for complete telecom and network services that may include switchboard services, fixed and mobile telephony, data communication and other customised services as well as system installations, are recognised over time using the percentage of completion method. The revenues are recognised gradually during the contract as the services are performed as the customer simultaneously receives and consumes the benefits provided. The stage

Note 1 cont.

of completion is determined by services performed to date as a percentage of total services to be performed, based on cost incurred in relation to estimated total cost.

For customer agreements containing multiple deliverables or parts, the contracted revenue is allocated to each part, based on its relative fair value. Services invoiced based on usage are not included in the allocation. Revenues for each part are recognised in the period when control of the goods or service is transferred to the customer. When re-allocating revenue between equipment and services is made it can result in revenue recognition taking place at different time (earlier or later) than the goods or service is paid for. The time difference between the payment and the revenue recognised for the performance obligation is recognised as a contract asset or contract liability, for further information refer to Note 16, 20 and 26.

When Tele2 acts as an agent for another supplier, such as handset sales through third party resellers and content services, the revenue is reported net, i.e. only the part of the revenue that is allocated to Tele2 is reported as revenue when control of the goods is transferred to the customer or in the period during which the service is provided.

Most goods or subscriptions are sold with a right of return. Right to return vary normally from 14 days up to 30 days. If the right to return is expected to be utilised the revenue is recognised when the right has expired. Right to return does not apply for Tele2 when the good or subscription is sold through a third party.

Contract modifications occur due to changes in the price plan or when adding value added services. A change in the price plan will result in a new recognised revenue going forward. The value added services are distinct and priced at fair value and recognised as a new contract.

Operating expenses

Operating expenses are classified according to function, as described below. Depreciation and amortisation and personnel costs are stated by function. Total costs for depreciation and amortisation are presented in Note 5 and total personnel costs are presented in Note 31.

Cost of services provided and equipment sold

Cost of services provided, and equipment sold consists of broadcaster costs, costs for networks and capacity, interconnect charges as well as costs for equipment sold (e.g. handsets) to the extent the costs are covered by recognised revenues. The cost of services provided, and equipment sold also includes the part of the cost for personnel, premises, purchased services and depreciation and amortisation of non-current assets, including right-of-use assets, attributable to the production of sold services.

Selling expenses

Selling expenses include costs for the internal sales organisation, purchased services, personnel costs, cost for right-of-use assets, bad debt losses as well as depreciation and amortisation of non-current assets attributable to sales activities. Advertising and other marketing activities are also included and are expensed as incurred. Selling expenses also include the portion of Tele2's cost for handsets and other equipment for which Tele2 does not get full cost coverage.

Administrative expenses

Administrative expenses consist of the part of the personnel costs, purchased services as well as depreciation and amortisation of non-current assets, including right-of-use assets, attributable to the other joint functions. Costs associated with the Board of Directors, executive management and corporate functions are included in administrative expenses.

Other operating income and other operating expenses

Other operating income and other operating expenses include secondary activities, exchange rate differences in operating activities and gain/loss on the sale of tangible and intangible assets.

Employee benefits

Share-based payments

Tele2 grants share-based payments to certain employees. Share-based payments are settled with the company's own shares, so called equity-settled payments.

The costs for equity-settled payments are based on the fair value of the share rights calculated by an independent party at the date of grant. These payments are reported as employee costs during the vesting period with a corresponding increase in equity. To the extent the vesting conditions in the program are linked to market conditions (TSR), these factors are taken into consideration when determining the fair value of the share rights and is not adjusted for performance. Non-market performance conditions (e.g. operating cashflow) and service conditions (employment period) are taken into account in employee cost during the vesting period by the change in the number of shares that are expected to finally vest.

Tele2 records a liability for social security expenses, at each reporting period, for all outstanding share-based payments. Social security expenses attributable to equity-based instruments to employees as compensation for purchased services are expensed in the periods during which the services are performed. The provision for social security expenses is based on the fair value of the share rights at each reporting period.

Note 1 cont.

Post-employment benefits

The Group has a number of pension schemes. The main part of Tele2's pension plans consist of defined-contribution plans (Note 31) for which the Group make payments to public and private pension institutions. Amounts paid or payable to defined-contribution pension plans are reported as an expense during the period in which the employees perform the services to which the contribution relates. The defined-contribution plans ensure a certain predefined payment of premiums and negative changes in the value of investments are not compensated by Tele2. Therefore Tele2 does not bear the risk at the time of pension payment. Only a small part of the Group's pension commitments relate to defined benefit plans. The net present value of the obligation for these are calculated separately for each defined benefit plan on the basis of assumptions of the future benefits earned during previous and current periods. The obligation is reported in the balance sheet as the net present value of the obligation less the fair value of any plan assets. The defined-benefit pension plans may be funded (partly or wholly) and non-funded. In the funded plans, assets have been separated in a pension trust. These plan assets may only be used to pay benefits under pension agreements.

The cost for the defined-benefit plans is calculated by application of the Projected Unit Credit Method, which means that the cost is distributed over the employee's period of service. The calculation is performed annually by an independent actuary. The obligation is valued at the net present value of the expected future payments, taking into account assumptions such as expected future increases in salaries, inflation, health expenses and life span. Expected future payments are discounted with an interest rate that is effective on the closing day for first class corporate bonds, if available, considering the estimated remaining tenor for each obligation. In Sweden, in line with prior years, mortgage bonds are used for determining the discount rate. The effects from revaluation are reported in other comprehensive income. For a number of the Group's employees in Sweden, the retirement pension and family pension are secured by a pension plan in Alecta. According to an announcement from the Swedish Financial Reporting Board, UFR 10, this is a defined-benefit multi-employer plan. In situations when Alecta cannot provide sufficient information to determine an individual company's share of the total obligation and its plan assets, these pensions plans are being reported as defined-contribution plans. The plans are financed by pension insurances.

Termination benefits

An expense for employee redundancy benefits is recognised at the earliest time when the entity is no longer able to withdraw the offer to employees or when the entity recognises restructuring costs. The benefits that are expected to be settled after twelve months are reported at its present value. Benefits that are not expected to be fully settled within twelve months are recognised as long-term provision.

Income tax

Income taxes consist of current and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in other comprehensive income or in equity. In those cases the related tax effect is also reported in other comprehensive income or in equity.

Current tax is tax that is to be paid or received in respect of the taxable profit (tax loss) for the year including any adjustment of current tax related to previous periods and tax on dividends from subsidiaries.

When accounting for deferred taxes, the balance sheet method is applied. The method implies that deferred tax liabilities and assets are recognised for all temporary differences between the carrying amount of an asset or liability and its tax base, as well as other tax-related deductions or deficits. An item which alters the time when an item is taxable or deductible is considered a temporary difference. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

The recognition of deferred tax assets takes into account tax loss carry-forwards and temporary differences where it is probable that losses and temporary differences will be utilised against future taxable profits. In cases where a company reports losses, an assessment is made of whether there is any convincing evidence that there will be sufficient future profits.

If a deferred tax liability exists and tax loss carryforwards exist for which a deferred tax asset previously hasn't been recognised, a deferred tax asset is recognised for at least the extent it can be netted against the deferred tax liability.

Current and deferred tax assets and liabilities are netted only among group companies within the same tax jurisdiction. This form of reporting is only applied when Tele2 intends to offset tax assets and liabilities.

Tele2 Group falls within the scope of the OECD Pillar 2 model rules, which will be entered into force 1st of January 2024. Note 10 Taxes contains more information about the legislation and the impact on Tele2.

Non-current assets

Intangible assets (Note 11) and property, plant and equipment (Note 12) owned by Tele2 with a finite useful life are reported at acquisition value with deductions for accumulated depreciation and amortisation. Depreciation and amortisation are based on the acquisition value of the assets less estimated residual value at the end of the useful life and are recognised on a straight-line basis throughout the asset's estimated useful life. Generally, the estimated residual value for intangible asset is nil. Useful lives and residual values are subject to annual assessments. Useful lives for intangible assets and property, plant and equipment are presented below.

Note 1 cont.

Intangible assets	
Licenses, utilisation rights and software	3–25 years
Trademarks	5–10 years
Customer agreements	5–15 years
Property, pland and equipment	
Buildings	7–20 years
Customer premises equipment	2–5 years
Machinery and technical plant	2–30 years
Equipment and installations	2–10 years

At the end of each reporting period, an assessment is made of whether there is any indication of impairment of any of the Group's assets. If there is any indication that a non-current asset has declined in value, a calculation of its recoverable amount is made.

The recoverable amount is the higher of the asset's value in use and its fair value less costs to sell. The value in use consists of the present value of all cash flows from the asset during the utilisation period as well as the addition of the present value of the fair value less costs to sell at the end of the utilisation period. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount.

Intangible assets

Tele2 holds a number of licenses entitling it to conduct telecom operations. The expenses related to the acquisition of these licenses are recognised as an asset and amortised on a straight-line basis through the duration of the license agreements.

Goodwill is measured as the difference between the transferred consideration for the shares in the subsidiary alternatively the acquired assets and liabilities, the value of the non-controlling interest in the acquired subsidiary and the fair value of the previously owned share, and the Group's reported value of acquired assets and assumed liabilities less any write-downs.

Goodwill is allocated to the cash generating units that are expected to obtain benefits as a result of the acquisition and is, along with the intangible assets with indefinite lives and intangible assets that are not yet ready to use, subject to at least an annual impairment testing even if there is no indication of a decline in value. Impairment testing of goodwill is at the lowest level at which goodwill is monitored for internal management purposes and for which there are separately identifiable cash flows (cash generating units). The recoverable value of the respective cash generating unit is based on the higher of estimated value in use and fair value less costs to sell. The most important factors that have influenced this year's impairment testing are presented in Note 11.

In the case of reorganisation or divestment involving a change in the composition of cash generating units to which goodwill has been allocated, the goodwill is allocated to the relevant units. The allocation is based on the relative value of the part of the cash generating unit to which the reorganisation or divestment relates, and the part that remains after the reorganisation or the divestment.

Existing trademarks have previously been reassessed to have a definite useful life and are reported at book value at the date of reassessment less accumulated amortisation.
Customer agreements are valued at fair value in conjunction with business combinations. Tele2 applies a model where the average historical customer acquisition cost or, alternatively, the present value of expected future cash flows, is applied to value customer agreements.

Tele2 capitalizes direct development expenses for software which are specific to its operations if the recognition criteria are fulfilled. The capitalized development expenses that are not yet finalised are subject to at least annually impairment testing. The expenses are amortised over the utilisation period, which begins when the asset is ready for use. Expenses relating to the planning phase of the projects as well as expenses of maintenance and training are expensed as incurred. Other expenses relating to development work are expensed as they arise, since they do not meet the criteria for being reported as an asset.

Property, plant and equipment

Buildings relate to assets intended for use in operations. The acquisition value includes the direct costs attributable to the building.

Machinery and technical plant include equipment and machinery intended for use in operations, such as network installations. The acquisition value includes the direct costs attributable to the construction and installation of networks.

Additional costs for extension and value-increasing improvements are reported as an asset, while additional expenses are added to cost only if it is likely that the future economic benefits associated with the asset will come to Tele2 and the cost can be reliably calculated. All other additional costs are recognised as an expense in the period in which they incur, e.g. repair and maintenance.

Equipment and installations comprise assets used in administration, sales and operations.

Costs for equipment that are rented to or used for free by customers are capitalized.

Leases

Tele2 as lessee

For all lease agreements in which Tele2 is the lessee, a right-of-use asset (Note 13) and a corresponding lease liability (Note 29) is recognised, except for short-term leases (defined as leases with a lease term of 12 months or less at commencement date) and leases for which the underlying asset is of low value

Note 1 cont.

(with a value as new below EUR 5,000). All lease agreements are reported from the date the leased assets are available for use of the Group. For short-term leases and low value leases, the lease payments are recognised as current operating expenses in the income statement. In addition, the practical expedient in IFRS 16 to not separate lease and non-lease components in a lease contract is applied for the lease categories Sites and base stations (typically non-lease component is electricity) and Leased lines (typically non-lease component is repair and maintenance). For all other lease categories, the Group separate the lease components and exclude the service component at calculation of the lease liability. The lease term corresponds to the non-cancellable duration of the signed contracts except in cases where Tele2 is reasonably certain of exercising either an extension option or an early termination option that is included in the contract. Please refer to note 29 for information about open ended contracts.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. When determining the incremental borrowing rate considerations take into account the currency in which the asset is leased, the tenor of the contract and the underlying cashflows which the lease generates. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an operating expense in the period in which the event or condition that triggers those payments occurs. The lease liability subsequently increases with the interest on the lease liability (using the effective interest method) and reduces as the lease payments are made. The lease liability is remeasured (with a corresponding adjustment to the related right-of-use asset) whenever the previously determined lease term has changed, the lease payments change due to changes in an index or rate, there is a change in the assessment of exercise of a purchase option, a change in expected payment under a guaranteed residual value, or a lease contract is modified and the lease modification is not accounted for as a separate lease.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs and are subsequently measured at cost less accumulated depreciation and any impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is measured and recognised. The costs are included in the related right-of-use asset, unless those costs are already included in a tangible asset. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

In the cash flow statement the amortisation of the lease liability is presented in the financing activities while the interest component is presented in the operating cash flow. Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability is presented within operating cash flow.

Tele2 lessor

Leases for which Tele2 is a lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the economic risks and rewards of ownership of an asset to the lessee. All other leases are classified as operating leases. When Tele2 act as finance lessor the assets in a financial lease contract are reported in the balance sheet as a financial receivable to an amount equal to the net investment in the lease contract corresponding to the discounted net present value applying a market based discount rate and a sales revenue in accordance with the principles for customary sales. The financial income arising from a finance lease is accounted for in accordance with a constant remuneration (fixed interest rate) applying the effective interest method.

Rental revenues from operating leases are recognised on a straight-line basis over the term of the relevant lease, including the effect of provided benefits, which normally are accrued over the term. The leased asset is kept on the balance sheet and depreciated over its estimated useful life.

Dismantling costs

When there is a legal or constructive obligation to a third party, the estimated cost of dismantling and removing the asset and restoring the site/area is included in the acquisition value of owned and leased assets. Any change to the estimated cost of dismantling and removing an asset and restoring the site is added to or subtracted from the carrying amount of the particular asset.

Inventories

Inventories of materials and supplies are valued in accordance with the first-in, first-out principle at the lower of acquisition value and net realisable value. Tele2's inventories essentially consist of mobile phones, fixed broadband routers, digital TV boxes and IT & Network hardware.

Contract assets and contract liabilities

A contract asset is Tele2's right to payment for goods and services already transferred to the customer if that right to payment is conditional on something other than the passage of time. For example, in bundled contracts that include both equipment such as handset and telecom services, Tele2 will recognise a contract asset when it has fulfilled the contract obligation to deliver the handset but must perform the telecom service obligations before being entitled to payment. This is in contrast to a receivable, which is the right to payment that is unconditional, except for the passage of time. A contract liability is Tele2's obligation to transfer goods or services to a customer at the earlier of when the customer prepays consideration or the time that the customer's consideration is due for goods and services Tele2 will yet provide. Contract assets are included in the balance sheet items Receivable from sold equipment Note 16 and Note 20 and accrued income Note 21. Contract liabilities are included in the balance sheet item Deferred income Note 26.

Note 1 cont.

Financial assets and liabilities

Acquisitions and sales of financial assets are recognised on the trade date, which is the date that the Group has an undertaking to acquire or sell the asset. Financial liabilities are recognised in the balance sheet when Tele2 becomes a party to the contractual provisions of the instrument.

A financial asset is derecognised when the rights to receive benefits have been realised, expired or the company loses control over the asset. The same applies to components of a financial asset. In instances where Tele2 retains the contractual rights to the cash flows from a financial asset but assumes a contractual obligation to pass on those cash flows to a third party (a pass through obligation), the financial asset is only derecognised when substantially all risks and rewards of ownership of the financial asset has been transferred and the following conditions exist:

- Tele2 has no obligation to pay amounts to the third party unless Tele2 collects equivalent amounts from the original asset,
- Tele2 is prohibited by the terms of the transfer arrangement from selling or pledging the original asset other than as security to the third party for the obligation to pay it cash flows, and
- Tele2 has an obligation to pass on or remit the cash flows that it has collected on behalf of the third party without material delay.

A financial liability is derecognised when the contractual obligation is discharged or extinguished in some other way. The same applies to components of a financial liability.

Financial instruments are initially recognised at the acquisition date fair value and subsequently to either fair value or amortised cost based on the initial categorisation. The categorisation reflects both the Group's business model for managing the assets and the contractual cash flow characteristics of the financial assets and is determined on initial recognition.

Measurement of the fair value of financial instruments

Various measurement methods are used to estimate the fair value of financial instruments not traded on an active market. When determining the fair value of interest swaps and currency derivatives official market listings are used as input in calculations of discounted cash flows. The fair value of loan liabilities is measured using generally accepted methods, such as discounting expected future cash flows at prevailing interest rates.

Calculation of amortised cost of financial instruments

Amortised cost is calculated by using the effective interest method, which means that any premiums or discounts and directly attributable costs or income are recognised on an accrual basis over the life of the contract using the calculated effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when a legal right to set-off exists and the Group intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Tele2's trade receivables and other receivables are categorised as "Assets at amortised cost" initially reported at fair value and subsequently at amortised cost. An allowance for expected credit losses has to be calculated according to IFRS 9, no matter if a loss event has occurred or not, please refer to Note 19. Tele2 applies the simplified approach to recognise expected credit losses for trade receivables and contract assets that result from transactions within the scope of IFRS 15 (Revenues from contracts with customers) and for finance lease receivables. For finance lease receivables this is a policy choice. The simplified approach applies a matrix model and is always based on lifetime expected credit losses considering information about historical data adjusted for current conditions and forecasts of future events and economic conditions.

To measure the expected credit losses, trade receivables and receivable from sold equipment have been grouped by credit risk characteristics and past due status. Tele2 has chosen to report the expected credit losses based on customer type since the risk is considered to be diverse. Business customers are defined as customer that uses Tele2's services primarily for business purposes, including public sector and non-profit organisations. A consumer is a customer who is not defined as a business customer. The expected credit losses are based on customers' payment history during a period of between 6 to 24 months together with the historical credit losses during the same period. The historical losses are adjusted to reflect macroeconomic and forward-looking information that can affect the customers' ability to pay, such as changed market expectations and the ability to sell outstanding trade receivables. Tele2 has identified and made specific reservations for customers whose ability to pay are considered to be differentiated from other receivables. Trade receivables and receivable from sold equipment are written off when a payment no longer is considered to be likely. An indication is that the payment is more than 90 days overdue. Any impairment loss is reported as an operating expense.

Cash and cash equivalents are categorised as "Assets at amortised cost" initially reported at fair value and subsequently at amortised cost. Cash and cash equivalents consist of cash and bank balances as well as current investments with a maturity of less than three months from the time of acquisition. The general impairment model in IFRS 9 is applied to cash and cash equivalents and the identified impairment loss was immaterial.

Restricted cash and cash equivalents are reported as current investments if they may be released within 12 months and as non-current financial assets if they are to be restricted for more than 12 months.

Note 1 cont.

Financial liabilities

Financial liabilities are categorised as "Financial liabilities at amortised cost". These are initially measured at fair value and then at amortised cost using the effective interest method. Direct costs related to the origination of loans are included in the acquisition value. For trade payables and other financial debts, with a short maturity, the subsequent valuation is done at the nominal amount.

Derivatives and hedge accounting

The Group designates certain derivatives as hedging instruments in respect of cash flow hedges, interest rate risk in fair value hedges, and hedges of net investments in foreign operations.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows or fair values of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss. Note 2 describes the details of the fair values of the derivative instruments used for hedging purposes as well as the changes in the hedging reserve in equity.

Exchange rate fluctuations on loans in foreign currency and changes in value of other financial instruments (currency derivatives) that meet the hedge accounting requirements of net investment in foreign operations are reported on a continuous basis in other comprehensive income. The Group designates only the intrinsic value of currency swap contracts, designated for hedging of net investments in foreign operations, as a hedged item, i.e. excluding the time value of the swap. The changes in the fair value of the aligned time value of the swap are recognised in the income statement. The ineffective portion of the exchange rate fluctuation and the change in value are reported in the income statement under other financial items. When divesting foreign operations, the previously recognised accumulated exchange rate difference attributable to the divested operation is recycled to the income statement.

Cash flow hedges are reported in the same way as hedges of net investments in foreign operations. This means that the effective portion of the gain or loss on an interest swap which meets the criteria for cash-flow hedge accounting is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss within financial items. When cash flows relating to the hedged item are reported in profit or loss, amounts are transferred from equity to offset them. For more information regarding cash flow hedges, please refer to Note 2 and Note 24.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable).When a hedging instrument related to future cash flows is due, sold, divested or settled or the Group discontinues the hedge relation before the hedged transaction has occurred and the forecasted transaction is still expected to occur, the accumulated reported gain or loss remains in the hedge reserve in equity and is reported in the income statement when the transaction occurs. If the hedged transaction is no longer expected to occur, the hedging instrument's accumulated gain or loss is immediately reported in the income statement.

For fair value hedges, the effective and ineffective portions of the change in fair value of the derivative, along with the gain or loss on the hedged item attributable to the risk being hedged, are recognised in the income statement in the same line.

Other derivatives, for which hedge accounting is not applied, are measured at their fair value through profit or loss.

Receivables and liabilities in foreign currency

Receivables and liabilities of the Group denominated in foreign currencies are translated into Swedish krona by applying the period-end rates.

Gains or losses on foreign exchanges relating to regular operations are included in the income statement under Other operating income/expenses. Gains or losses on foreign exchanges in financial assets and liabilities are reported within profit/loss from financial items.

When long-term lending to/borrowing from Tele2's foreign operations is regarded as a permanent part of the parent company's financing of/borrowing from foreign operations, and thus as an expansion/reduction of the parent company's investment in the foreign operations, the exchange rate changes of these intra-group balances are reported in Other comprehensive income.

A summary of the exchange rate differences reported in other comprehensive income is presented in the statement of comprehensive income and the differences which affected profit or loss for the year are presented in Note 2.

Note 1 cont.

Capitalized contract costs

Costs to obtain a contract are capitalized as contract costs assets. These costs are incremental costs incurred when obtaining a contract with a customer and are typically internal and external sales provisions. When businesses are acquired, customer agreements acquired as part of the acquisition are fair valued and capitalized as intangible assets.

The asset is amortised on a straight-line basis over the average customer life period if the cost is assessed as recoverable at portfolio level. Amortisation is recognised as an operating cost, in order for this cost to be reflected in the operational business.

Amortisation periods:	
Consumer contracts	3–24 months
Business contracts	3–36 months

The contract asset is impaired in accordance with IFRS 15. An impairment exists if the carrying amount exceeds the amount of consideration Tele2 expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those good and services.

Equity

Equity consists of registered share capital, other paid-in capital, hedge reserve, translation reserve, retained earnings and profit/loss for the year.

Other paid-in capital relates to share premiums from the issues of new shares. Additional direct costs attributable to the issue of new shares are reported directly against equity as a reduction, net after taxes, of proceeds from the share issue.

The hedge reserve includes translation differences on external loans in foreign currencies and changes in values of financial instruments (currency derivatives) which are used to hedge net investments in foreign operations and the effective portion of gains or losses on interest swaps used to hedge future interest payments.

Translation reserve includes translation differences attributable to the translation of foreign operations into Tele2's reporting currency as well as translation differences on intra-group balances which are considered an expansion/reduction of the parent company's net investment in foreign operations.

Number of shares and earnings per share

Basic earnings per share are calculated by dividing the profit or loss of the year attributable to the parent company's owners by the weighted average number of outstanding shares during the period. In calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares, which in reported periods derive from share rights issued to employees. Furthermore, the number of share rights, and hence shares, that would be vested if the level of fulfilment of the vesting conditions at the end of the current period would also exist at the end of the vesting period, are included (Note 23).

Provisions

Provisions are reported when a company within the Group has a legal or constructive obligation as a result of past events, and it is probable that payments, which can be reliably estimated, will be required in order to settle the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense, or as interest income when appropriate.

Contingent liabilities

A contingent liability exists if there is a possible obligation related to a past event and whose existence is confirmed only by one or several uncertain future events, and when there is an obligation that is not reported as a liability or a provision because it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be calculated with sufficient reliability. Disclosure is presented unless the probability of an outflow of resources is remote.

Note 1 cont.

Segment reporting

Segment

Since the risks in Tele2's operations are mainly linked to the various markets in which the company operates, Tele2 follows up and analyses its business on country level. Hence each country represents Tele2's operating segments. Tele2 has chosen Underlying EBITDAaL as the profit or loss measure for the reportable segments, please refer to the section Non-IFRS measures for the definition. The segment reporting is in line with the internal reporting to the chief operating decision maker, which is Tele2's Group Leadership Team.

Tele2 AB and other minor operations are included in segment for Sweden. Segment information is presented in Note 4. The same accounting principles are applied to the segments and the Group.

Services

Services that are offered within the segments are mobile telephony, entertainment, fixed broadband, fixed telephony and DSL, business solutions and other operations.

The mobile service comprises various types of subscriptions for residential and business customers as well as prepaid cards. Mobile also includes mobile broadband, fixed telephony via mobile network (FVM), IoT (internet-of-things), and mobile carrier. Tele2 owns the networks.

Digital TV includes digital TV delivered via fixed infrastructure, digital terrestrial television and OTT services.

Fixed broadband includes any fixed Internet service for end-customer that is not xDSL-based (copper telephone cables) for the "last mile" connection. For Tele2 this mostly means either Vertical Fibre Coax, Fibre-to-the-Home (FTTH), or Fibre-to-the-Building (FTTB). Connection to customer can be direct access, local-loop unbundling (if not xDSL), or Open network (where Tele2 is Communication service provider).

Landlord as well as communication provider services are also offered as an integrated part of the fixed consumer operation.

Fixed telephony and DSL include resold products within fixed telephony and xDSL-based subscriber services via copper telephone cables and internet via modem.

Business solutions consists of services to business customers that are complex, and custom made, such as managed hardware, hosting, PBX services, consultancy and business LAN networks.

Estimates and judgement of accounting principles

As part of preparing the consolidated financial statements management is required to make certain estimates and judgments. The estimates and judgments are based on historical experience and a number of other assumptions aimed at providing a decision regarding the value of the assets or liabilities which cannot be determined in any other way. The actual outcome may vary from these estimates and judgments.

The most crucial assessments and estimates used in preparing the Group's consolidated financial statements see below.

Climate related - risks and opportunities

Tele2 works proactively to mitigate the risks associated with climate change. The company assesses that there are no material effects on the company's balance sheet as per December 31, 2023. For more information on the long term implications, see S13 in sustainability report.

Goodwill – level for goodwill impairment testing

Goodwill arising from business combinations is allocated to the cash-generating units which are expected to receive future economic benefits, in the form of synergies, for example, from the acquired operation. If separate cash-generating units cannot be identified, goodwill is allocated to the lowest level at which the operation and its assets are monitored for internal management purposes, which is the operating segment.

Impairment test goodwill

When estimating the recoverable amount of cash generating units for goodwill impairment purposes, the Group makes assumptions regarding future events and key parameters. The assumptions made and sensitivity analyses are disclosed in Note 11. These kinds of assessments, by nature, include some uncertainty related to projected growth rates, profit margins, investment levels and discount rates. Should the actual outcome for a specific period differ from the expected outcome, the expected future cash flows may need to be reconsidered, which could lead to a write-down.

Note 1 cont.

Joint arrangements

Tele2 is part of two joint arrangements in Sweden. The arrangements concern mobile networks that are classified as joint operations and consists of Svenska UMTS-nät AB (together with Telia Company) and Net4Mobility HB (together with Telenor). Tele2 has chosen to classify these joint arrangements as joint operations as Tele2 considered that, through the agreements between the parties, they have the rights to the assets and obligations for the liabilities as well as corresponding revenues and expenses related to each arrangement. As basis for the classification, additional decisive factors are that the parties in each arrangement have the rights to substantially all of the economic benefits from the assets in each operation and that the jointly owned companies are dependent on its owners for settling its liabilities on a continuous basis.

Revenue recognition

Revenue recognition in Tele2 requires management to make judgments and estimates in a number of cases, mainly to determine fair values and the period in which the revenue should be recognised. Many agreements bundle products and services into one customer offering which for accounting purposes requires allocating revenue to each part based on its relative fair value using accounting estimates. Determining whether revenues should be recognised immediately or be deferred require management to make judgments as to when the services and equipment have been provided, the fair value of each part as well as estimates regarding the remaining contract period. Please refer to Note 16 and 20 concerning receivables for sold equipment and Note 21 for other accrued revenues.

Valuation of acquired intangible assets

When acquiring businesses, intangible assets are measured at fair value. If there is an active market for the acquired assets, the fair value is measured based on the prices on this market. Since there are often no active markets for these assets, valuation models have been developed to estimate the fair value. Examples of valuation models are discounted cash flows models and estimates of Tele2's historical costs of acquiring equivalent assets. Please refer to Note 14 for acquisitions.

Valuation of non-current assets with a finite useful life

If the recoverable amount falls below the book value, an impairment loss is recognised. At each balance sheet date, a number of factors are analysed in order to assess whether there is any indication of impairment. If such indication exists, an impairment test is prepared based on management's estimate of future cash flows including the applied discount rate. Please refer to Note 11, Note 12 and Note 13.

Useful lives of non-current assets

When determining the useful life of groups of assets, historical experience and assumptions about future technical development are taken into account. Depreciation rates are based on the acquisition value of the non-current assets and the estimated utilisation period less the estimated residual value at the end of the utilisation period. If technology develops faster than expected or competition, regulatory or market conditions develop differently than expected, the Group's evaluation of utilisation periods and residual values will be influenced.

Leases

The main judgements for leases concerns determination of whether a contract (or part of a contract) contains a lease, the lease terms and the discount rate. Regarding the lease terms, a majority of the lease contracts in Tele2 includes options either to extend or to terminate the contract. When determining the lease term, Tele2 considers all relevant facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Economic incentive includes for example strategic plans, assessment of future technology changes, original capital invested and consideration of cost of finding and moving to a new location, any consideration of penalties Tele2 may be charged to terminate the contract and past practice regarding the period over which Tele2 has typically used particular types of assets (whether leased or owned), and economic reasons for doing so. The discount rate is determined on the basis of an estimate of the incremental borrowing rate for the current lease period and the currency. Please refer to Note 29.

Valuation of deferred income tax receivables and uncertain tax positions

Recognition of deferred income tax takes into consideration temporary differences and unutilised loss carryforwards. Deferred tax assets are reported for deductible temporary differences and loss carryforwards only to the extent that it is considered probable that they can be utilised to offset future taxable profits. Management updates its assessments on items related to deferred income taxes and uncertain tax positions at regular intervals. The valuation of deferred tax assets is based on expectations of future results and market conditions, which are naturally subjective. The actual outcome may differ from the assessments, partly as a result of future changes in business circumstances, which were not known at the time of the assessments, changes in tax laws or interpretations or the result of the taxation authorities' or courts' final examination of submitted tax returns. Please refer to Note 10.

Note 1 cont.

Provisions for disputes and damages

Tele2 is party to a number of disputes. For each separate dispute, an assessment of the most likely outcome is made, and reported in the consolidated financial statements, accordingly, see Note 25 and Note 28.

Valuation of trade receivable

Accounts receivables are valued on a current basis and reported at amortised cost. Reserves for doubtful accounts are based on lifetime expected credit losses considering information about historical data adjusted for current conditions and forecasts of future events and economic conditions, see Note 19.

When the receivable from sold equipment is invoiced, it is reclassified to accounts receivable.

Other information

Tele2 Group is an integrated provider of fixed and mobile connectivity and entertainment services across the core markets in Sweden and the Baltics. Tele2 AB (publ), company registration nr 556410-8917, is a limited company, with its registered office in Stockholm, Sweden. The company's registered office (telephone +46 8 5620 0060) is at Torshamnsgatan 17 in Kista, P.O. Box 462, 164 94 Kista, Sweden. The annual report was approved by the board of directors for issuance on March 28, 2024. The balance sheet and income statement are subject to adoption by the Annual General Meeting on May 15, 2024.

NOTE 2 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Tele2's financing and financial risks are managed under the control and supervision of the Board of Directors. Financial risk management is centralised within the Treasury function. The function is responsible for the various financial risks that the Group is exposed to such as currency risk, interest risk, liquidity risk and credit risk. The aim is to analyse and control the risks as set out under the current policy and guidelines as well as manage the cost of financial risk management. The risks are monitored, managed and reported on a continuous basis.

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers and cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds, lease liabilities and accounts payables. Classification of financial assets and liabilities including their fair value is presented below.

SEK million	Dec 31, 2023					
	Assets and liabilities at fair value through profit/loss		Assets at amortised cost	Financial liabilities at amortised cost	Total reported value	Fair value
	Derivative instruments (level 2)	Other instruments (level 3)				
Other financial assets	–	1[2]	796	–	797	797
Accounts receivable	–	–	2,111	–	2,111	2,111
Other current receivables	89[1]	–	1,949	–	2,038	2,038
Current investments	–	–	84	–	84	84
Cash and cash equivalents	–	–	1,634	–	1,634	1,634
Total financial assets	**89**	**1**	**6,574**	**–**	**6,664**	**6,664**
Liabilities to financial institutions and similar liabilities	–	–	–	26,319	26,319	25,930
Other interest-bearing liabilities	802[1]	–	–	4,655	5,457	5,454
Accounts payable	–	–	–	2,233	2,233	2,233
Other current liabilities	–	–	–	945	945	945
Total financial liabilities	**802**	**–**	**–**	**34,152**	**34,954**	**34,562**

SEK million	Dec 31, 2022					
	Assets and liabilities at fair value through profit/loss		Assets at amortised cost	Financial liabilities at amortised cost	Total reported value	Fair value
	Derivative instruments (level 2)	Other instruments (level 3)				
Other financial assets	–	1[2]	747	–	748	748
Accounts receivable	–	–	1,986	–	1,986	1,986
Other current receivables	401[1]	–	2,043	–	2,444	2,444
Current investments	–	–	156	–	156	156
Cash and cash equivalents	–	–	1,116	–	1,116	1,116
Assets classified as held for sale	–	54[3]	–	–	54	54
Total financial assets	**401**	**55**	**6,049**	**–**	**6,505**	**6,505**
Liabilities to financial institutions and similar liabilities	–	–	–	26,630	26,630	25,350
Other interest-bearing liabilities	331[1]	–	–	5,821	6,152	6,142
Accounts payable	–	–	–	2,165	2,165	2,165
Other current liabilities	–	–	–	592	592	592
Total financial liabilities	**331**	**–**	**–**	**35,208**	**35,539**	**34,249**

For the determination of fair values on financial assets and liabilities the following levels, according to IFRS 13, and inputs have been used:

1) Level 2: observable market data of interest- and foreign exchange rates are used in discounted cash flow models based on contractual cash flows to estimate the fair value of interest-, fair value- and foreign exchange rate derivatives, loans with fixed interest rate and other non-current interest bearing liabilities valued at fair value at initial recognition with subsequent measurement at amortised cost.
2) Level 3: measured at fair value through profit/loss, which on initial recognition were designated for this type of measurement. Discounted future cash flow models are used to estimate the fair value.
3) Level 3: assets classified as held for sale is earn out related to the divestment of Tele2 Germany. The fair value was based on discounted future cash flows on the assumptions further described in Note 33.

Note 2 cont.

Changes in financial assets and liabilities valued at fair value through profit/loss in level 3 are presented below.

SEK million	Dec 31, 2023		Dec 31, 2022	
	Assets	Liabilities	Assets	Liabilities
As of January 1	55	—	101	-16
Earn-out Tele2 Germany[1]	-54	—	-37	—
Other changes	0	—	-8	16
As of December 31	1	—	55	—

[1] Reported as discontinued operations, please refer to Note 33.

Since accounts receivables, accounts payables and other current liabilities are short-term, discounting of cash flows does not cause any material differences between the fair value and carrying value.

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

Net gains/losses on financial instruments, including assets and liabilities directly associated with assets classified as held for sale, amounted to SEK -274 (773) million, of which loan and trade receivables amounted to SEK -149 (–121) million, derivatives to SEK-126 (894) million.

The Group has derivative contracts which are covered by master netting agreements, with the right to set off assets and liabilities with the same counterparty. This is not reflected in the accounting where gross accounting is applied. The value of reported derivatives on December 31, 2023 amounted on the asset side to SEK 89 (401) million, of which 82 (134) million is designated for hedge accounting, and on the liability side to SEK 188 (331) million, of which 188 (331) million is designated for hedge accounting.

Capital structure management

The Tele2 Group's view on capital structure management (equity and net debt) incorporates several inputs, of which the main items are listed below.

The Board of Directors of Tele2 have set the following policies for financial leverage and shareholder remuneration:

- 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

On a continuous basis, Tele2 will diversify its financing both in terms of maturities and funding sources. A stable financial position is important in order to minimise refinancing risk. The Board of Directors reviews the capital structure annually and as needed.

Currency risk

Currency risk is the risk of changes in exchange rates having a negative impact on the Group's result and equity. Currency exposure is associated with payment flows in foreign currency (transaction exposure) and the translation of foreign subsidiaries' balance sheets and income statements to SEK (translation exposure).

The Group does not generally hedge transaction exposure. Translation exposure related to certain investments in foreign operations is hedged by issuing debt or entering into derivative transactions in the currencies involved if assessed as needed. Net investment hedges in foreign operations were 100 percent effective in 2022 and 2023 and hence no ineffectiveness was recognised in the income statement. In the hedge reserve in equity the total amount related to net investment hedges amounts to SEK -476 (-484) million. On December 31, 2023 the Group had outstanding currency derivatives as economic hedges of loans in EUR amounting to EUR 1,371 (1,184) million. The derivatives hedge monetary items thus hedge accounting is not applied. The reported fair value on the derivatives amounted to SEK -607 (265) million net.

After taking currency derivatives into account, the borrowings in SEK million are carried in the following currencies (equivalent SEK amounts).

SEK million	Dec 31, 2023	Dec 31, 2022
SEK[1]	23,830	24,331
EUR[1]	2,489	2,299
Total loans	26,319	26,630

[1] Including adjustment for currency derivatives designated to minimise the exposure EUR to SEK of SEK 15,218 (13,176) million.

Note 2 cont.

The consolidated balance sheet and income statement are affected by a translation exposure when subsidiaries' currencies fluctuate against the Swedish krona. Revenues and operating profit are distributed among the following currencies.

SEK million	Revenue			
	2023		2022	
SEK	22,291	77%	22,103	79%
EUR	6,808	23%	5,999	21%
Total	**29,099**	**100%**	**28,102**	**100%**

SEK million	Operating profit			
	2023		2022	
SEK	3,392	62%	4,933	75%
EUR	2,074	38%	1,663	25%
Total	**5,466**	**100%**	**6,596**	**100%**

A ten percent currency fluctuation of the Euro against the Swedish krona would have a translation effect on the Group's revenues and operating profit/loss by +/- SEK 681 (600) million and +/- SEK 207 (166) million, respectively.

Exchange rate differences which arise in operations are reported in the income statement and totals to the following amounts.

SEK million	2023	2022
Other operating income	67	62
Other operating expenses	-62	-80
Other financial items	2	-94
Total exchange rate difference in income statement	**7**	**-112**

The Group's total net assets on December 31, 2023 of SEK 22,780 (23,683) million were distributed by currency in SEK million as follows (including loan and currency derivatives).

SEK million	Dec 31, 2023	Dec 31, 2022
SEK	20,517	20,676
EUR[1)]	2,263	3,007
Total	**22,780**	**23,683**

1) Loans denominated in EUR designated for net investment hedging are included by SEK 3,606 (3,617) million.

A ten percent currency fluctuation against the Swedish krona would affect the Group's total net assets by SEK 226 (301) million. A strengthening of the SEK towards other currencies would impact net assets negatively.

Interest rate risk

Tele2 is exposed to interest rate risk because the Group borrows with both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the using of interest rate swaps. The risk is monitored and evaluated regularly to align with the interest duration strategy, ensuring the most cost-effective strategy is applied.

Tele2 is exposed to the following interest rate benchmarks within its hedge accounting relationships, which are subject to interest rate benchmark reform: EURIBOR and STIBOR (collectively 'IBORs'). As listed below, the hedged items include issued EUR fixed rate debt and issued SEK floating rate debt. Tele2 closely monitors the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the IBOR regulators. None of the Group's current EURIBOR and STIBOR linked contracts include adequate and robust fall back provisions for a cessation of the referenced benchmark interest rate. Different working groups in the industry are working on fall back language for different instruments and different IBORs, which Tele2 is monitoring closely and will look to implement when appropriate. For Tele2's derivatives, the International Swaps and Derivatives Association's (ISDA) fall back protocol was made available on October 23, 2020. Tele2 has ongoing discussions with its banks with the aim to implement this language into its ISDA agreements before the transition to new benchmark interest rates is carried out.

Interest bearing financial liabilities exposed to changes in interest rates over the next 12 months (i.e. short fixed interest rates) amounted to SEK 13,653 (12,216) million in carrying value, corresponding to 43 (37) percent of outstanding debt balance at the end of the year. Calculated at floating interest-bearing liabilities on December 31, 2023 and assuming that loans carrying short fixed interest rates were traded per January 1, 2023 to 1 percentage point higher interest rate and this rate was constant for 12 months, this would result in an additional interest expense for 2023 of SEK 137 (122) million, and affect profit/loss after tax negatively by SEK 108 (97) million and other comprehensive income positively by SEK 26 (30) million in 2023. For additional information please refer to Note 24.

The capital amount of outstanding interest rate derivatives on December 31, 2023 amounts to SEK 1.0 (1.0) billion converting floating interest rate to fixed interest rate and EUR 250 million, equivalent to SEK 2.8 billion, converting fixed rate to floating. The cash flows related to outstanding interest rate derivatives are expected to affect the income statement during the remaining duration of the interest rate swaps. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Outstanding interest rate derivatives for cash flow and fair value hedging are presented below.

Note 2 cont.

Hedging instruments

	Average contracted fixed interest rate %		Notional principal value currency million		Change in fair value for recognising hedge ineffectiveness SEK million		Fair value assets (liabilities) SEK million	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	2023	2022	Dec 31, 2023	Dec 31, 2022
Cash flow hedges (SEK)								
Outstanding interest rate swaps Tele2 receives floating and pays fixed interest								
Within 1 year	–	–	–	–	–	–	–	–
Within 1 to 2 years	–	–	–	–	–	–	–	–
Within 2 to 5 years	0.21	0.21	1,000	1,000	–	–	82	134
Summary of cash flow hedges			**1,000**	**1,000**	**–**	**–**	**82**	**134**
Fair value hedges (EUR)								
Outstanding interest rate swaps Tele2 receives fixed and pays floating interest								
After 5 years	2.13	2.13	250	250	-1	-1	-188	-330
Summary of fair value hedges			**250**	**250**	**-1**	**-1**	**-188**	**-330**
Total outstanding interest rate derivatives					**-1**	**-1**	**-106**	**-196**

Hedging item

SEK million	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges	
	2023	2022	Dec 31, 2023	Dec 31, 2022
Variable rate borrowings				
Cash flow hedges (SEK)	-53	103	82	134
Fixed rate borrowings				
Fair value hedges (EUR)	143	-441	–	–

Liquidity risk

The Group's excess liquidity is invested on a short-term basis or used for loan repayments. Liquidity reserves consist of available cash, undrawn committed credit facilities and committed overdraft facilities. At the end of 2023, the Group had available liquidity reserves of SEK 10.1 (9.7) billion. For additional information please refer to Note 22.

Tele2 transfers the right for payment of certain operating receivables to financial institutions. During 2023 the right of payment transferred to third parties without recourse or remaining credit exposure for Tele2 corresponded to SEK 2,947 (2,549) million.

As of the date of this report, Tele2 has a sustainability linked Credit Facility with a syndicate of eight relationship banks. In December 2023, the Facility was extended by one year to 2028 and has one remaining one year extension option. The Facility amounts to EUR 700 million and was unutilised on December 31, 2023.

Tele2 AB's EUR 5 billion Euro Medium-Term Note (EMTN) Program forms the basis for Tele2's medium- and long-term debt issuance in both international and domestic bond markets. On December 31, 2023 issued bonds under the Program amounted to SEK 23,113 (22,475) million. For additional information please refer to Note 24.

Undiscounted contractual commitments are presented below. The contractual maturity is based on the earliest date on which the Group may be required to pay.

SEK million	Note	Dec 31, 2023				
		Within 1 year	1–3 years	3–5 years	After 5 years	Total
Financial liabilities[1]	24, 29	9,986	7,958	9,960	9,852	37,756
Commitments, other	28	3,375	710	66	–	4,152
Total contractual commitments		**13,362**	**8,668**	**10,026**	**9,852**	**41,907**

SEK million	Note	Dec 31, 2022				
		Within 1 year	1–3 years	3–5 years	After 5 years	Total
Financial liabilities[1]	24, 29	7,541	14,046	6,806	9,543	37,936
Commitments, other	28	3,495	2,639	66	–	6,200
Total contractual commitments		**11,036**	**16,685**	**6,872**	**9,543**	**44,136**

[1] Including future interest payments. Within 1 year includes derivatives of SEK 188 (331) million.

Note 2 cont.

Credit risk

Tele2's credit risk is mainly associated with accounts receivables, receivables related to sold equipment (handsets), cash and cash equivalents and financial derivatives with a positive mark-to-mark valuation not included under CSA agreements. The Group regularly assesses its credit risk arising from accounts receivables and receivables related to sold equipment. As the customer base is highly diversified and includes individuals and companies, the exposure and associated overall credit risk is limited. Companies within the Group are entitled to sell overdue receivables to debt collection agencies either as a one-time occasion or on ongoing basis if favourable. The Group makes provisions for expected credit losses, please refer to Note 19.

Maximum credit exposure for accounts receivables amounts to SEK 2,111 (1,986) million and receivables related to sold equipment to SEK 1,755 (1,790) million.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with solid, stable credit-ratings assigned by credible international credit-rating agencies. The Group has entered into ISDA agreements for derivative contracts with all counterparty banks that have derivatives with the Group. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As Tele2 presently does not have legally enforceable right to set off, these amounts have not been offset in the balance sheet. A Credit Support Annex (CSA) has in some cases also been entered into with counterparties. Under CSA agreements the parties have agreed to exchange collateral corresponding to the market value of outstanding derivatives. Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2023 to SEK 84 (156) million. Maximum credit exposure for liquid funds amounted to SEK 1,634 (1,116) million and derivatives to SEK 0 (0) million.

NOTE 3 REVENUE

Revenue per segment

SEK million	2023	2022
Sweden	22,300	22,112
Lithuania	3,944	3,483
Latvia	2,024	1,713
Estonia	977	911
Including internal sales	**29,244**	**28,219**
Internal sales, elimination	-146	-116
Total	**29,099**	**28,102**

Internal sales

SEK million	2023	2022
Sweden	9	9
Lithuania	81	61
Latvia	42	37
Estonia	13	9
Total	**146**	**116**

Revenue by currency is presented in Note 2.

Note 3 cont.

Revenue split per category

Tele2 divides revenue in the following key categories.

SEK million	2023	2022
Sweden Consumer		
End-user service revenue	12,400	12,252
Operator revenue	734	763
Equipment revenue	2,057	1,880
Internal sales	0	0
Total	**15,191**	**14,895**
Sweden Business		
End-user service revenue	4,131	3,977
Operator revenue	95	100
Equipment revenue	1,774	2,016
Internal sales	4	3
Total	**6,004**	**6,096**
Sweden Wholesale		
Operator revenue	1,096	1,115
Equipment revenue	1	0
Internal sales	5	5
Total	**1,103**	**1,121**
Lithuania		
End-user service revenue	2,508	2,113
Operator revenue	176	205
Equipment revenue	1,179	1,104
Internal sales	81	61
Total	**3,944**	**3,483**
Latvia		
End-user service revenue	1,394	1,142
Operator revenue	119	143
Equipment revenue	469	391
Internal sales	42	37
Total	**2,024**	**1,713**
Estonia		
End-user service revenue	697	612
Operator revenue	82	90
Equipment revenue	185	200
Internal sales	13	9
Total	**977**	**911**
Internal sales, elimination	-146	-116
CONTINUING OPERATIONS		
End-user service revenue	**21,130**	**20,097**
Operator revenue	**2,304**	**2,416**
Equipment revenue	**5,665**	**5,590**
TOTAL	**29,099**	**28,102**

Unsatisfied long-term outstanding customer contracts

SEK million	Dec 31, 2023	Dec 31, 2022
Outstanding amount of non-cancellable customer contracts that are (partly) unsatisfied	5,237	4,306

As of December 31, 2023, Tele2 had non-cancellable customer contracts with a duration up to 120 (120) months, which resulted in partly unsatisfied performance obligations at year end. 51 (49) percent of the transaction price allocated to the partly unsatisfied contracts as of December 31, 2023 is expected to be recognised as revenue during the year 2024 (2023). 34 (32) percent is expected to be recognised during 2025 (2024) and 15 (19) percent during 2026–2033 (2025–2032).

All usage-based revenue is excluded from this disclosure as that revenue is not fixed in a contract. Tele2 does not include binding revenue with an outstanding contract period of 12 months or less. Since Tele2 does not include all contracts and has also cancellable subscriptions, the amount of outstanding unsatisfied performance obligation does not amount to expected revenue for future periods.

NOTE 4 SEGMENT REPORTING

Since the risks in Tele2's operations are mainly linked to the various markets in which the company operates, Tele2 follows up and analyses its business on country level. The segment reporting is in line with the internal reporting to the chief operating decision maker, which is Tele2's Group Leadership Team. For additional information please refer to section Segment reporting in Note 1.

SEK million	2023					
	Sweden	Lithuania	Latvia	Estonia	Internal elimination	Total
Income statement						
External	22,291	3,862	1,982	964		29,099
Internal	9	81	42	13	-146	
Revenue	**22,300**	**3,944**	**2,024**	**977**	**-146**	**29,099**
Underlying EBITDAaL	**7,768**	**1,598**	**834**	**209**		**10,409**
Reversal lease depreciation and interest	1,247	90	58	81		1,475
Underlying EBITDA	**9,015**	**1,688**	**892**	**290**		**11,885**
Acquisition costs						0
Restructuring cost						-146
Disposal of non-current assets						-36
Other items affecting comparability						-86
Items affecting comparability						**-268**
EBITDA						11,616
Depreciation/amortisation						-6,150
Result from shares in associated companies and joint ventures						0
Operating profit						**5,466**
Interest income						98
Interest expense						-1,061
Other financial items						76
Income tax						-846
Net profit, continuing operations						**3,731**
Other information						
Additions to intangible and tangible assets	3,951	309	221	187		4,669
Additions to right-of-use assets	322	13	58	27		420

SEK million	2022					
	Sweden	Lithuania	Latvia	Estonia	Internal elimination	Total
Income statement						
External	22,103	3,422	1,676	902		28,102
Internal	9	61	37	9	-116	
Revenue	**22,112**	**3,483**	**1,713**	**911**	**-116**	**28,102**
Underlying EBITDAaL	**7,890**	**1,307**	**668**	**196**		**10,060**
Reversal lease depreciation and interest	1,137	80	49	70		1,335
Underlying EBITDA	**9,026**	**1,386**	**717**	**266**		**11,395**
Acquisition costs						0
Restructuring cost						-198
Disposal of non-current assets						-55
Other items affecting comparability						-41
Items affecting comparability						**-294**
EBITDA						11,101
Depreciation/amortisation						-6,176
Result from shares in associated companies and joint ventures						1,672
Operating profit						**6,596**
Interest income						33
Interest expense						-611
Other financial items						-111
Income tax						-694
Net profit, continuing operations						**5,213**
Other information						
Additions to intangible and tangible assets	2,689	295	182	175		3,341
Additions to right-of-use assets	1,217	85	42	26		1,370

Note 4 cont.

Restructuring costs

Continuing operations SEK million	2023	2022
Redundancy costs	-19	-58
Other employee and consultancy costs	-19	-35
Exit of contracts and other costs	-107	-105
Restructuring costs	**-146**	**-198**
Reported as:		
- Costs of services provided	-68	-36
- Selling expenses	-25	-59
- Adminstrative expenses	-54	-103

The restructuring costs are related to the business transformation program in Sweden, which was formally and successfully concluded in Q2 2023. Certain transformation activities included in the program are ongoing and remain to be completed.

Disposal of non-current assets

Continuing operations SEK million	2023	2022
Closure of projects and systems	-13	-12
Network equipment scrapping	-29	-36
Other	6	-7
Disposal of non-current assets[2)]	**-36**	**-55**

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

Other items affecting comparability

Continuing operations SEK million	2023	2022
Legal disputes and settlements	-13	-18
Legacy receivable reconciliation	-41	—
Inventory adjustment	-7	-13
Legacy prepaid voucher value adjustment	2	9
Legacy roaming discount reconciliation	—	-20
Legacy insurance costs	-16	—
Legacy pension adjustment	-10	—
Other	0	2
Total	**-86**	**-41**
Reported as:		
- Costs of services provided	-24	-35
- Selling expenses	-40	-17
- Adminstrative expenses	-23	3
- Other Operating Income	—	9

In 2023, other items affecting comparability refer primarily to four one-off items affecting the income statement negatively; SEK 16 million related to legacy insurance costs incurred from 2020 to 2022, SEK 41 million related to reconciliation of receivables attached to legacy systems and network equipment, SEK 10 million related to payroll taxes on pension liabilities and SEK 12 million referred to a provision 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 appealed the decision.

Non-current assets

SEK million	Dec 31, 2023	Dec 31, 2022
Sweden	51,918	53,219
Lithuania	2,347	2,375
Latvia	2,305	2,268
Estonia	1,176	1,198
Total non-current assets	**57,746**	**59,060**

Non-current assets are based on the geographical location of the assets. These assets include non-current assets other than financial instruments, deferred tax assets, and postemployment benefit assets.

NOTE 5 DEPRECIATION AND AMORTISATION

SEK million	2023	2022
By function		
Cost of services provided and equipment sold	-4,962	-4,872
Selling expenses	-311	-322
Administrative expenses	-878	-982
Total depreciation and amortisation	**-6,150**	**-6,176**

SEK million	2023	2022
By type of asset		
Amortisation of surplus from acquisitions	-1,646	-1,719
Depreciation/amortisation of other assets	-3,206	-3,221
Total depreciation and amortisation, intangible and tangible assets	**-4,851**	**-4,940**
Depreciation right-of-use-assets (leases)	-1,299	-1,236
Total depreciation right-of-use-assets (leases)	**-1,299**	**-1,236**
Total depreciation and amortisation	**-6,150**	**-6,176**

NOTE 6 OTHER OPERATING INCOME

SEK million	2023	2022
Sale to joint operations	91	105
Recycled translation differences	0	0
Exchange rate gains from operations	67	62
Sale of non-current assets	1	0
Service level agreements, for sold operations	114	100
Other income	113	16
Total other operating income	**386**	**283**

Other income relates primarily to electricity support in Sweden and other non recurring items.

NOTE 7 OTHER OPERATING EXPENSES

SEK million	2023	2022
Exchange rate loss from operations	-62	-80
Sale/scrapping of non-current assets (Note 4)	-36	-55
Service level agreements, for sold operations	-8	-25
Other expenses	-2	-3
Total other operating expenses	**-109**	**-163**

NOTE 8 INTEREST INCOME

SEK million	2023	2022
Interest, penalty interest	15	12
Interest, other receivables	83	22
Total interest income	**98**	**33**

All interest income is for financial assets reported at amortised cost. Interest income related to impaired financial assets, such as accounts receivable, are not significant.

NOTE 9 INTEREST EXPENSES

SEK million	2023	2022
Interest, financial institutions and similar liabilities	-820	-480
Interest, leases (Note 29)	-176	-94
Interest, other interest-bearing liabilities	-62	-24
Interest, penalty interest	-4	-13
Total interest costs	**-1,061**	**-611**

All interest costs is for financial liabilities reported at amortised cost, except for interest costs related to derivatives amounting to SEK -38 (27) million.

NOTE 10 TAXES

Tax expense/income

SEK million	2023	2022
Current tax expense, on profit/loss current year	-1,058	-946
Current tax expense/income, on profit prior periods	-9	-9
Current tax expense	**-1,067**	**-955**
Deferred tax expense/income	221	261
Total tax on profit for the year	**-846**	**-694**

Theoretical tax expense

The difference between recorded tax expense for the Group and the tax expense based on weighted prevailing tax rates in each country consists of the below listed components.

SEK million	2023		2022	
Profit before tax	4,578		5,907	
Theoretical tax expense/income				
Theoretic tax according to prevailing tax rate in each country	-861	-18.8%	-1,152	-19.5%
Tax effect of				
Result from associated companies	—	—	21	0.4%
Result from sale of shares	0	0.0%	346	5.9%
Adjustment of tax liabilities from previous years	-3	-0.1%	10	0.2%
Tax relief on investments in capex	58	1.3%	94	1.6%
Taxable not recorded revenue	-25	-0.6%	-11	-0.2%
Other items	-14	-0.3%	-2	0.0%
Tax expense/income and effective tax rate for the year	**-846**	**-18.5%**	**-694**	**-11.8%**

Pillar 2 legislation

The Tele2 Group falls within the scope of the OECD Pillar 2 model rules. Pillar 2 legislation is implemented in Sweden through the Law on Top-up Tax (Sw. "Lag om tilläggsskatt"), the jurisdiction where Tele 2 AB, the parent company of the Group, is incorporated. The Swedish Pillar 2 legislation entered into force 1st of January 2024 and applies to fiscal years beginning after 31 December 2023. Since the regulations were not in effect at the reporting date, Tele2 has not reported any current top-up tax.

Under Pillar 2, Tele2 is liable to pay top-up tax for jurisdictions where Tele2 has low-taxed operations. Operations are deemed as low-taxed if Tele2's effective tax rate in a jurisdiction, calculated in accordance with the certain rules of Pillar 2, falls below the minimum tax rate of 15% (the "Main Rule"). Pillar 2 also includes temporary safe harbour rules which, if fulfilled for a particular jurisdiction, implies that the top-up tax for the jurisdiction is deemed SEK 0.

Tele2 does not expect that the enactment of Pillar 2 will have any material impact on the effective tax rate. Tele2 is currently engaged in analysing the legislation, its impact on the group and implementing necessary compliance processes.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items.

SEK million	Dec 31, 2023	Dec 31, 2022
Unutilised loss carry-forwards	17	19
Tangible and intangible assets	68	53
Receivables	40	17
Liabilities	31	27
Pensions	10	22
Lease liabilities	610	797
Total deferred tax assets	**776**	**935**
Netted against deferred liabilities	-672	-853
Total deferred tax assets according to the balance sheet	**104**	**81**
Intangible assets	-1,757	-2,074
Property, plant & equipment	-448	-483
Right of use assets	-588	-782
Tax allocation reserve	-1,182	-1,035
Liabilities	-294	-286
Total deferred tax liabilities	**-4,270**	**-4,660**
Netted against deferred assets	672	853
Total deferred tax liabilities according to the balance sheet	**-3,597**	**-3,806**
Net of deferred tax assets and tax liabilities	**-3,493**	**-3,725**

SEK –1,861 (–2,203) million of the deferred tax liabilities are related to fair value adjustments from acquisitions.

Note 10 cont.

The movement in deferred income tax assets and liabilities during the year is as follows.

SEK million	2023			
	Loss carry forwards	Temporary differences DTA	Temporary differences DTL	Total
Deferred tax assets/-liabilities as of January 1	**19**	**63**	**-3,807**	**-3,725**
Netted against deferred liabilities, opening balance	—	853	-853	—
Reported in income statement	-2	-169	392	221
Reported in other comprehensive income	—	10	-2	8
Reported in equity	—	3	—	3
Exchange rate differences	—	0	0	0
Netted against deferred liabilities	—	-672	672	—
Deferred tax assets/-liabilities as of December 31	**17**	**87**	**-3,597**	**-3,493**

SEK million	2022			
	Loss carry forwards	Temporary differences DTA	Temporary differences DTL	Total
Deferred tax assets/-liabilities as of January 1	**29**	**135**	**-4,120**	**-3,957**
Netted against deferred liabilities, opening balance	—	829	-829	—
Reported in income statement	-10	-16	287	261
Reported in other comprehensive income	—	-39	20	-19
Reported in equity	—	8	2	10
Exchange rate differences	—	0	-21	-21
Netted against deferred liabilities	—	-853	853	—
Deferred tax assets/-liabilities as of December 31	**19**	**63**	**-3,807**	**-3,725**

Tax loss carry-forwards

The Group's total tax loss carry-forwards as of December 31, 2023 were SEK 4,999 (5,037) million, for which deferred tax assets of SEK 81 (91) million were recognised and the remaining part, SEK 4,918 (4,947) million, were not recognised. The not recognised part is largely related to our entity in Luxembourg, where no operating activites are performed at present. The tax loss carry-forwards have no expiration dates.

SEK million	Recognised		Not recognised		Total	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
No expiration date	81	91	4,918	4,947	4,999	5,037
Total tax loss carry forwards	**81**	**91**	**4,918**	**4,947**	**4,999**	**5,037**

SEK million	Dec 31, 2023	Dec 31, 2022
Companies reported a profit this year and previous year	104	81
Total deferred tax assets	**104**	**81**

Deferred tax assets were reported for deductible temporary differences and tax loss carry-forwards to the extent convincing evidence showed that these can be utilised against future taxable profits.

Tax disputes

In March 2019, the Swedish Tax Agency rejected Tele2's claim for a deduction of an exchange loss related to a conversion of a shareholder loan from USD to Kazakh Tenge in connection with the establishment of Tele2's previous joint venture in Kazakhstan. Tele2 appealed the decision and the Administrative Court of Appeal ruled completely in favor of Tele2 in November 2022. The judgment became final and Tele2 released the provision of in total SEK 363 million in 2022.

NOTE 11 INTANGIBLE ASSETS

SEK million	Dec 31, 2023						
	Utilisation rights, trademarks and software	Licenses including frequencies	Customer agreements	Construction in progress	Total other intangible assets	Goodwill	Total
Cost at January 1	**13,674**	**3,710**	**10,104**	**633**	**28,121**	**30,627**	**58,749**
Additions	0	19	—	1,643	1,662	—	**1,662**
Disposals	-266	-41	-2	-10	-318	-10	**-328**
Reclassification	1,043	29	—	-1,009	64	—	**64**
Exchange rate differences	-4	-3	0	0	-7	-10	**-16**
Total cost	**14,448**	**3,714**	**10,102**	**1,258**	**29,522**	**30,608**	**60,130**
Accumulated amortisation at January 1	**-7,404**	**-2,067**	**-4,545**	**—**	**-14,016**	0	**-14,016**
Amortisation	-1,684	-224	-952	—	-2,860	0	**-2,860**
Disposals	259	41	2	—	301	—	**301**
Exchange rate differences	3	3	0	—	5	0	**5**
Total accumulated amortisation	**-8,827**	**-2,247**	**-5,495**	**—**	**-16,569**	0	**-16,569**
Accumulated impairment at January 1	**-269**	**—**	**-1**	**—**	**-270**	**-722**	**-992**
Disposals	—	—	—	—	—	10	**10**
Exchange rate differences	—	—	—	—	—	2	**2**
Total accumulated impairment	**-269**	**—**	**-1**	**—**	**-270**	**-710**	**-980**
Total intangible assets	**5,352**	**1,467**	**4,606**	**1,258**	**12,683**	**29,898**	**42,581**

Of the total 2023 additions in intangible assets, SEK 602 (468) million consist of internally generated intangibles. Internally generated intangible assets and construction in progress mainly consists of internal IT development and software projects.

Note 11 cont.

SEK million	Note	Dec 31, 2022						
		Utilisation rights, trademarks and software	Licenses including frequencies	Customer agreements	Construction in progress	Total other intangible assets	Goodwill	Total
Cost at January 1		13,167	3,442	10,166	758	27,533	30,360	57,893
Additions		—	141	—	823	964	—	**964**
Disposals		-374	-33	-68	-24	-499	—	**-499**
Reclassification		860	109	—	-927	43	—	**43**
Exchange rate differences		21	51	6	3	81	267	**349**
Total cost		**13,674**	**3,710**	**10,104**	**633**	**28,121**	**30,627**	**58,749**
Accumulated amortisation at January 1		**-6,018**	**-1,820**	**-3,619**	**—**	**-11,457**	**—**	**-11,458**
Amortisation		-1,745	-244	-988	—	-2,977	—	**-2,977**
Disposals		371	29	68	—	468	—	**468**
Exchange rate differences		-12	-31	-6	—	-50	—	**-50**
Total accumulated amortisation		**-7,404**	**-2,067**	**-4,545**	**—**	**-14,016**	**—**	**-14,016**
Accumulated impairment at January 1		**-269**	**—**	**-1**	**—**	**-270**	**-664**	**-934**
Exchange rate differences		—	—	—	—	—	-58	**-58**
Total accumulated impairment		**-269**	**—**	**-1**	**—**	**-270**	**-722**	**-992**
Total intangible assets		6,001	1,643	5,558	633	13,835	29,905	43,740

Goodwill

In connection with the acquisition of operations, goodwill is allocated to the cash generating units that are expected to receive future financial benefits, such as synergies, as a result of the acquired operations. In the event that separate cash generating units cannot be identified, goodwill is allocated to the lowest level at which the operation and its assets are controlled and monitored internally, which is on operating segment level.

Cash generating units and operating segments SEK million	Goodwill	
	Dec 31, 2023	Dec 31, 2022
Sweden	27,315	27,315
Lithuania	937	940
Latvia	1,344	1,347
Estonia	302	303
Total	29,898	29,905

Goodwill impairment test

Tele2 tests goodwill (and if applicable other intangible assets with indefinite useful lives) for impairment annually, by comparing the carrying amount with the recoverable value for the cash generating units to which these assets are allocated. The recoverable value of the respective cash generating unit is based on the higher of estimated value in use and fair value less costs of disposal. For all cash generating units the recoverable values have been determined based on value in use. The key assumptions used in the calculations of values in use are growth rates, profit margins, investment levels and discount rates. The expected revenue growth rates, profit margins and investment levels are based on sector data as well as management's assessment of market-specific risks and opportunities, including expected changes in competition, the business model used by Tele2 and the regulatory environment. The discount rate takes into account the prevailing interest rates and specific risk factors in a particular cash generating unit. The discount rate post tax (WACC) varies between 8 and 11 (8 and 11) percent. Tele2 calculates future cash flows based on the most recent three-year plan. For the period after this, annual perpetuity growth of 0 to 2 (0 to 2) percent is assumed. These rates do not exceed the average long-term growth for the sector as a whole nor do they exceed the expected long term GDP growth rates in each market.

In 2023 we have considered the challenging macro-economic situation, including increasing interest rates , as well as the uncertain geopolitical environment in the valuation of our operations. In our assumptions for operational performance, we have considered increasing costs driven by inflationary pressure as well as higher network investments in the near term driven by regulation in Sweden. However, we see that our business model is resilient, offering services that are highly valued and prioritised by our customers. In addition, the segments carry fairly prudent values in our balance sheet, and our sensitivity analysis shows that no changes within reason to important parameters would trigger an impairment. Accordingly, we have concluded that no goodwill impairment is needed.

The value in used calculations are based on the following assumptions per operating segment:

Assumptions SEK million	WACC post tax		Forecast period, in years		Growth rate after the forecast period	
	2023	2022	2023	2022	2023	2022
Sweden	8%	8%	3	3	0%	0%
Lithuania	11%	10%	3	3	2%	2%
Latvia	11%	11%	3	3	2%	2%
Estonia	11%	11%	3	3	2%	2%

Trademarks

In addition to goodwill, the Com Hem brand was previously assessed to have an indefinite useful life. This asset originates from the merger with Com Hem in 2018. However, in Q2 2021 our consumer premium brands Com Hem and Tele2 were merged. We are not scrapping one brand, but rather bring the best from the two brands into the new merged brand named Tele2. Key premium attributes from the Com Hem brand, including the logotype dots, are secured. The Com Hem brand had as per the reassessment date a carrying amount of SEK 5,383 million, or SEK 4,274 million net of tax. The brand positioning has led to a reassessment of the Com Hem brand useful life from the previous assessment of indefinite life to definite. Based on an overall analysis of all relevant facts and circumstances Tele2 has determined that the useful life of Com Hem brand would be 10 years from the date of reassessment from indefinite life to definite life. Accordingly, amortisation of the Com Hem brand book value was initiated in Q2 2021. In 2023, the amortisation had a negative impact on operating profit and net result of SEK 538 (538) million and SEK 427 (427) million respectively. As per December 31, 2023 the Com Hem brand has accordingly a carrying amount of SEK 3,947 (4,486) million, or SEK 3,134 (3,562) million net of tax.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

SEK million	Dec 31, 2023				
	Buildings	Equipment and installations	Construction in progress	Machinery and technical plant	Total
Cost at January 1	266	1,370	2,040	17,921	21,597
Additions	3	35	2,093	876	3,006
Dismantling cost	—	—	—	-149	-149
Disposals	0	-14	0	-922	-936
Reclassification	—	66	-2,076	1,947	-64
Exchange rate differences	-1	-3	3	-24	-24
Total cost	268	1,454	2,061	19,648	23,431
Accumulated depreciation at January 1	-220	-1,184	-7	-11,614	-13,025
Depreciation	-8	-105	—	-1,880	-1,993
Disposals	0	13	—	896	909
Exchange rate differences	1	2	—	11	14
Total accumulated depreciation	-227	-1,274	-7	-12,587	-14,095
Accumulated impairment at January 1	—	—	-4	-348	-352
Impairment	—	—	2	—	2
Exchange rate differences	—	—	0	0	0
Total accumulated impairment	—	—	-3	-348	-351
Total tangible assets	41	180	2,052	6,713	8,986

SEK million	Dec 31, 2022				
	Buildings	Equipment and installations	Construction in progress	Machinery and technical plant	Total
Cost at January 1	240	1,274	1,586	20,211	23,311
Additions	5	18	1,594	760	2,377
Dismantling cost	—	—	—	-68	-68
Disposals	—	-25	-28	-4,379	-4,432
Reclassification	—	68	-1,137	1,027	-43
Exchange rate differences	21	36	25	369	452
Total cost	266	1,370	2,040	17,921	21,597
Accumulated depreciation at January 1	-194	-1,079	-7	-13,864	-15,144
Depreciation	-9	-99	—	-1,853	-1,962
Disposals	—	25	—	4,363	4,388
Exchange rate differences	-17	-30	—	-260	-307
Total accumulated depreciation	-220	-1,184	-7	-11,614	-13,025
Accumulated impairment at January 1	—	—	-2	-341	-343
Impairment	—	—	-2	—	-2
Exchange rate differences	—	—	-1	-7	-8
Total accumulated impairment	—	—	-4	-348	-352
Total tangible assets	46	186	2,029	5,958	8,220

Income related to operational leasing during the year is 146 (107) million SEK, were 98 (82) million SEK is related to rent from other operators placing equipment on Tele2 Sites. These sites are reported as Machinery & Technical Plant. 26 (14) million SEK is related to leased equipment to customers and are reported as Equipment and installations in tangible assets. The remaining amount consists of smaller items distributed among different categories.

NOTE 13 RIGHT-OF-USE ASSETS

Tele2's leases consist mainly of lease of sites and base stations (including land), leased lines, premises, vehicles and other equipment. Please refer to Note 29 for more information on leases.

SEK million	Note	Dec 31, 2023				
		Rent of space	Sites and base stations	Leased lines	Equipment	Total
Cost at January 1		1,292	3,551	4,899	134	9,876
Additions		123	-168	417	47	420
Other adjustments		-38	-444	-128	-44	-653
Exchange rate differences		-2	-3	-2	0	-7
Total cost		1,375	2,937	5,186	137	9,635
Accumulated depreciation at January 1		-549	-1,489	-2,332	-79	-4,449
Depreciation		-161	-345	-756	-36	-1,299
Other adjustments		26	202	54	43	326
Exchange rate differences		2	4	2	0	8
Total accumulated depreciation		-682	-1,628	-3,032	-71	-5,414
Accumulated impairment at January 1		0	-7	2	—	-5
Total accumulated impairment		0	-7	2	—	-5
Total right-of-use assets	29	693	1,301	2,156	65	4,216

SEK million	Note	Dec 31, 2022				
		Rent of space	Sites and base stations	Leased lines	Equipment	Total
Cost at January 1		1,189	3,130	4,477	122	8,917
Additions		109	439	780	41	1,370
Other adjustments		-27	-94	-387	-31	-540
Exchange rate differences		21	77	29	2	129
Total cost		1,292	3,551	4,899	134	9,876
Accumulated depreciation at January 1		-390	-1,135	-1,909	-70	-3,504
Depreciation		-160	-404	-635	-37	-1,236
Other adjustments		13	77	225	30	345
Exchange rate differences		-12	-27	-13	-1	-53
Total accumulated depreciation		-549	-1,489	-2,332	-79	-4,449
Accumulated impairment at January 1		0	-7	2	—	-5
Total accumulated impairment		0	-7	2	—	-5
Total right-of-use assets	29	743	2,055	2,569	55	5,422

NOTE 14 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

Total operations SEK million	2023	2022
Acquisitions		
Other minor acquisitions	—	-6
Total acquisition of shares and participations	—	-6
Divestments		
Tele2 Switzerland, Swisscom	—	-17
Tele2 Germany	58	49
T-mobile Netherlands	—	8,956
Other minor divestments	-4	-5
Total sale of shares and participations	54	8,982
Total cash flow effect	54	8,977

Acquisitions

No acquisitions were made during 2023.

Divestments

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. In addition, FX hedges attached to the transaction have affected exchange rate differences in the cash flow statement with SEK -153 million in Q4 2021 and SEK 125 million in the first half of 2022.

The proceeds from Tele2 Germany refer to the earnout arrangement, which was part of the divestment in 2020.

For further information related to discontinued operations, see note 33.

NOTE 15 ASSOCIATED COMPANIES AND JOINT VENTURES

SEK million	Holding (capital/votes)	Book value of shares		Result from shares	
		Dec 31, 2023	Dec 31, 2022	2023	2022
T-Mobile Netherlands Holding B.V., the Netherlands	—	—	—	—	1,672
Other associated companies and joint ventures	25%-40%	6	6	0	-1
Total associated companies and joint ventures	—	**6**	**6**	**0**	**1,672**

In September 2021 Tele2 AB entered into an agreement to sell the 25 percent share in T-Mobile Netherlands and the divestment was completed during Q1 2022. See note 14 related to business acquisitions and divestments for further information. At the end of 2023, Tele2 has no other material asssociated company.

Shares in associated companies and joint ventures

SEK million	Dec 31, 2023	Dec 31, 2022
Cost at January 1	6	7
Share of profit for the year	0	1,672
Reclassified to assets held for sale	—	-1,668
Exchange rate differences	—	-4
Total shares in associated companies and joint ventures	**6**	**6**

Extracts from the income statements of associated companies and joint ventures

SEK million	T-Mobile, Netherlands		Other	
	2023	2022	2023	2022
Revenue	—	5,708	60	124
Net profit	—	567	1	-2
Reconciliation of the above summarised financial information the Group's share recognised in the consolidated income statement:				
Net profit of associated companies and joint ventures	—	567	1	-2
Proportion of the Group's share	—	142	0	-1
Amortisation of acquisition fair value adjustments, net of tax	—	-58	—	—
Captial gain sale of shares	—	1,589	—	—
Group's share of total income from associated companies and joint ventures	**—**	**1,672**	**0**	**-1**

Extracts from the balance sheet of associated companies and joint ventures

SEK million	Other	
	Dec 31, 2023	Dec 31, 2022
Property, plant & equipmnet	1	1
Current assets	18	39
Total assets	**20**	**40**
Equity	16	15
Non-current liabilities	0	1
Current liabilities	3	24
Total equity and liabilities	**20**	**40**
Reconciliation of the above summarised financial information to the carrying amount of the interest recognised in the consolidated balance sheet:		
Net assets of associated companies and joint ventures	16	15
Proportion of the Group's ownership	6	6
Carrying amount of the Group's interest in associated companies and joint ventures	6	6

NOTE 16 OTHER FINANCIAL ASSETS

SEK million	Dec 31, 2023	Dec 31, 2022
Receivable from sold equipment	795	713
Pension funds	247	242
Non-current holdings of securities	1	1
Other long-term receivables	1	1
Total other financial assets	**1,044**	**957**

Receivable from sold equipment consists of instalment which is referring to equipment sold, such as handsets and other equipment. The equipment has been supplied to the customer and revenue has been recognised. None of these receivables were due on the closing date. When the invoicing occurs, the amount invoiced is transferred from receivable from sold equipment to trade receivables. The item also consists of effects of the time difference between when the performance obligation is satisfied and revenue recognised for the goods or service and the payments to be received. The contract asset arises due to sales of bundles. For information regarding loss allowance please refer to Note 19.

SEK million	Holding (capital/votes)	Dec 31, 2023	Dec 31, 2022
Estonian Broadband Development Foundation, Estonia	12.5%	1	1
AVY Finans AB, Sweden	3.0%	0	0
Total non-current securities		**1**	**1**

NOTE 17 CAPITALIZED CONTRACT COSTS

SEK million	Dec 31, 2023	Dec 31, 2022
Cost at January 1	**633**	**505**
Additions	904	733
Expensed contract costs	-727	-606
Total capitalized contract costs December 31	**810**	**633**

Expensed contract costs consist of amortised capitalized contract costs. Amortisation is recognised as an operating cost, in order for this cost to be reflected in the operational business.

NOTE 18 INVENTORIES

SEK million	Dec 31, 2023	Dec 31, 2022
Finished products and goods for resale	753	1,144
Other	70	110
Total inventories	**824**	**1,254**

Tele2's inventories mainly consist of mobile phones, fixed broadband routers, digital TV boxes and IT & Network hardware. In 2023 inventories were expensed by SEK 5,593 (5,255) million.

NOTE 19 TRADE RECEIVABLE

SEK million	Dec 31, 2023	Dec 31, 2022
Gross carrying amount	2,279	2,127
Loss allowance	-168	-141
Total accounts receivable, net	**2,111**	**1,986**

SEK million	Dec 31, 2023	Dec 31, 2022
Loss allowance at January 1	**141**	**138**
Net change in loss allowance	27	-8
Exchange rate differences	0	11
Total reserve for loss allowance	**168**	**141**

Receivable from sold equipment

SEK million	Note	Dec 31, 2023	Dec 31, 2022
Gross carrying amount		1,787	1,821
Loss allowance		-32	-31
Total receivable from sold equipment, net		**1,755**	**1,790**
of which non-current	16	795	713
of which current	20	961	1,077

SEK million	Dec 31, 2023	Dec 31, 2022
Loss allowance at January 1	**31**	**42**
Net change in loss allowance	1	-11
Total reserve for loss allowance	**32**	**31**

Loss allowance

SEK million	Dec 31, 2023					
		Past due				
	Not due	1–30 days	31–60 days	61–90 days	> 90 days	Total
Trade receivable						
Consumer						
Expected credit loss rate	0.5%	1.4%	9.7%	11.6%	55.2%	**9.1%**
Gross carrying amount	554	191	22	18	135	**919**
Loss allowance	-3	-3	-2	-2	-74	**-84**
Business						
Expected credit loss rate	0.2%	0.7%	8.2%	40.4%	87.9%	**6.2%**
Gross carrying amount	1085	152	29	10	84	**1360**
Loss allowance	-3	-1	-2	-4	-74	**-84**
Total loss allowance accounts receivable	**-6**	**-4**	**-4**	**-6**	**-148**	**-168**
Receivable from sold equipment						
Consumer						
Expected credit loss rate	1.8%	-	-	-	-	**1.8%**
Gross carrying amount	1,415	—	—	—	—	**1415**
Loss allowance	-25	-	-	-	-	**-25**
Business						
Expected credit loss rate	1.9%	-	-	-	-	**1.9%**
Gross carrying amount	373	—	—	—	—	**373**
Loss allowance	-7	-	-	-	-	**-7**
Total loss allowance receivables from sold equipment	**-32**	**—**	**—**	**—**	**—**	**-32**

When the receivable from sold equipment is invoiced, it is reclassified to trade receivable.

Note 19 cont.

SEK million	Dec 31, 2022					
		Past due				
	Not due	1–30 days	31–60 days	61–90 days	> 90 days	Total
Accounts receivable						
Consumer						
Expected credit loss rate	0.3%	1.5%	6.8%	17.4%	53.4%	**7.8%**
Gross carrying amount	670	156	22	13	129	**990**
Loss allowance	-2	-2	-1	-2	-69	**-77**
Business						
Expected credit loss rate	0.1%	1.3%	9.5%	44.0%	70.7%	**5.6%**
Gross carrying amount	943	97	11	5	82	**1,138**
Loss allowance	-1	-1	-1	-2	-58	**-64**
Total loss allowance trade receivable	**-3**	**-4**	**-3**	**-5**	**-127**	**-141**
Receivable from sold equipment						
Consumer						
Expected credit loss rate	1.9%	–	–	–	–	**1.9%**
Gross carrying amount	1,298	–	–	–	–	**1,298**
Loss allowance	-25	–	–	–	–	**-25**
Business						
Expected credit loss rate	1.2%	–	–	–	–	**1.2%**
Gross carrying amount	523	–	–	–	–	**523**
Loss allowance	-6	–	–	–	–	**-6**
Total loss allowance receivables from sold equipment	**-31**	**–**	**–**	**–**	**–**	**-31**

NOTE 20 OTHER CURRENT RECEIVABLES

SEK million	Dec 31, 2023	Dec 31, 2022
Receivable from sold equipment	961	1,077
Receivable from Net4Mobility, joint operation in Sweden	739	717
Receivable from Svenska UMTS-nät, joint operation in Sweden	8	8
Derivatives	89	401
VAT receivable	42	49
Current tax receivables	40	114
Receivable from supplier	128	14
Other	32	43
Total other current receivables	**2,038**	**2,421**

For information regarding receivable from sold equipment, please refer to Note 16. For information regarding loss allowance, please refer to Note 19. For further information on derivatives, please refer to Note 2.

NOTE 21 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	Dec 31, 2023	Dec 31, 2022
Rental costs	118	127
Network cost	366	239
Frequency usage	2	2
Other prepaid expenses	239	241
Total prepaid expenses	**725**	**609**
Customers	593	610
Other telecom operators	242	301
Other accrued income	61	88
Total accrued income	**896**	**999**
Total prepaid expenses and accrued income	**1,622**	**1,607**

SEK 64 (24) million of accrued income is estimated to be paid more than 12 months after the closing date.

NOTE 22 CASH AND CASH EQUIVALENTS AND UNUTILISED OVERDRAFT FACILITIES

SEK million	Dec 31, 2023	Dec 31, 2022
Cash and cash equivalents	1,634	1,116
Unutilised overdraft facilities and credit lines	8,436	8,582
Total available liquidity	**10,071**	**9,698**

SEK million	Dec 31, 2023	Dec 31, 2022
Overdraft facilities granted	669	792
Overdraft facilities utilised	–	–
Total unutilised overdraft facilities	**669**	**792**
Unutilised credit lines	7,767	7,790
Total unutilised overdraft facilities and credit lines	**8,436**	**8,582**

Tele2's share of liquid funds in joint operations, for which Tele2 has limited disposal rights, amounted at December 31, 2023 to SEK 74 (130) million and was included in the Group's cash and cash equivalents.

No specific collateral is provided for overdraft facilities or unutilised credit lines.

Exchange rate difference in cash and cash equivalents

SEK million	Dec 31, 2023	Dec 31, 2022
Exchange rate differences in cash and cash equivalents at January 1	0	6
Exchange rate differences in cash flow for the year	21	359
Total exchange rate differences in cash and cash equivalents for the year	**21**	**366**

NOTE 23 SHARES, EQUITY AND APPROPRIATION OF PROFIT

Number of shares

	A shares	B shares	C shares	Total
As of January 1, 2022	22,552,163	667,789,434	2,480,000	692,821,597
New share issue	—	—	2,200,000	2,200,000
Reclassification of A shares to B shares	-281	281	—	—
Reclassification of C shares to B shares	—	2,480,000	-2,480,000	—
As of December 31, 2022	22,551,882	670,269,715	2,200,000	695,021,597
New share issue	—	—	1,200,000	1,200,000
Reclassification of A shares to B shares	-105,000	105,000	—	—
Total number of shares as of December 31, 2023	**22,446,882**	**670,374,715**	**3,400,000**	**696,221,597**

	Dec 31, 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 shares, weighted average	691,399,936	690,647,136
Number of shares after dilution	696,244,505	695,074,506
Number of shares after dilution, weighted average	695,634,439	694,353,388

At December 31, 2023 Tele2 had 121,091 known shareholders. Kinnevik AB owned as of December 31, 2023, 19.8 percent of the capital and 36.1 percent of the voting rights. No other shareholder owned, directly or indirectly, more than 10 percent of the shares in Tele2. The 15 largest single shareholders represented 45.3 percent of the share capital and 55.9 percent of the votes.

In Q3 2023 105,000 of class A shares were reclassified into class B. In Q1 2022, 281 of class A shares were reclassified into class B shares and 2,480,000 of class C shares were reclassified to class B.

The share capital in Tele2 AB is divided into three classes of shares: Class A, B and C shares. All types of shares have a par value of SEK 1.25 per share and Class A and B shares have the same rights in the company's net assets and profits while Class C shares are not entitled to dividend. Shares of Class A entitle the holder to 10 voting rights per share and Class B and C shares to one voting right per share.

There are no limitations regarding how many votes each shareholder may vote for at general meetings of shareholders. The Articles of Association make no stipulation that limits the right to transfer the shares.

In the case of a bid for all shares or a controlling part of the shares in Tele2, the financing facilities may be accelerated and due for immediate repayment. In addition, some other agreements may be terminated.

Number of treasury shares

	B shares	C shares	Total
As of January 1, 2022	432,106	2,480,000	2,912,106
New share issue	—	2,200,000	2,200,000
Reclassification of C shares to B shares	2,480,000	-2,480,000	—
Delivery of own shares under LTI program	-1,101,876	—	-1,101,876
As of December 31, 2022	1,810,230	2,200,000	4,010,230
New share issue	—	1,200,000	1,200,000
Delivery of own shares under LTI program	-621,710	—	-621,710
Total number of treasury shares as of December 31, 2023	**1,188,520**	**3,400,000**	**4,588,520**

Number of treasury shares amount to 0.5 (0.5) percent of the share capital. As a result of share rights in the LTI 2020 (2022: LTI 2019) being exercised on April 21, 2023. Tele2 delivered 621,710 (May 6, 2022 1.101.876) B-shares in treasury shares to the participants in the LTI 2020 program.

Outstanding share rights

	Dec 31, 2023	Dec 31, 2022
Incentive program 2023-2026 (LTI 2023)	1,624,035	—
Incentive program 2022-2025 (LTI 2022)	1,509,122	1,460,226
Incentive program 2021-2024(LTI 2021)	1,478,271	1,441,908
Incentive program 2020-2023 (LTI 2020)	—	1,161,005
Total number of outstanding share rights	**4,611,428**	**4,063,139**

Further information regarding Incentive program is provided in Note 31.

Number of shares after dilution

	Dec 31, 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, basic	**691,633,077**	**691,011,367**
Number of outstanding share rights	4,611,428	4,063,139
Total number of shares after dilution	**696,244,505**	**695,074,506**

Note 23 cont.

Earnings per share

Total operation	Earnings per share 2023	Earnings per share 2022	Earnings per share, after dilution 2023	Earnings per share, after dilution 2022
Net profit attributable to equity holders of the parent company (SEK million)	3,735	5,574	3,735	5,574
Weighted average number of outstanding shares	691,399,936	690,647,136	691,399,936	690,647,136
Incentive program 2023-2026			954,273	—
Incentive program 2022-2025			1,453,295	938,968
Incentive program 2021-2024			1,470,705	1,390,840
Incentive program 2020-2023			356,230	1,176,531
Incentive program 2019-2022			—	199,913
Weighted average number of share rights			**4,234,503**	**3,706,252**
Weighted average number of outstanding shares after dilution			**695,634,439**	**694,353,388**
Earnings per share, SEK	**5.40**	**8.07**	**5.37**	**8.03**

Proposed appropriation of profit

The Board proposes that, from the SEK 33,789,264,331 at the disposal of the Annual General Meeting, an ordinary dividend of SEK 6,90 per share should be paid to shareholders in two tranches in May and October 2024, corresponding to SEK 4,772,268,231 on December 31, 2023. The remaining amount, SEK 29,016,996,099, should be carried forward.

Based on this annual report, the consolidated financial statements and other information which has become available, the Board has considered all aspects of the parent company's and the Group's financial position. This evaluation has led the Board to the conclusion that the dividend is justifiable in view of the requirements that the nature and scope of and risks involved in Tele2's operations have on the size of the company's and the Group's equity as well as on its consolidation needs, liquidity and financial position in general.

For information regarding dividend policy please refer to Note 2.

NOTE 24 FINANCIAL LIABILITIES

SEK million	Dec 31, 2023	Dec 31, 2022
Liabilities to financial institutions and similar liabilities	26,319	26,630
Lease liabilities	4,320	5,460
Other interest-bearing liabilities	1,138	691
Total interest-bearing financial liabilities	**31,776**	**32,782**
Trade payable	2,233	2,165
Other non-interest-bearing liabilities	945	592
Total non-interest-bearing financial liabilities	**3,178**	**2,757**
Total financial liabilities	**34,954**	**35,539**

Financial risk management and financial instruments are presented in Note 2.

Financial liabilities fall due for payment according as follows:

SEK million	Dec 31, 2023 Nominal value	Dec 31, 2023 Recorded value	Dec 31, 2022 Nominal value	Dec 31, 2022 Recorded value
Within 3 months	4,002	3,986	5,469	5,475
Within 3–12 months	5,266	5,184	1,556	1,503
Within 1–2 years	4,916	4,826	8,848	8,711
Within 2–3 years	2,298	2,237	4,327	4,254
Within 3–4 years	3,583	3,536	2,464	2,418
Within 4–5 years	5,711	5,684	3,882	3,854
Within 5–10 years	9,364	9,299	9,231	9,160
Within 10–15 years	244	202	187	165
Total financial liabilities	**35,384**	**34,954**	**35,963**	**35,539**

Interest-bearing financial liabilities

Interest-bearing financial liabilities fall due for payments as follows:

SEK million	Within 1 year	Within 1–2 years	Within 2–3 years	Within 3–4 years	Within 4–5 years	Within 5–15 years	Total
Variable interest rates	5,113	2,873	1,622	1,272	2,774	—	13,653
Fixed interest rates	1,220	1,613	615	2,264	2,910	9,501	18,123
Total interest-bearing liabilities	**6,333**	**4,486**	**2,237**	**3,536**	**5,684**	**9,501**	**31,776**

Note 24 cont.

Liabilities to financial institutions and similar liabilities

SEK million Funding type	Interest rate terms	Maturity date	Dec 31, 2023 Current liabilities	Dec 31, 2023 Non-current liabilities	Dec 31, 2022 Current liabilities	Dec 31, 2022 Non-current liabilities
Bonds EUR:	fixed 1.125%	2024	2,146	—	—	5,557
	fixed 2.125%	2028	—	5,337	—	5,206
	fixed 3.75%	2029	—	5,524	—	—
	fixed 0.750%	2031	—	3,314	—	3,322
Bonds SEK:	STIBOR +1.45%	2023	—	—	400	—
	fixed 2%	2023	—	—	1,199	—
	fixed 1.375%	2025	—	500	—	500
	STIBOR +1.2%	2025	—	1,199	—	1,199
	STIBOR +1.15%	2025	—	1,000	—	1,000
	variable interest rates	2026	—	1,000	—	1,000
	fixed 1.125%	2027	—	498	—	498
	STIBOR +1.03%	2027	—	999	—	998
	fixed 3.25%	2027	—	299	—	300
	STIBOR+1.1%	2027	—	1,298	—	1,298
Total bonds			**2,146**	**20,967**	**1,599**	**20,876**
Commercial paper	fixed interest rates	2023	—	—	796	—
European Investment Bank (EIB)	fixed interest rates	2024	1,387	—	—	1,391
Nordic Investment Bank (NIB)	variable interest rates	2023-2026	615	1,227	154	1,840
Syndicated loan facilities	variable interest rates	2024	—	-23	—	-26
Total liabilities to financial institutions and similar liabilities			**4,148**	**22,171**	**2,549**	**24,081**
Current & non-current				**26,319**		**26,630**

As of the date of this report, Tele2 has a credit facility with a syndicate of eight banks maturing in 2028. The loans can be drawn in several currencies and the interest base is the relevant IBOR for that currency. The facility amounts to EUR 700 million and was unutilised on December 31, 2023 and prepaid upfront fees to be recognised in profit/loss over the remaining contract period amounted to SEK 23 (26) million. The facility is conditioned by covenant requirements which Tele2 expects to fulfil.

Tele2 AB's Euro Medium-Term Note (EMTN) Program forms the basis for Tele2's medium and long term debt issuance in both international and domestic bond markets. The program enables Tele2 to issue bonds and notes up to a total aggregate amount of EUR 5 billion. On December 31, 2023 bonds issued under the program amounted to SEK 23.1 (22.5) billion.

Tele2 AB's established Swedish commercial paper program enables Tele2 to issue commercial papers up to a total amount of SEK 8 billion. Commercial papers can be issued with a tenor up to 12 months under the program. The commercial paper program is a complement to Tele2's core funding. On December 31, 2023 Tele2 had SEK 0 (796) million outstanding commercial papers.

As part of our vision to lead in sustainability Tele2 launched a combined Green and Sustainability-Linked Financing Framework. The Tele2 Framework is linked to its sustainability strategy and builds on the United Nations' Sustainable Development Goals. Under the framework, Tele2 can issue Green- and Sustainability Linked bonds connected to the company's overall sustainability performance.

As a further step towards the diversification of Tele2's funding sources, Tele2 AB has a loan agreement with Nordic Investment Bank (NIB) of SEK 1.8 (2.0) billion and a loan agreement with the European Investment Bank (EIB) of EUR 125 (125) million.

The average interest rate on loans outstanding at the end of the year was 3.2 (2.1) percent.

Other interest-bearing liabilities

SEK million	Dec 31, 2023 Current liabilities	Dec 31, 2023 Non-current liabilities	Dec 31, 2022 Current liabilities	Dec 31, 2022 Non-current liabilities
Derivatives	802	—	331	—
Supplier financing, Lithuania license	11	92	11	102
Equipment financing	163	69	156	91
	976	**162**	**498**	**193**
Total other interest-bearing liabilities		**1,138**		**691**

Derivatives consist of interest swaps and currency swaps, valued at fair value. The effective part of the swaps was reported in the hedge reserve in other comprehensive income and the ineffective part was reported as interest costs and other financial items, respectively, in the income statement. The Group has derivative contracts which are covered by master netting agreements. That means a right exists to set off assets and liabilities with the same party, which is not reflected in the accounting where gross accounting is applied. To minimise counterparty risk, Tele2 has also entered into CSA agreements where collateral equal to the market value of the derivatives are exchanged from time to time. For additional information please refer to Note 2.

For information on leases please refer to Note 29.

Note 24 cont.

Liabilities attributable to financing activities

SEK million	Liabilities Jan 1, 2023	Cash flow from financing activities	Non-cash changes: New and modified leases (Note 29)	Non-cash changes: Exchange rate	Non-cash changes: Fair value	Non-cash changes: Accrued interest and fees	Liabilities Dec 31, 2023
Bonds	22,475	601	—	-96	130	3	23,113
Commercial paper	796	-798	—	—	—	2	—
Nordic Investment Bank (NIB)	1,994	-154	—	—	—	2	1,842
European Investment Bank (EIB)	1,391	—	—	-4	—	—	1,387
Syndicated loan facilities	-26	-4	—	—	—	6	-23
Total liabilities to financial institutions and similar liabilities	**26,630**	**-355**	**—**	**-100**	**130**	**13**	**26,319**
Leases	5,460	-1,240	96	0	—	3	4,320
Total lease liabilities	**5,460**	**-1,240**	**96**	**0**	**—**	**3**	**4,320**
Derivatives	331	748	—	—	-277	—	802
Equipment financing	247	-15	—	—	—	—	233
Supplier financing, Lithuania license	113	-11	—	2	—	—	103
Total other interest-bearing liabilities	**691**	**722**	**—**	**2**	**-277**	**—**	**1138**
Total interest-bearing financial liabilities	**32,782**	**-873**	**96**	**-98**	**-147**	**16**	**31,776**

SEK million	Liabilities Jan 1, 2022	Cash flow from financing activities	Non-cash changes: New and modified leases (Note 29)	Non-cash changes: Exchange rate	Non-cash changes: Fair value	Non-cash changes: Accrued interest and fees	Liabilities Dec 31, 2022
Bonds	21,326	400	—	1,172	-423	1	22,475
Commercial paper	400	395	—	—	—	1	796
Nordic Investment Bank (NIB)	1,990	—	—	—	—	4	1,994
European Investment Bank (EIB)	1,278	—	—	113	—	0	1,391
Syndicated loan facilities	-4	-22	—	—	—	-1	-26
Short-term loan	183	-183	—	—	—	—	—
Total liabilities to financial institutions and similar liabilities	**25,173**	**590**	**—**	**1,284**	**-423**	**6**	**26,630**
Leases	5,414	-1,226	1,173	75	—	25	5,460
Total leases liabilities	**5,414**	**-1,226**	**1,173**	**75**	**—**	**25**	**5,460**
Derivatives	22	560	—	—	-251	—	331
Equipment financing	157	90	—	—	—	—	247
Supplier financing, Lithuania license	71	32	—	10	—	—	113
Total other interest-bearing liabilities	**250**	**683**	**—**	**10**	**-251**	**—**	**691**
Total interest-bearing financial liabilities	**30,837**	**46**	**1,173**	**1,370**	**-674**	**31**	**32,782**

Note 24 cont.

Other current liabilities

SEK million	Dec 31, 2023	Dec 31, 2022
VAT liability	377	333
Liability to Net4Mobility, joint operation in Sweden	92	84
Liability to Svenska UMTS-nät, joint operation in Sweden	17	22
Employee withholding tax	60	57
Debt to customers	16	10
Debt to other operators	13	19
Other	30	66
Total other current liabilities	**605**	**592**

NOTE 25 PROVISIONS

SEK million	2023					
	Dismantling costs	Rented buildings, fiber and cables	Disputes	Other provisions	Pension and similar commitments 1)	Total
Provisions as of January 1	781	4	–	280	298	1,362
Additional provisions	42	–	–	36	8	85
Utilised/paid provisions	-33	–	–	-70	-10	-112
Reversed unused provisions	-34	-2	–	-68	-4	-108
Inflation, discount rates, actuarial and exchange rate effects	-137	0	–	0	1	-136
Provisions as of December 31	**618**	**2**	**–**	**177**	**294**	**1,091**

SEK million	2022					
	Dismantling costs	Rented buildings, fiber and cables	Disputes	Other provisions	Pension and similar commitments 1)	Total
Provisions as of January 1	853	4	20	314	419	1,610
Additional provisions	42	0	-18	84	-27	82
Utilised/paid provisions	-39	0	–	-68	-9	-116
Reversed unused provisions	-39	0	-3	-51	–	-92
Inflation, discount rates, actuarial and exchange rate effects	-37	0	–	0	-85	-121
Provisions as of December 31	**781**	**4**	**–**	**280**	**298**	**1,362**

SEK million	Dec 31, 2023	Dec 31, 2022
Provisions, current	46	76
Provisions, non-current	1,045	1,286
Total provisions	**1,091**	**1,362**

Provisions are expected to fall due for payment according to below:

SEK million	Dec 31, 2023	Dec 31, 2022
Within 1 year	46	76
Within 1–3 years	201	306
More than 5 years	844	980
Total provision	**1,091**	**1,362**

Dismantling costs

Refer to dismantling and restoration of mobile and fixed network sites. Remaining provision as of December 31, 2023 is expected to be fully utilised during the coming 30 years.

Other provisions

Include a provision made in connection with the Com Hem merger, related to an unfavorable fixed-price contract for supply of transmission. It amounted to SEK 135 (203) million as of December 31, 2023, and will be released over the contract period ending December 31, 2024. Other significant provisions included are restructuring provisions of 15 (67) million, and also a provision related to an fine issued by the Swedish Authority for Privacy Protection due to Tele2´s use of the tool Google Analytics 12 (0) million.

1) For pension and similar commitments please see Note 31.

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	Dec 31, 2023	Dec 31, 2022
Personnel related expenses	518	468
External service expenses	332	294
Investments in non-current assets	460	183
Other telecom operators	125	134
Dealer commissions	59	74
Leasing and rental expenses	101	101
Interest costs	148	159
Other accrued expenses	316	310
Total accrued expenses	**2,059**	**1,722**
Contracts	398	406
Prepaid cards	152	170
Subscription fees	908	849
Total deferred income	**1,458**	**1,425**
Total accrued expenses and deferred income	**3,518**	**3,148**

When Tele2 receives a payment but are still to deliver the agreed goods and services, a contract liability (deferred income) arises. The line item 'Contracts' refers to revenue from contract services, B2B projects and pre-received capacity and IRU revenue.

Revenue recognised included in the opening contract liability amounts to SEK 1,153 (1 ,189) million.

NOTE 27 PLEDGED ASSETS

Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2023 to SEK 84 (156) million, please refer to Note 2. Tele2 has no other significant pledged items.

NOTE 28 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Other contractual commitments

SEK million	Dec 31, 2023	Dec 31, 2022
Commitments, investments	345	381
Commitments, other	3,807	5,820
Total future fees for other contractual commitments	**4,152**	**6,200**

Other commitments mainly relate to commitments for ordered and contracted goods and services that can not be cancelled without economic effects.

NOTE 29 LEASES

Tele2 as the lessee

Tele2's leases consist mainly of lease of sites and base stations (including land), leased lines, premises, vehicles and other equipment. The additions consisting of new and modified leases amounted to SEK 420 (1,370) million. In 2023 Tele2 updated the assumptions for certain uncommitted lease contracts which reduced the expected lifetime and impacted 2023 years additions. The carrying value of the lease assets are stated in Note 13. Many of the leases across the Group are open ended contracts, that run until either party terminate, or contain extension and termination options. These terms are reflected in measuring the lease liabilities especially for the lease categories sites and base stations and leased lines, as the options are reasonably certain to be exercised based on Tele2's strategic plans, including assessment of future technology changes, and the importance of the underlying assets for the Group as well as costs associated with not extending the lease. The lease contracts contain no residual value guarantees.

Amounts recognised in income statement

SEK million	Note	Dec 31, 2023	Dec 31, 2022
Depreciation expense on right-of-use assets	13	-1,299	-1,236
Interest expense on lease liabilities	9	-176	-94
Expense relating to short-term leases		-7	-6
Expense relating to leases of low value assets		-6	-6
Expense relating to variable lease payments not included in the measurement of the lease liability		-2	-2
Total leasing expenses		**-1,490**	**-1,344**

Continuing operations total cash outflow for leases amounted to SEK 1,428 (1,309) million.

Lease liabilities

The undiscounted lease liabilities are due for payment according to below. Approximately 40 percentage of the total liabilities are legally uncommitted but are per the definition of IFRS 16 determined to be enforceable and consequently included in the calculation of the lease liability.

SEK million	Dec 31, 2023	Dec 31, 2022
Within 1 year	1,307	1,220
Within 1–2 years	1,165	1,191
Within 2–3 years	667	995
Within 3–4 years	502	869
Within 4–5 years	365	779
Within 5–10 years	490	693
More than 10 years	226	139
Total undiscounted lease liabilities	**4,721**	**5,885**

Tele2 as lessor

Leasing income during the year amount to SEK 136 (107) million and relates mainly to rent from other operators placing equipment on Tele2 sites as well as leased equipment to customers. Contract periods range from 3 to 25 years and generally have no option to purchase the asset at the expiry of the lease period. Contractual future lease income is stated below:

Operating leases

SEK million	Dec 31, 2023	Dec 31, 2022
Within 1 year	148	120
Within 1–2 years	30	25
Within 2–3 years	29	24
Within 3–4 years	28	23
Within 4–5 years	25	22
Within 5–10 years	91	76
Within 10–15 years	90	76
More than 15 years	100	83
Total future leases income for operating leases	**540**	**449**

NOTE 30 SUPPLEMENTARY CASH FLOW INFORMATION

SEK million	Dec 31, 2023	Dec 31, 2022
Interest received	61	18
Interest paid	-973	-408
Other financial items paid	77	1
Taxes paid	-987	-1,215

NOTE 31 NUMBER OF EMPLOYEES AND PERSONNEL COSTS EMPLOYEES

Average number of employees

The average number of employees and related gender distribution presented in the table below is calculated on the basis of full time equivalents.

	2023			2022		
	Total	*of whom women*	*of whom men*	Total	*of whom women*	*of whom men*
Sweden	2,667	*31%*	*69%*	2,662	*30%*	*70%*
Lithuania	659	*66%*	*34%*	671	*68%*	*32%*
Latvia	455	*57%*	*43%*	437	*59%*	*41%*
Estonia	337	*65%*	*35%*	339	*65%*	*35%*
Netherlands	2	-	*100%*	2	—	*100%*
Total average number of employees	**4,120**	*42%*	*58%*	**4,111**	*42%*	*58%*

Number of employees

On December 31, 2023 the number of employees in Tele2 was 4,485 (4,438), of which 44 (45) percent women and 56 (55) percent men. A breakdown by market and gender distribution is presented below.

Continuing operations	Dec 31, 2023			Dec 31, 2022		
	Total	*of whom women*	*of whom men*	Total	*of whom women*	*of whom men*
Sweden	2,849	*33%*	*67%*	2,789	*32%*	*68%*
Lithuania	763	*68%*	*32%*	773	*70%*	*30%*
Latvia	496	*56%*	*44%*	484	*58%*	*42%*
Estonia	375	*67%*	*33%*	390	*67%*	*33%*
Netherlands	2	—	*100%*	2	—	*100%*
Total numbers of employees	**4,485**	*44%*	*56%*	**4,438**	*45%*	*55%*

The Tele2 AB board consists of 50 (57) percent women and 50 (43) percent men, while the gender distribution in the Group Leadership Team is 40 (44) percent women and 60 (56) percent men on December 31, 2023.

The gender distribution between board of directors and senior management in all active group companies is presented in the table below. Senior management refers to managing directors and persons reporting directly to the managing directors.

For all active group companies (excluding discontinued operations)	Dec 31, 2023			Dec 31, 2022		
	Total	*of whom women*	*of whom men*	Total	*of whom women*	*of whom men*
Board members	22	*18%*	*82%*	22	*23%*	*77%*
Senior management	29	*34%*	*66%*	28	*39%*	*61%*
Total	**51**	*27%*	*73%*	**50**	*32%*	*68%*

Personnel costs

SEK million	2023					2022				
	Salaries and remunera-tions	*of which bonus*	**Social security expenses**	*of which pension expenses*	**Personnel costs**	**Salaries and remunera-tions**	*of which bonus*	**Social security expenses**	*of which pension expenses*	**Personnel costs**
Board of Directors and CEO	64	*14*	17	*4*	**81**	57	*13*	17	*3*	**74**
Other employees	2,496	—	1,043	*278*	**3,539**	2,329	—	1,019	*288*	**3,347**
Total	**2,560**	***14***	**1,059**	***282***	**3,620**	**2,386**	***13***	**1,036**	***291***	**3,422**

Pensions

SEK million	2023	2022
Defined-contribution plans	-268	-258
Defined-benefit plans, retirement pension	-14	-33
Total pension expenses	**-282**	**-291**

Most of Tele2 employees are in a defined contribution pension plan, with the majority in ITP1. Through previous acquisitions and historically, Tele2 has allowed defined pension plans.

The defined benefit plans relate essentially to Sweden, where companies included in the Group are affiliated to PRI Pensionsgaranti or Skandia. For companies affiliated to PRI Pensionsgaranti, the companies' obligation under the ITP-plan (ITP2) retirement pension are recognised as a liability in the balance sheet. A part of the liability for retirement pension is closed for new entries and instead premiums are paid to Collectum and Alecta for the employees. Additional information regarding the defined-benefit retirement plans is shown in the following tables.

Note 31 cont.

SEK million	2023	2022
Income statement		
Current service costs	-16	-25
Net interest	4	-1
Curtailments/settlements	-2	-6
Defined-benefit plans, retirement pension	**-14**	**-33**
Special employer's contribution	-1	0
Net cost recognised in the income statement	**-15**	**-33**

SEK million	Dec 31, 2023	Dec 31, 2022
Balance sheet		
Present value of funded obligations	-579	-538
Present value of non-funded obligations	-2	-2
Fair value of plan assets	573	521
Net	**-8**	**-19**
Special employer's contribution	-39	-38
Net asset (+) / obligation (–) in balance sheet	**-47**	**-57**
of which assets	247	242
of which liabilities	-294	-298
Movements		
Net asset (+) / obligation (–) at beginning of year	-57	-237
Net cost	-15	-33
Payments	20	23
Actuarial gains/losses in other comprehensive income	5	190
Net asset (+) / obligation (–) in balance sheet at end of year	**-47**	**-57**

The defined-benefit pension plans under ITP2 are partly funded, where Tele2's assets have been invested in Skandia and by securing in Tele2 Joint Pension Fund. At December 31, 2023 the market value of Tele2's asset amounted to SEK 573 (521) million. Two smaller defined benefit plans of SEK 2 (2) million for management pension and conditional early retirement pension are non-funded.

The defined benefit pension obligation in Sweden is calculated using a discount rate based on interest on mortgage bonds. The Swedish covered mortgage bonds are considered high-quality bonds, the market is considered deep and the bonds are issued by large banks, thereby meeting IAS 19 requirements. The following key actuarial assumptions have been applied to calculate the commitments.

	Dec 31, 2023	Dec 31, 2022
Important actuarial assumptions		
Discount rate	3.3%	3.7%
Annual salary increases	2.6%	3.0%
Annual pension increases	2.6%	3.0%
Long-term inflation assumption	1.6%	2.0%
Average expected remaining years of employment	10 years	10 years

REMUNERATION FOR SENIOR EXECUTIVES

SEK million	2023					
	Annual fixed based salary	Variable short-term remuneration[1]	Variable long-term incentives[2]	Pension benefits	Other benefits	Total remuneration
CEO and President						
Kjell Johnsen	9.1	6.8	17.8	2.8	0.2	36.7
Other senior executives	25.7	15.9	18.6	7.3	0.8	68.3
Total salaries and remuneration to senior executives	**34.8**	**22.7**	**36.4**	**10.1**	**1.0**	**105.0**

[1] The variable short-term remuneration program 2023 for Senior Executives are weighted 80% on financial criterias and 20% on non-financial criterias, of which 5% are weighted on sustainability goals. Sustainability goals are diveded into percentage of female employees and CO_2 emission reductions. Individual goals are weighted 15% and linked to business performance goals including Tele2 values and code of conduct.

[2] The costs for the variable long-term incentives includes the share programs 2021, 2022 and 2023 and reported according with accounting and IFRS 2 principles. Further the vested cost of the one time transformation incentive for 2023 is included in the variable long-term incentives.

At the end of the year, the group other senior executives comprise of 8 (8) persons.

SEK million	2022					
	Annual fixed based salary	Variable short-term remuneration	Variable long-term incentives	Pension benefits	Other benefits	Total remuneration
CEO and President						
Kjell Johnsen	8,8	4,9	15,6	3,1	0,3	32,6
Other senior executives	22,6	11,8	14,5	7.1	0.7	56,6
Total salaries and remuneration to senior executives	**31,3**	**16,7**	**30,1**	**10.2**	**0.9**	**89,3**

Guidelines for remuneration to senior executives

The current guidelines for remuneration to senior executives were approved by the Annual General Meeting 2023 and are presented below.

Note 31 cont.

Applicability

Senior executives covered by the provisions of these guidelines include the CEO and members of the Group Leadership Team ("senior executives"). For the purpose of these guidelines, senior executives also include Board Members, elected at General Meetings, to the extent such Board Members perform services within their respective areas of expertise outside of their Board duties. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2023. These guidelines do not impose restrictions to any remuneration decided or approved by General Meetings. Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Our approach to the remuneration guidelines

The remuneration policy provides a structure that aligns remuneration with the successful delivery of our long-term business strategy, interests and sustainability.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests and its sustainability, is that the company is able to attract and retain driven and engaged talent. To this end, it is necessary that the company offers competitive remuneration packages to attract, motivate and retain key employees within the context of an international peer group. The aim is to create incentives for the management to execute strategic plans and deliver excellent operating results, and to align management's incentives with the interests of the shareholders. For more information regarding the company's business strategy, please see www.tele2.com and the company's annual and sustainability report.

General Meetings in Tele2 have separately resolved on long-term share and share-price related incentive plans. Going forward, any new long-term share and share-price related incentive plans will be resolved upon separately by General Meetings and are therefore not covered by these guidelines since these guidelines do not impose restrictions to any remuneration decided or approved by General Meetings. The performance criteria used to assess the outcome of these long-term share and share-price related incentive plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. At present, these performance criteria comprise Tele2's absolute TSR, Tele2's TSR vs a defined Peer Group and Tele2s cashflow. However, such criteria may change in future long-term share and share-price related incentive plans. Current plans are also conditional upon the participant's own investment and certain holding periods of several years. For more information regarding these long-term share-related incentive plans, including the performance criteria which the outcome depends on, please see www.tele2.com.

Remuneration elements

Remuneration to the senior executives should comprise annual fixed base salary, variable short-term remuneration, variable long-term incentives, pension benefits and other benefits.

Annual fixed base salary

For defining the annual fixed base salary for the senior executives, the Remuneration Committee uses a similar methodology as for benchmarking other employees' fixed annual remuneration, utilising external benchmarks within the Telecom, Hi-Tech and General industry and reviewing peer companies. The Board considers the remuneration of employees and the average annual increases an important element in determining the annual salary increase for senior executives.

Variable short-term remuneration, including criteria for awarding

The variable short-term remuneration ("STI") shall be linked to predetermined and measurable criteria, measured over a period of maximum one year, which can be financial, such as EBITDA or revenue, or non-financial, such as sustainability. In addition, they may be individualised, quantitative or qualitative objectives. For senior executives, the financial criteria are weighted 80 percent and the non-financial criteria are weighted 20 percent. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the senior executive's long-term development.

The variable short-term remuneration can amount to a maximum of 100 percent of the annual fixed base salary.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and/or determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the senior executives. The evaluation for financial objectives shall be based on the latest financial information made public by the company.

Variable long-term incentives, including criteria for awarding

The structure of any variable long-term incentives shall ensure a long-term commitment for Tele2's development and value creation and may be both share and share-price related as well as cash based. Going forward, any long-term share and share-price related incentive plans will be resolved upon separately by General Meetings and are therefore not covered by these guidelines.

Pension benefits

The senior executives are offered defined contribution pension plans, including health insurance. Defined contributions for pensions to the CEO and the other senior executives can amount to a maximum

Note 31 cont.

of 20 percent premium based on the annual fixed base salary and the STI, which could maximum lead to 40 percent contribution of the annual fixed base salary.

Other benefits
Other benefits may include e.g. car benefits, health care insurance and for expatriated senior executives e.g. housing benefits for a limited period of time. Such benefits may amount to not more than five percent of the annual fixed base salary.

Termination of employment
The maximum period of notice of termination of employment shall be twelve months in the event of termination by the CEO and six months in the event of termination by any of the other senior executives.

In the event of termination by the company, the maximum notice period during which compensation is payable is eighteen months for the CEO and twelve months for any of the other senior executives.

Additionally, remuneration may be paid for non-compete undertakings and such remuneration shall compensate loss of income. The remuneration shall be paid during the time the non-compete undertaking applies, however not for more than six months. With regard to the CEO, the remuneration shall amount to not more than 60 percent of the CEO's average monthly remuneration (both fixed and variable) paid by the company during the twelve months preceding the time of termination and with regard to other senior executives, the remuneration shall amount to not more than 80 percent of the senior executive's monthly base salary at the time of the termination.

Salary and employment conditions for employees
In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines
The Board has established a remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Deviations from guidelines for remuneration to senior executives
According to the remuneration guidelines, the Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. In 2021, the Board resolved to deviate from the guidelines in two instances. First, the Board awarded a new variable short term incentive, the One Time Transformation Award to the senior executives that was measured over two and a half financial years and not one year as stated in the guidelines. Further, in respect of the CEO, for 2022 and 2023, the variable short-term remuneration could amount to maximum 175 percent of the annual fixed base salary, due to the implementation of the One Time Transformation Award, whilst the maximum outcome in the guidelines is set to 100 percent. For three Group Executives the implementation of the One Time transformation award, could lead to a payout of maximum 115% of short-term variable remuneration in relation to the annual fixed base salary, during two years.

In view of the importance that the Company should reach the Business Transformation Program communicated to the market as well as attributes to Group Executives and selected key individual's continued service for the Company, the Board of Directors of Tele2 decided to introduce the One Time Transformation Award to senior executives and selected key individuals. The One time Transformation award was implemented in 2021 vested Q2 2023, and was paid in 2023. Payment under the one Time Transformation award corresponded to 6-18 months base salary per participant, paid at completion of the Transformation project in 2023. The One time Transformation Award was conditional upon the participant being continuously employed during the vesting period and the defined goal for Transformation established was reached. The defined goal was to reach the cost savings in line with the externally communicated Business Transformation Program. The CEO had in addition one KPI, part of One Time Transformation Award, which was the delivery of the of Tele2 Group revenue target during the vesting period.

Note 31 cont.

Share rights

During 2023 the CEO, other senior executives and other key employees received 512,000 (455,000) share rights in the new incentive program for the year and 89 269 (132,484) share rights in previous years incentive programs as compensation for dividend. No premium was paid for the share rights.

Number of share rights	LTI 2023		LTI 2022	
	CEO	Other senior executives	CEO	Other senior executives
Outstanding as of January 1, 2023	—	—	207,434	236,486
Allocated	200,000	312,000	—	—
Allocated, compensation for dividend	8,254	12,890	15,776	17,996
Total outstanding rights as of December 31, 2023	**208,254**	**324,890**	**223,210**	**254,482**

Number of share rights	LTI 2021		LTI 2020	
	CEO	Other senior executives	CEO	Other senior executives
Outstanding as of January 1, 2023	245,346	206,118	132,444	103,340
Allocated, compensation for dividend	18,659	15,693	—	—
Adjustments for outcome of the performance conditions	—	—	-71,342	-49,944
Exercised	—	—	-61,102	-53,396
Total outstanding rights as of December 31, 2023	**264,005**	**221,811**	—	**—**

Remuneration to Board of Directors

SEK	Fees to the board		Fees to the board committees		Travel allowances		Total fees	
	2023	2022	2023	2022	2023	2022	2023	2022
Andrew Barron (chairman)	1,800,000	900,000	—	105,000	47,948	39,682	1,847,948	1,044,682
Carla Smits-Nusteling	—	1,800,000	—	126,000	25,883	48,618	25,883	1,974,618
Georgi Ganev	660,000	660,000	—	—	—	—	660,000	660,000
Eva Lindqvist	660,000	660,000	251,000	251,000	28,635	28,835	939,635	939,835
Lars-Åke Norling	660,000	660,000	231,000	179,000	3,651	2,392	894,651	841,392
Sam Kini	660,000	660,000	126,000	126,000	39,564	42,454	825,564	828,454
Stina Bergfors	660,000	660,000	53,000	53,000	—	—	713,000	713,000
Total fee to board members	**5,100,000**	**6,000,000**	**661,000**	**840,000**	**145,681**	**161,980**	**5,906,681**	**7,001,980**

Long-term incentive programs (LTI)

The objective of the long-term incentive programs (LTI) is to create conditions for retaining competent employees in the Tele2 Group. The program has been designed based on the view that it is desirable that senior executives and other key employees within the Group are shareholders in Tele2 AB. Participation in the Long-term Incentive plan requires a personal investment in Tele2 shares, by shares already held or shares purchased on the market in connection with the application to participate in the Long-term Incentive plan.

By offering an allotment of retention rights and performance rights which are based on profits and other retention and performance-based conditions, the participants are rewarded for increasing shareholder value. Furthermore, the program rewards employees' loyalty and long-term growth in the Group. In that context, the Board of Directors is of the opinion that the program will have a positive effect on the future development of the Tele2 Group and thus be beneficial to both the company and its shareholders.

The LTI programs are usually launched annually after approval from the Annual General Meeting, and run for around 3 years. In 2023, LTI 2020 was finalised and LTI 2023 was launched.

Outcome 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 cash-flow (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 was exchanged for shares in Tele2 during Q2 2023.

Serie	Retention and performance based conditions	Minimum level	Stretch level	Vesting at minimum	Target fulfilment	Allotment
A	Total Shareholder Return (TSR) Tele2	0%	N/A	100%	2.5%	100%
B	Total Shareholder Return Tele2 (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%

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 one Tele2 share 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 authorise 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.

Note 31 cont.

	LTI 2023		
	Series A	Series B	Series C
Expected annual turnover of personnel	10%	10%	10%
Weighted average share price	101.48 kr	101.48 kr	101.48 kr
Expected life (years)	2.89	2.89	2.89
Reduction parameter due to market related conditions	72%	67%	100%
Estimated fair value	73.13 kr	67.82 kr	101.38 kr

Outstanding share rights LTI 2020–2023

	Average fair value/share rights at grant date (in SEK)	Number of participants at grant date	Measure period: TSR measurement	Measure period: Cash flow measurement period	Outstanding share rights: Dec 31, 2023	Outstanding share rights: Dec 31, 2022
LTI 2023	82	193	Apr 1, 2023 - Mar 31, 2026	Jan 1, 2023 - Dec 31, 2025	1,624,035	—
LTI 2022	116	194	Apr 1, 2022 - Mar 31, 2025	Jan 1, 2022 - Dec 31, 2024	1,509,122	1,460,226
LTI 2021	80	198	Apr 1, 2021 - Mar 31, 2024	Jan 1, 2021 - Dec 31, 2023	1,478,271	1,441,908
LTI 2020	84	218	Apr 1, 2020 - Mar 31, 2023	Jan 1, 2020 - Dec 31, 2022	—	1,161,005
Total					**4,611,428**	**4,063,139**

No share rights were exercisable at the end of the year.

Number of rights	LTI 2023		LTI 2022	
	2023	Cumulative	2023	Cumulative
Allocated at grant date	1,579,496	1,579,496	—	1,497,456
Outstanding as of January 1, 2023	—	—	1,460,226	—
Allocated, compensation for dividend	64,705	64,705	108,898	163,211
Forfeited	-20,166	-20,166	-60,002	-151,545
Total outstanding rights as of December 31, 2023	**1,624,035**	**1,624,035**	**1,509,122**	**1,509,122**

Number of rights	LTI 2021		LTI 2020	
	2023	Cumulative	2023	Cumulative
Allocated at grant date	—	1,448,860	—	1,597,152
Outstanding as of January 1, 2023	1,441,908	—	1,161,005	—
Allocated, compensation for dividend	106,820	405,753	—	356,574
Forfeited	-70,457	-376,342	-5,730	-798,451
Adjustments for outcome of the performance conditions, Equity settled	—	—	-533,565	-533,565
Exercised, Equity settled	—	—	-621,710	-621,710
Total outstanding rights as of December 31, 2023	**1,478,271**	**1,478,271**	**—**	**—**

Conditions and status LTI 2021–2023

The principles and structure described for LTI 2023 above also apply for LTI 2021 and LTI 2022. All three ongoing programs include the conditions absolute TSR, relative TSR and accumulated cash flow.

	Maximum profit/right	Retention and performance based conditions (ranges): Series A TSR	Series B TSR peer group	Series C Cash flow
LTI 2021	SEK 429	>0%	0–10%	90–110%
LTI 2022	SEK 514	>0%	0–10%	90–110%
LTI 2023	SEK 360	>0%	0–10%	90–110%

Status LTI 2021: Since April 1, 2021 (the start of the TSR measurement period) until December 31, 2023, the Tele2 Group has reached a total shareholder return (TSR) of +3%. The TSR development relative to the assessed peer group was –14% for the same period. The TSR measurement period ends at March 31, 2024. Accumulated operating cashflow for the completed measurement period reached 104% of the targeted level.

Status LTI 2022: Since April 1, 2022 (the start of the TSR measurement period) until December 31, 2023, the Tele2 Group has reached a total shareholder return (TSR) of -16%. The TSR development relative to the assessed peer group was -19% for the same period. The TSR measurement period ends at March 31, 2025. Accumulated operating cashflow for 2022 and 2023 (two out of three years of the measurement period) reached 103% of the targeted level.

Status LTI 2023: Since April 1, 2023 (the start of the TSR measurement period) until December 31, 2023, the Tele2 Group has reached a total shareholder return (TSR) of -5%. The TSR development relative to the assessed peer group was -5% for the same period. The TSR measurement period ends at March 31, 2026. Cashflow including change in working capital for the full year 2023 (the first out of three years of the measurement period) reached 104% of the targeted level.

Costs and liabilities

Total cost before tax for outstanding incentive programs and liability is stated below.

SEK million	Actual costs before tax		Expected cumulative cost during the vesting period		Liability	
	2023	2022	2023	2022	Dec 31, 2023	Dec 31, 2022
LTI 2023	22	—	118	—	4	—
LTI 2022	48	27	142	123	9	4
LTI 2021	37	30	111	101	22	13
LTI 2020	7	26	82	95	—	17
LTI 2019	—	16	—	100	—	—
Total	115	100	452	419	35	34

NOTE 32 FEES TO THE APPOINTED AUDITOR

SEK million	2023		2022	
	Deloitte	Other elected auditors	Deloitte	Other elected auditors
Audit fees	9	0	8	1
Audit-related fees	1	0	1	0
Consultation, all other fees	1	0	1	–
Total fees per appointed auditor	**10**	**1**	**9**	**1**
Total fees to the appointed auditors		**11**		**10**

NOTE 33 DISCONTINUED OPERATIONS

Discontinued operations includes Tele2s former operations in Germany, Croatia, Kazakhstan and Netherlands.

Tele2 Germany

In December 2020 Tele2 completed the divestment of its German business to the Tele2 Germany management. The purchase price included an earnout component, dependent upon the financial performance of the business until the end of 2024. In 2023 Tele2 has received earnout payments of SEK 54 million, which was the final payment as the maximum accumulated proceeds of SEK 205 million have been reached.

Tele2 Croatia

In March 2020 Tele2 completed the divestment of its Croatian business to United Group. During 2022 an amount of SEK 8 million has been expensed related to an ongoing dispute, including FX effects on existing provisions.

Tele2 Kazakhstan

In March 2019, the Swedish Tax Agency rejected Tele2's claim for a deduction of an exchange loss related to a conversion of a shareholder loan from USD to Kazakh Tenge in connection with the establishment of Tele2's previous joint venture in Kazakhstan. Tele2 appealed the decision and in November 2022 the Administrative Court of Appeal ruled completely in favour of Tele2. Acordingly, Tele2 decided to release the provision of SEK 363 million, divided on interest expenses SEK 25 million and income tax on capital gain SEK 337 million.

Tele2 Netherlands

In January 2019 Tele2 and Deutsche Telekom completed the combination of Tele2 Netherlands and T-Mobile Netherlands. Tele2 Netherlands was sold for SEK 1.9 billion and 25 percent share in the combined company. In 2021 Tele2 reported a positive impact of SEK 130 million related to a dispute attached to the former Tele2 operation in the Netherlands, as the dispute is now resolved.

Note 33 cont.

Income statement

All discontinued operations are included in the income statement below, with a retrospective effect on previous periods.

SEK million	2023	2022
Interest expenses	–	22
Profit/loss after financial items	**–**	**22**
Net profit/loss from the operation	**–**	**22**
Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain	**4**	**2**
of which Germany	4	13
of which Croatia	–	-8
of which Netherlands	–	-2
Income tax from capital gain	**–**	**337**
of which Kazakhstan	–	337
Net profit/loss	**4**	**361**
	4	
Attributable to:		
Equity holders of the parent company	4	361
Net profit/loss	**4**	**361**
Earnings per share, SEK	0,01	0,52
Earnings per share, after dilution, SEK	0,01	0,52

Balance sheet

Assets and liabilities associated with assets held for sale as of December 31, 2023 refer to provisions and other liabilities related to divested operations.

SEK million	Dec 31, 2023	Dec 31, 2022
ASSETS		
Financial assets	–	32
Non-current assets	**–**	**32**
Other current receivables	–	22
Current receivables		**22**
Current assets	**–**	**22**
Asset classified as held for sale	**–**	**54**
LIABILITIES		
Interest-bearing	26	26
Non-current liabilities	**26**	**26**
Interest-bearing	57	61
Non-interest-bearing	4	4
Current liabilities	**61**	**65**
Liabilities directly associated with assets classified as held for sale	**86**	**91**

Cash flow statement

SEK million	2023	2022
Cash flow from operating activities	–	0
Cash flow from investing activities	54	27
Net change in cash and cash equivalents	**54**	**27**

NOTE 34 JOINT OPERATIONS AND OTHER RELATED PARTIES

Business relations and pricing between Tele2 and all related parties are based on commercial terms and conditions. During 2023, Tele2 engaged in transactions with the following related companies/persons.

Joint operations

Svenska UMTS-nät AB, Sweden

Tele2 is one of two turnkey contractors which plan and operate the joint operation Svenska UMTS-nät AB's 3G network. Tele2 and Telia Company each own 50 percent and both companies have contributed capital to the 3G company. In addition to this, the build-out was financed by the owners. Based on an agreement from 2020 Tele2 and Telia Company have during 2021 started to gradually decommission the 3G network with the aim to have the network fully shut down by the end of 2025.

Net4Mobility HB, Sweden

Net4Mobility is an infrastructure joint operation between Tele2 Sweden and Telenor Sweden, where each party owns 50 percent. The company's mission is to build and operate the combined 2G, 4G and 5G network. The network enables Tele2 and Telenor to offer their customers mobile services for data communications and voice. The build-out has owner financing.

Extracts from the income statements, balance sheets and cash flow statements

The tables below show summarised financial information for significant joint operations before inter-company eliminations.

Income statement SEK million	2023		2022	
	Sv UMTS-nät, Sweden	Net4Mobility, Sweden	Sv UMTS-nät, Sweden	Net4Mobility, Sweden
Revenue	501	1,870	768	1,629
Operating profit	58	205	114	118
Profit/loss before tax	60	-28	115	-93
Net profit/loss	48	-28	91	-93

Balance sheet SEK million	Dec 31, 2023		Dec 31, 2022	
	Sv UMTS-nät, Sweden	Net4Mobility, Sweden	Sv UMTS-nät, Sweden	Net4Mobility, Sweden
Intangible assets	–	3,968	–	2,887
Tangible assets	137	4,431	271	3,254
Right-of-use assets	224	1,633	232	2,020
Deferred tax assets	15	–	27	–
Current assets	422	735	890	765
Total assets	**798**	**10,768**	**1,421**	**8,926**
Equity	339	-585	891	-556
Untaxed reserves	–	3,017	–	3,053
Non-current liabilities	203	5,831	212	4,336
Current liabilities	256	2,504	318	2,093
Total equity and liabilities	**798**	**10,768**	**1,421**	**8,926**

Cash flow statement SEK million	2023		2022	
	Sv UMTS-nät, Sweden	Net4Mobility, Sweden	Sv UMTS-nät, Sweden	Net4Mobility, Sweden
Cash flow from operating activities	711	801	249	2,064
Cash flow from investing activities	-43	-1,854	-5	-1,717
Cash flow from financing activities	-698	970	-166	-217
Net change in cash and cash equivalents	**-30**	**-83**	**78**	**131**
Cash and cash equivalents at beginning of the year	119	142	41	10
Cash and cash equivalents at end of the year	**89**	**59**	**119**	**142**

Note 34 cont.

Other related parties

Senior executives and Board members

Information related to senior executives and Board members is presented in Note 31.

Joint ventures and associated companies

Information about joint ventures and associated companies is presented in Note 15.

Transactions and balances

Transactions between Tele2 and joint operations are included to 100 percent below. In the consolidated financial statements the joint operations are however based on Tele2's share of assets, liabilities, revenues and expenses (50 percent).

SEK million	Revenue		Operating expenses		Interest revenue	
	2023	2022	2023	2022	2023	2022
Kinnevik	0	0	–	–	–	–
Other related companies	3	–	–	–	–	–
Joint ventures and associated companies	8	1	-5	-5	–	–
Joint operations	236	263	-1,130	-1,153	71	28
Total	**247**	**264**	**-1,135**	**-1,158**	**71**	**28**

SEK million	Other receivables		Interest-bearing receivables		Non-interest-bearing liabilities		Interest-bearing liabilities	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Other related companies	1	–	–	–	–	–	–	–
Joint ventures and associated companies	0	0	–	–	1	1	–	–
Joint operations	1,004	1,450	1,829	1,200	218	213	100	300
Total	**1,005**	**1,450**	**1,829**	**1,200**	**219**	**214**	**100**	**300**

NOTE 35 EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 26 February 2024, Kinnevik AB announced that it had agreed to sell its entire shareholding in Tele2 AB to Freya Investissement, an investment vehicle jointly controlled by the European telecommunications group iliad and its Chairman and founder Xavier Niel through NJJ Holding for a total consideration of SEK 13 billion. The transaction will be completed in three stages and is expected to close in the third quarter of 2024, whereby Freya Investissement will hold 19.8% of the capital and less than 30% of the votes in Tele2.

Financial statements – Parent company

Parent company's income statement

SEK million	Note	2023	2022
Revenue	2	51	49
Gross profit		**51**	**49**
Administrative expenses		-105	-95
Other operating income		0	0
Other operating expenses		0	0
Operating loss		**-54**	**-47**
Profit/loss from financial investments			
Dividend from Group companies		4,800	6,300
Other interest revenue and similar income	3	296	189
Interest expense and similar costs	4	-821	-836
Profit/loss after financial items		**4,222**	**5,605**
Appropriations, untaxed reserves		-305	-380
Appropriations, group contribution		1,782	2,247
Tax on profit/loss for the year	5	-188	-251
Net profit/loss		**5,510**	**7,222**

Parent company's comprehensive income

SEK million	2023	2022
NET PROFIT/LOSS	5,510	7,222
Components that may be reclassified to net profit		
Gain/loss arising on changes in fair value of hedging instruments	-91	130
Reclassified cumulative loss to income statement	39	-27
Tax effect on cash flow hedges	11	-21
Components that may be reclassified to net profit	**-42**	**82**
Other comprehensive income for the year, net of tax	**-42**	**82**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,469	7,303

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Parent company's balance sheet

SEK million	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Shares in group companies	6	60,894	60,894
Receivables from group companies	8	14,467	12,359
Deferred tax assets	5	8	0
Other financial assets	7	89	85
Non-current assets		**75,458**	**73,337**
Other receivables from group companies	8	1,872	2,300
Other current receivables	9	86	140
Prepaid expenses and accrued income		11	5
Current receivables		**1,969**	**2,444**
Restricted Cash		84	156
Current investments		**84**	**156**
Cash and cash equivalents	10	0	0
Current assets		**2,053**	**2,601**
TOTAL ASSETS		77,511	75,938

SEK million	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Share capital		870	869
Restricted reserve		4,985	4,985
Restricted equity		**5,856**	**5,854**
Reserves		22,458	22,499
Retained earnings		5,821	3,205
Net profit		5,510	7,222
Unrestricted equity		**33,789**	**32,927**
Equity		**39,645**	**38,781**
Untaxed reserves		**915**	**610**
Liabilities to financial institutions and similar liabilities	11	22,171	24,080
Pension and similar commitments		112	107
Other liabilities to group companies		5,000	5,000
Deferred tax liability	5	–	4
Non-current liabilities		**27,283**	**29,192**
Liabilities to financial institutions and similar liabilities	11	4,148	2,550
Provisions	12	–	23
Other liabilities to group companies		5,100	4,201
Other interest-bearing liabilities	11	188	330
Interest-bearing liabilities		**9,435**	**7,105**
Trade payables	11	1	0
Current tax liabilities		22	45
Other current liabilities	11	12	4
Other liabilities to group companies		–	0
Accrued expenses and deferred income	13	198	201
Non-interest-bearing liabilities		**233**	**251**
Current liabilities		**9,668**	**7,356**
TOTAL EQUITY AND LIABILITIES		77,511	75,938

Parent company's cash flow statement

SEK million	2023	2022
Operating activities		
Operating loss	-54	-47
Non-cash items in net profit		
- Incentive program	31	20
- Interest paid	-781	-344
- Finance items paid	71	0
- Income tax paid	-212	-350
Adjustments for non-cash items in net profit	-891	-674
Working capital		
- Operating receivables	-5	-2
- Operating liabilities	-6	0
Changes in working capital	-11	-2
Cash flow from operating activities	**-955**	**-723**
Investing activities		
Ohter financial assets, lending	72	-156
Lending to group companies	5,954	13,934
Cash flow from investing activities	**6,026**	**13,778**
Cash flow after investing activities	**5,071**	**13,055**
Financing activities		
Proceeds from credit institutions and similar liabilities	2,201	4,453
Repayment of loans from credit institutions and similar liabilities	-2,570	-3,878
Dividends paid	-4,703	-13,629
Cash flow from financing activities	**-5,072**	**-13,055**
Net change in cash and cash equivalents	**0**	**0**
Cash and cash equivalents at beginning of year	0	0
Cash and cash equivalents at end of the year	**0**	**0**

Change in parent company's equity

SEK million	Restricted equity		Unrestricted equity			Total equity
	Share capital	Restricted reserve	Hedge reserve	Share premium reserve	Retained earnings	
Equity at January 1, 2023	869	4,985	107	22,393	10,427	38,781
Net profit	—	—	—	—	5,510	5,510
Other comprehensive income for the year, net of tax	—	—	-42	—	—	-42
Total comprehensive income for the year	—	—	-42	—	5,510	5,469
Other changes in equity						
Share-based payments	—	—	—	—	97	97
Share-based payments, tax effect	—	—	—	—	1	1
Proceeds from issuances of shares	2	—	—	—	—	2
Repurchased shares	—	—	—	—	-2	-2
Dividends	—	—	—	—	-4,702	-4,702
Equity at December 31, 2023	870	4,985	65	22,393	11,332	39,645
Equity at January 1, 2022	866	4,985	25	22,393	16,759	45,028
Net profit	—	—	—	—	7,222	7,222
Other comprehensive income for the year, net of tax	—	—	82	—	—	82
Total comprehensive income for the year	—	—	82	—	—	7,303
Other changes in equity						
Share-based payments	—	—	—	—	77	77
Share-based payments, tax effect	—	—	—	—	2	2
Proceeds from issuances of shares	3	—	—	—	—	3
Repurchased shares	—	—	—	—	-3	-3
Dividends	—	—	—	—	-13,629	-13,629
Equity at December 31, 2022	869	4,985	107	22,393	10,427	38,781

Notes

NOTE 1 ACCOUNTING PRINCIPLES AND OTHER INFORMATION

The parent company's financial statements have been prepared according to the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board.

The parent company follows the same accounting policies as the Group (see Group Note 1) with the following exceptions.

Subsidiaries

Shares in subsidiaries are recognised at cost, including expenses directly related to the acquisition, less any impairment.

Classification and measurement of financial instruments

IFRS 9 Financial Instruments is adopted, except regarding financial guarantees where the exception allowed in RFR 2 is chosen. Financial guarantees are included in contingent liabilities.

Internal loans are managed by the Group's Corporate Affairs function and all internal credit facilities are reviewed on regular basis. Internal loans are managed to collect contractual cash flows and is therefore designated as amortised cost. Impairment losses are calculated based on expected credit losses.

Group contibution and shareholders' contribution

Group contributions are reported as appropriations in the income statement. Shareholders' contribution is repored in equity in the receiving company and is activated as shares in group companies in the parent company, unless a write-down is required.

Pensions

The parent company applies defined contribution plans in line with the group's accounting policy, but they are secured with endowment insurances accounted for under financial assets. This means that the pension premium payments are accounted for both as a finacial asset and as a provision under Pension and similar commitments. The premiums are not tax deductible until they are paid out as pensions.

Taxes

Untaxed reserves are reported without split on equity and deferred tax in the balance sheet of the parent company, unlike how it is reported in the group. Correspondingly, in the income statement, no allocation of appropriations to deferred tax expense is made.

Other information

The annual report has been approved by the Board of Directors on March 28, 2024. The balance sheet and income statement are subject to adoption by the Annual General Meeting on May 15, 2024.

NOTE 2 REVENUE

Revenue relates to sales to other companies within the Group.

NOTE 3 OTHER INTEREST REVENUE AND SIMILAR INCOME

SEK million	2023	2022
Interest, Group	289	187
Interest, Other	8	1
Total other interest revenue and similar income	**296**	**189**

All interest income is for financial assets reported at amortised cost.

NOTE 4 INTEREST EXPENSE AND SIMILAR COSTS

SEK million	2023	2022
Interest, financial institutions and similar liabilities	-790	-409
Interest, Group	-111	-58
Exchange rate difference on financial liabilities	12	-366
Other financial items	68	-4
Total interest expenses and similar costs	**-821**	**-836**

All interest costs is for financial liabilities reported at amortised cost, except for interest costs related to derivatives amounting to SEK -38 (27) million.

NOTE 5 TAXES

SEK million	2023	2022
Current tax expense, on profit/loss current year	-188	-239
Current tax expense, on profit/loss prior periods	0	-9
Current tax expense	**-189**	**-249**
Deferred tax expense/income	1	-2
Total tax on profit/loss for the year	**-188**	**-251**

The difference between recorded tax and the tax based on prevailing tax rate consists of the below listed components.

Note 5 cont.

SEK million	2023		2022	
Profit/loss before tax	5,699		7,472	
Tax effect according to tax rate in Sweden	-1,174	-20.6%	-1,539	-20.6%
Tax effect of				
Non-taxable dividend from group company	989	17.4%	1,298	17.4%
Not recorded income other	-2	0.0%	0	0.0%
Adjustment of tax assets from previous years	0	0.0%	-9	-0.1%
Tax expense and effective tax rate	**-188**	**-3.3%**	**-251**	**-3.4%**

Deferred tax asset of SEK 8 (-4) million is attributable to temporary differences for liabilities of SEK -15 (-26) million and pensions of SEK 23 (22) million.

NOTE 6 SHARES IN GROUP COMPANIES

Company, reg. No., reg'd office	Number of shares	Total par value	Holding (capital/ votes)	Dec 31, 2023 mSEK	Dec 31, 2022 mSEK
Tele2 Sverige AB, 556267-5164, Stockholm, Sweden	1,500,000	SEK 100	100%	59,694	59,694
Tele2 Treasury AB, 556606-7764, Stockholm, Sweden	1,000	SEK 100	100%	1,200	1,200
Total shares in group companies				**60,894**	**60,894**

SEK million	Dec 31, 2023	Dec 31, 2022
Acquisition value		
Acquisition value at January 1	60,894	60,894
Total shares in group companies	**60,894**	**60,894**

A list of all subsidiaries, excluding dormant companies, is presented in Note 18.

NOTE 7 OTHER FINANCIAL ASSETS

Other financial assets consist of pension funds.

NOTE 8 RECEIVABLES FROM GROUP COMPANIES

SEK million	Dec 31, 2023	Dec 31, 2022
Acquisition value at January 1	14,659	14,743
Lending	8,783	13,000
Repayments	-7,354	-17,702
Other changes in cash pool	252	4,618
Total receivables from group companies	**16,340**	**14,659**

NOTE 9 OTHER CURRENT RECEIVABLES

SEK million	Dec 31, 2023	Dec 31, 2022
Derivatives	82	134
Other	4	6
Total other current receivables	**86**	**140**

Derivatives consists of fair value interest swaps, valued at fair value. For fair value hedges, the effective and ineffective portions of the change in fair value of the derivative, along with the gain or loss on the hedged item attributable to the risk being hedged, are recognised in the income statement in the same line. For additional information please refer to Group's Note 2.

NOTE 10 CASH AND CASH EQUIVALENTS AND UNUTILISED OVERDRAFT FACILITIES

SEK million	Dec 31, 2023	Dec 31, 2022
Cash and cash equivalents	0	0
Unutilised overdraft facilities and credit lines	7,767	7,790
Total available liquidity	**7,767**	**7,790**

NOTE 11 FINANCIAL LIABILITIES

SEK million	Dec 31, 2023	Dec 31, 2022
Liabilities to financial institutions and similar liabilities	26,319	26,630
Other interest-bearing liabilities	188	330
Total interest-bearing financial liabilities	**26,506**	**26,961**
Trade payables	1	0
Other current liabilities	12	4
Total financial liabilities	**26,520**	**26,965**

The parent company's financial liabilities consist mainly of liabilities to financial institutions and similar liabilities. Specification of them, including maturity, is presented in the Group's Note 24. Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2023 to SEK 84 (156) million, please refer to the Group's Note 2.

NOTE 12 PROVISIONS

Provisions amounted at December 31, 2023 to SEK 0 (23) million. The number for 2022 consists entirely of reserves for One Time Transformation Award to senior executives and selected key individuals. For more information regarding the One Time Transformation Award, see Group's Note 31, section Deviations from guidelines for remuneration to senior executives.

NOTE 13 ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	Dec 31, 2023	Dec 31, 2022
Interest costs	148	159
Personnel related expenses	46	36
External services expenses	3	6
Total accrued expenses and deferred income	**198**	**201**

NOTE 14 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

At December 31, 2023, the parent company's provided guarantees for the benefit of group companies amounted to SEK 3,063 (3,984) million.

NOTE 15 NUMBER OF EMPLOYEES

The average number of employees in the parent company is 9 (8), of whom 3 (3) are women and 6 (5) men.

NOTE 16 PERSONNEL COSTS

SEK million	2023			2022		
	Salaries and remunerations	Social security expenses	*of which pension expenses*	Salaries and remunerations	Social security expenses	*of which pension expenses*
Board and President	40	13	*3*	36	13	*3*
Other employees	65	26	*5*	52	22	*5*
Total	**105**	**39**	*8*	**88**	**35**	*8*

Personnel expenses directly recharged to Tele2 Sweden for some employees of the parent company working are netted with the cost in the income statement. The parent company's pension expenses relate to defined-contribution plans. Salary and remuneration for the CEO are presented in Group's Note 31.

NOTE 17 FEES TO THE APPOINTED AUDITOR

Audit fees to the appointed auditor are SEK 2 (2) million. All other fees amount to SEK 0 (1) million.

NOTE 18 LEGAL STRUCTURE

The table below lists all the subsidiaries, associated companies, joint ventures and other holdings that are not dormant companies.

Company, reg. No., reg'd office	Note Group	Holding (capital/votes)
TELE2 SVERIGE AB, 556267-5164, Stockholm, Sweden		100%
SNPAC Swedish Nr Portability Adm.Centre AB, 556595-2925, Stockholm, Sweden	15	40%
Triangelbolaget D4 AB, 556007-9799, Stockholm, Sweden	15	25%
AVY Finans AB, 559163-3259, Stockholm, Sweden	16	3%
Svenska UMTS-nät Holding AB, 556606-7988, Stockholm, Sweden		100%
Svenska UMTS-nät AB, 556606-7996, Stockholm, Sweden	34	50%
Interloop AB, 556450-2606, Stockholm, Sweden		100%
Net4Mobility HB, 969739-0293, Stockholm, Sweden	34	50%
N4M Service AB, 556759-0392, Stockholm, Sweden	34	50%
iTUX Communication AB, 556699-4843, Stockholm, Sweden		100%
Tele2 IoT Latvia SIA, 40003681691, Riga, Latvia		100%
Tele2 IoT Netherlands, 72180137, Amsterdam, Netherlands		100%
UAB Tele2, 111471645, Vilnius, Lithuania		100%
UAB Tele2 prekyba, 302473332, Vilnius, Lithuania		100%
Viesoji istaiga Numerio perkelimas, 303386211, Vilnius, Lithuania	15	25%
SIA Tele2, 40003272854, Riga, Latvia		100%
SIA Baltic Shared Services Center, 40203242091, Riga, Latvia		100%
Tele2 Eesti AS, 10069046, Tallinn, Estonia		100%
Estonian Broadband Development Foundation, Estonia	16	12.50%
Tele2 Europe SA, R.C.B56944, Luxembourg		100%
Tele2 Finance Luxembourg SARL, RCB112873, Luxembourg		100%
TELE2 TREASURY AB, 556606-7764, Stockholm, Sweden		100%

Proposed appropriation of profit

The Annual General Meeting has the following funds at its disposal (SEK)

Profit brought forward and non-restricted reserves	28,278,866,964
Net profit for the year	5,510,397,367
Total	**33,789,264,331**

The Board of Directors proposes the following appropriation of profit (SEK)

Dividend to shareholders of SEK 6.90 per A and B share	4,772,268,231
Balance to be carried forward	29,016,996,099
Total	**33,789,264,331**

The proposed dividend at the disposal of the Annual General Meeting 2024 of SEK 4,772 million, or SEK 6.90 per A and B share, represents 128 percent of the Group's net profit for 2023. The dividend will be paid in two tranches of SEK 3.45. The proposed record dates are 17 May 2024 for the first tranche of the dividend and 15 October 2024 for the second tranche of the dividend. If the Annual General Meeting accepts the Board's proposal, the first tranche is expected to be paid on 22 May 2024 and the second tranche is expected to be paid on 18 October 2024.

The members of the Board are of the opinion that the proposed dividend is justifiable considering the demands on the Group's equity imposed by the type, scope, and risks of the business and with regard to the Group's consolidation requirements, liquidity and overall position. For information regarding the dividend policy refer to Note 2.

The Board of Directors and President affirm that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's profit and financial position. The Annual Report has been prepared in accordance with the generally accepted accounting policies and provides a true and fair view of the Parent Company's profit and financial position. The statutory Board of Directors' Report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and Parent Company's operations, profit and financial position and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Stockholm March 28, 2024

Andrew Barron
Chairman

Stina Bergfors

Georgi Ganev

Sam Kini

Eva Lindqvist

Lars-Åke Norling

Kjell Johnsen
President and CEO

Our auditors' report was submitted on March 28, 2024
Deloitte AB

Didrik Roos
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Tele2 AB (publ) corporate identity number 556410-8917

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Tele2 AB (publ) for the financial year 2023-01-01 - 2023-12-31 except for the corporate governance statement on pages 28-34 and the statutory sustainability report on pages 40-91. The annual accounts and consolidated accounts of the company are included on pages 12-91 and 96-152 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 28-34 and the statutory sustainability report on pages 40-91. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition and IT

Tele2 reports revenue of SEK 29,099 million for the financial year 2023. Tele2 has multiple revenue streams from a large number of customers. Revenues are characterised by a large volume of low value transactions, but also instances of larger projects and bundled offerings requiring management estimates and judgment such as determining fair values and the period in which the revenue should be recognised. Appropriate billing and IT operations are key for service delivery and for accurate and complete financial reporting.

In Note 1 the Group's accounting principles for revenue recognition are described and in Note 3 revenue by segment and by category are presented.

Our audit procedures included, but were not limited to:

- evaluating whether the accounting principles applied by management for revenue are in accordance with IFRS,
- testing relevant internal controls in IT systems critical for financial reporting,
- testing relevant revenue process controls, and
- testing different revenue streams through analytical procedures and on a sample basis to ensure appropriate revenue recognition.
- audit of expected credit losses including allowance for expected credit losses, and
- evaluating the adequacy of disclosures related to the various revenue streams and allowances for expected credit losses.

Valuation of goodwill and other intangible assets

Tele2 reports goodwill and other intangible assets of SEK 42,580 million as of December 31, 2023. On an annual basis management impairment tests the carrying value of goodwill and other intangible assets. The impairment assessments are complex and require management's estimates and judgement in determining the Group's cash generating units, the method selected for determining the recoverable amount as well as assumptions used regarding future growth rates, profit margins, investment levels and discount rates.

In Note 1 the Group's accounting principles for impairment testing of goodwill and intangible assets are described, and Note 11 describes the key assumptions used by management when preparing the annual impairment assessments.

Our audit procedures included, but were not limited to:

- assessing Tele2's principles and procedures when preparing its impairment tests for compliance with IFRS,
- assessing the valuation methodology and valuation assumptions used by management with the support of our valuation specialists,
- assessing the reasonableness of the business assumptions used, such as management's forecasts of future cash flows,
- testing the mathematical accuracy of the models used for impairment testing, and
- evaluating the appropriateness of disclosures made in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-11, 92-95 and 159-163. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tele2 AB (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Tele2 AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Tele2 AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 28-34 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 40-91, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Tele2 AB (publ) by the general meeting of the shareholders on the 2023-05-15 and has been the company's auditor since 2004-05-12.

Stockholm, March 28, 2024
Deloitte AB

Didrik Roos
Authorized Public Accountant

Auditor's Limited Assurance Report on Sustainability Report

To Tele2 AB (publ), corporate identity number 556410-8917.

Introduction

We have been engaged by the Board of Directors and Executive Management of Tele2 AB (publ) to undertake a limited assurance engagement of the Tele2 Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 56 in the Annual and Sustainability Report.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 56 in the Annual and Sustainability Report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Tele2 in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement .

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, March 28, 2024
Deloitte AB

Didrik Roos
Authorized Public Accountant

Adrian Fintling
Expert Member of FAR

TELE2

Definitions

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 relevant measure to present profitability aligned with industry standard. *EBITDA:* Operating profit/loss before depreciation/amortisation, impairment as well as results from shares in associated companies and joint ventures.

Underlying EBITDA

Tele2 considers underlying EBITDA to be relevant measures 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 reorganisations 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 measure 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	2023	2022
Operating profit	5,466	6,596
Reversal:		
Result from shares in associated companies and joint ventures	0	-1,672
Depreciation and amortisation	6,150	6,176
EBITDA	**11,616**	**11,101**
Reversal, items affecting comparability:		
Restructuring costs	146	198
Disposal of non-current assets	36	55
Other items affecting comparability	86	41
Total items affecting comparability	**268**	**294**
Underlying EBITDA	**11,885**	**11,395**
Lease depreciation	-1,299	-1,240
Lease interest costs	-176	-94
Underlying EBITDAaL	**10,409**	**10,060**
Revenue	29,099	28,102
Revenue excluding items affecting comparability	**29,099**	**28,102**
Underlying EBITDAaL margin	**36%**	**36%**

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 which 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 (lease) that are capitalized on the balance sheet.

SEK million	2023	2022
CONTINUING OPERATIONS		
Additions to intangible and tangible assets	-4,059	-3,581
Sale of intangible and tangible assets	7	20
Capex paid	**-4,053**	**-3,561**
This period's unpaid capex and reversal of paid capex from previous period	-609	240
Reversal received payment of sold intangible and tangible assets	-7	-20
Capex intangible and tangible assets	**-4,669**	**-3,341**
Additions to right-of-use assets	-420	-1,370
Capex	**-5,089**	**-4,711**

No capex has been reported related to discontinued operations.

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	2023	2022
Underlying EBITDAaL	10,409	10,060
Capex excluding spectrum and leases	-3,941	-3,171
Operating cash flow	**6,468**	**6,889**

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 amortisation of lease liabilities.

SEK million	2023	2022
CONTINUING OPERATIONS		
Cash flow from operating activities	10,013	8,250
Capex paid	-4,053	-3,561
Amortisation of lease liabilities	-1,240	-1,226
Equity free cash flow (eFCF)	**4,720**	**3,461**
eFCF per share (SEK)	6.83	5.01
eFCF per share after dilution (SEK)	6.78	4.98
OUTSTANDING SHARES		
Number of shares	691,633,077	691,011,367
Number of shares after dilution	696,244,505	695,074,506

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

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**	**Dec 31 2023**	**Dec 31 2022**
Interest-bearing non-current liabilities	26,488	29,848
Interest-bearing current liabilities	6,379	4,296
Reversal provisions	-1,091	-1,362
Cash & cash equivalents, current investments and restricted funds	-1,720	-1,274
Derivatives	-89	-401
Net debt	**29,968**	**31,108**
Reversal:		
Lease liabilities	-4,320	-5,460
Economic net debt	**25,648**	**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 are presented in an excel document (Q4-2023-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

Annualised 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 amortisations 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 financial year.

Economic net debt / Underlying EBITDAaL (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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