

FIRST QUARTER 2024

April 18, 2024



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Highlights

- 4% organic growth in end-user service revenue
- 2% organic growth in underlying EBITDAaL as end-user service revenue growth exceeds cost inflation
- Solid equity free cash flow. Leverage at 2.3x
- Strategy Execution Program (SEP) kicked off
- Tele2 on CDP's 'A List' for climate change efforts and on Equileap's global top 100 list for gender equality efforts
- Kinnevik stake sale to Freya, jointly controlled by Iliad and NJJ



Solid start to the year

SEK (YoY growth) ¹	Q1 24	<h3>The Group in Q1</h3> <ul style="list-style-type: none"> – EUSR growth of 4% with solid performance across operations – Underlying EBITDAaL growth of 2% as EUSR growth exceeds cost inflation – Solid equity free cash flow 	<h3>Sweden B2C in Q1</h3> <ul style="list-style-type: none"> – EUSR growth accelerating to 4% driven by Fixed broadband at 9% and Mobile postpaid at 7% – Strong ASPU growth in Fixed broadband and Mobile postpaid supported by pricing
End-user service revenue (EUSR)	5.3bn (+4.3%)		
Underlying EBITDAaL	2.6bn (+2.1%)		
Capex ² to sales LTM	13.3%		
EFCF	1.3bn		
		<h3>Sweden B2B in Q1</h3> <ul style="list-style-type: none"> – Continued solid overall EUSR growth – EUSR growth of 8% in Mobile supported by higher ASPU and continued strong IoT growth 	<h3>The Baltics in Q1</h3> <ul style="list-style-type: none"> – Continued strong EUSR growth mostly driven by ASPU – Volume growth in Mobile postpaid with contributions from all markets – Solid underlying EBITDAaL growth mostly as EUSR growth offset inflationary pressure

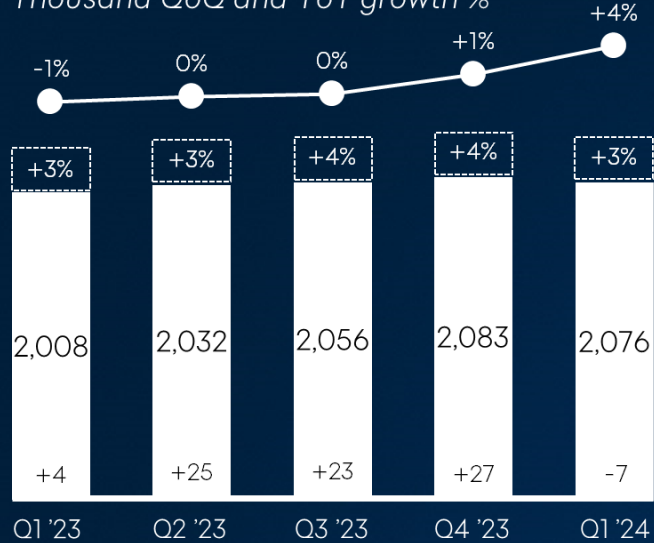
SWEDEN



Sweden consumer: Strong value growth

Mobile postpaid RGU & ASPU

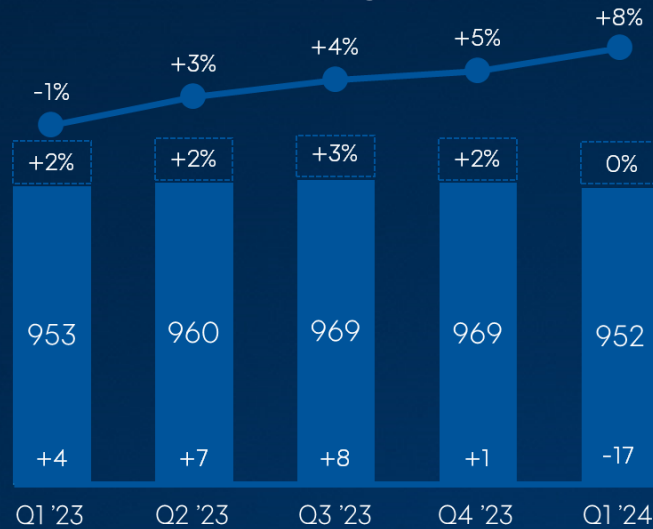
Thousand QoQ and YoY growth %



Mobile postpaid RGUs
 RGU growth YoY
 ASPU growth YoY

Fixed broadband RGU & ASPU*

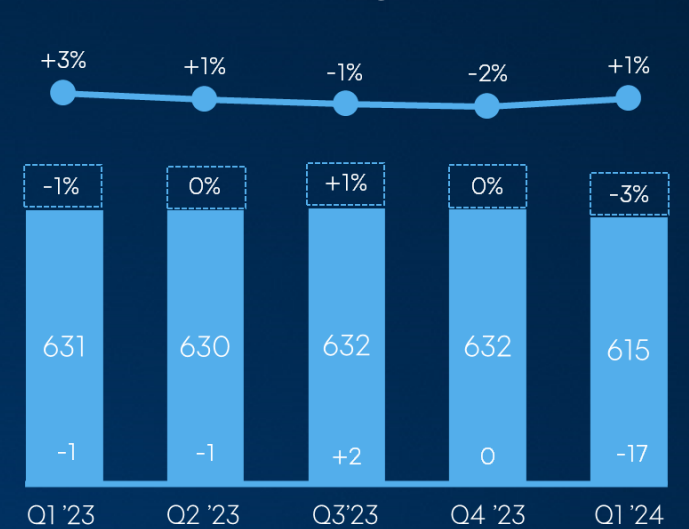
Thousand QoQ and YoY growth %



Fixed broadband RGUs
 RGU growth YoY
 ASPU growth YoY

Digital TV Cable & Fiber RGU & ASPU*

Thousand QoQ and YoY growth %



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

Q1 highlights

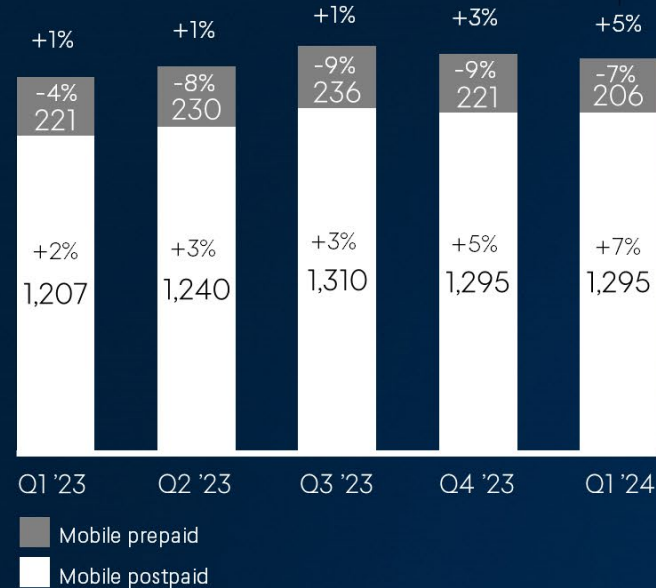
- ASPU growth for Mobile postpaid mainly driven by price adjustments. RGU development largely driven by free mobile broadband
- ASPU growth for Fixed broadband driven by price adjustments and higher average speeds. Decline of 6,000 RGUs excluding clean-up
- Stable ASPU and underlying volume for Digital TV Cable & Fiber. Largely stable volume excluding clean-up

*) Net intake and ASPU for Fixed broadband and Digital TV Cable & Fiber affected by removal of 11.2k/15.9k BB/TV RGUs in Q1 2024 due to a clean-up of group agreement customers with no effect on EUSR (ASPUs effect +0.6/+1.3pp for BB/TV in Q1 2024 and +1.3/+2.6pp at full run rate)

Sweden consumer: Strong EUSR growth in connectivity

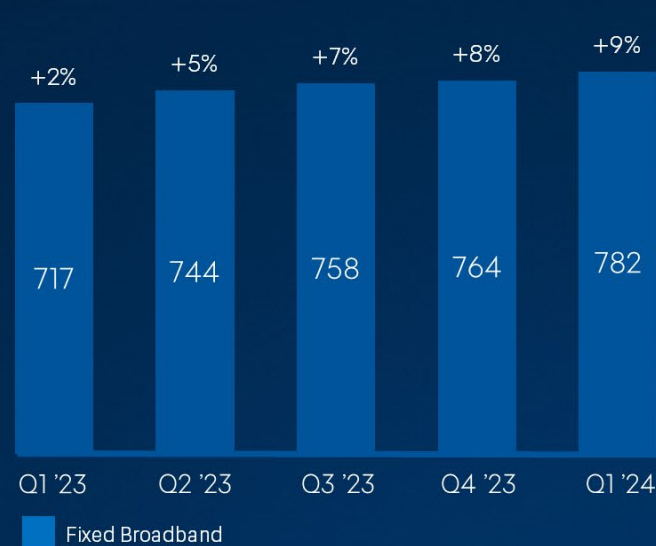
Mobile EUSR

SEK million, YoY growth %



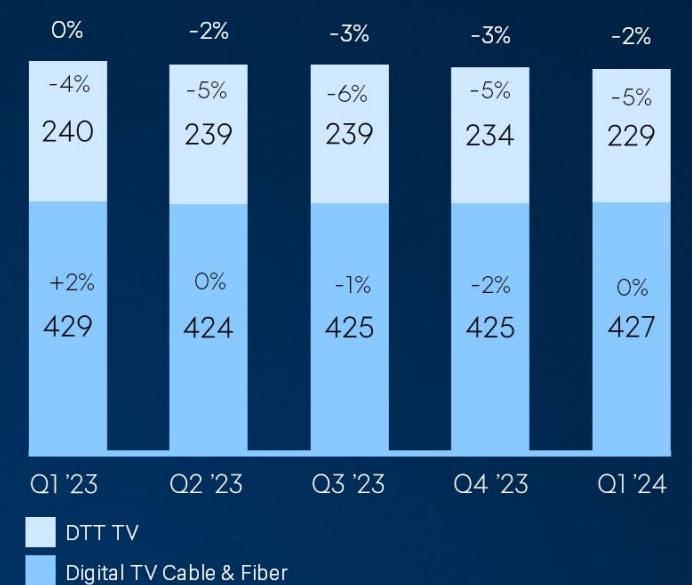
Fixed broadband EUSR

SEK million, YoY growth %



Digital TV EUSR

SEK million, YoY growth %



Q1 highlights

- Mobile EUSR grew 5% due to accelerating postpaid growth and decelerating prepaid decline
- Fixed broadband EUSR grew 9% driven by strong ASPU growth
- EUSR for Digital TV declined slightly driven by continued decline in the legacy DTT business

Sweden business: Continued solid topline growth

Mobile RGU & net intake

Thousand QoQ and YoY growth %



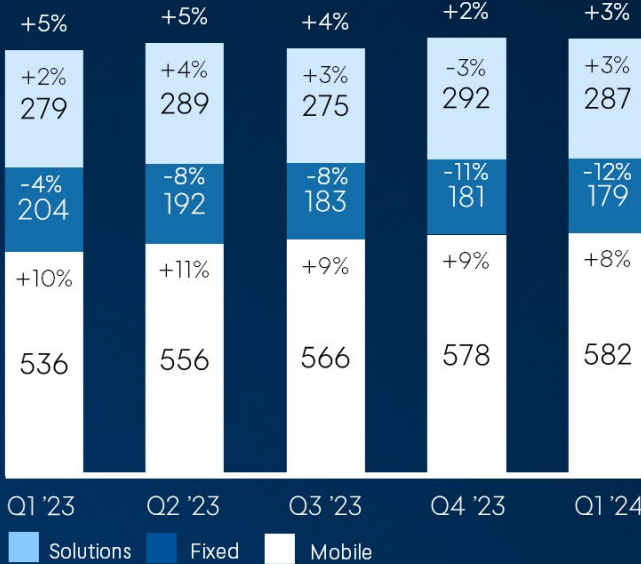
Mobile ASPU

YoY growth %



End-user service revenue

SEK million, YoY growth %



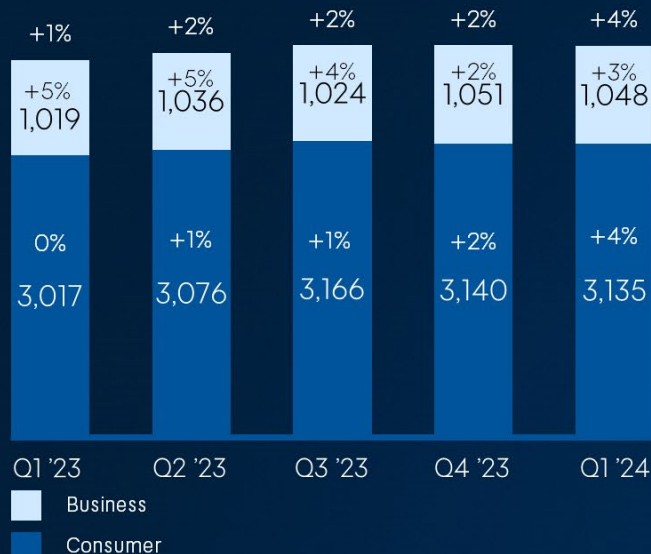
Q1 highlights

- EUSR growth of 3%. Adjusted for a one-off deal in Fixed in Q1 2023, growth was 4%
- EUSR growth of 8% in Mobile mostly driven by ASPU and continued strong IoT growth. RGUs mainly impacted by the loss of a public sector customer
- EUSR growth of 3% in Solutions supported by high levels of activity for Networking and Unified Communications among larger customers

Sweden financials: Continued EBITDAaL growth

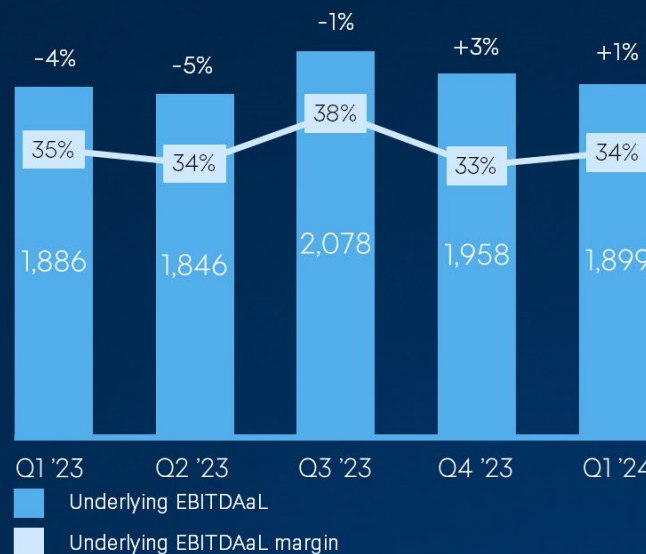
End-user service revenue

SEK million, YoY growth %



Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million

SEK million



Q1 highlights

- EUSR grew by 4% driven by solid performance in both B2C and B2B
- Underlying EBITDAaL grew by 1% as EUSR growth exceeded significant cost inflation
- Cash conversion of 59% reflecting capex to sales of 14% LTM

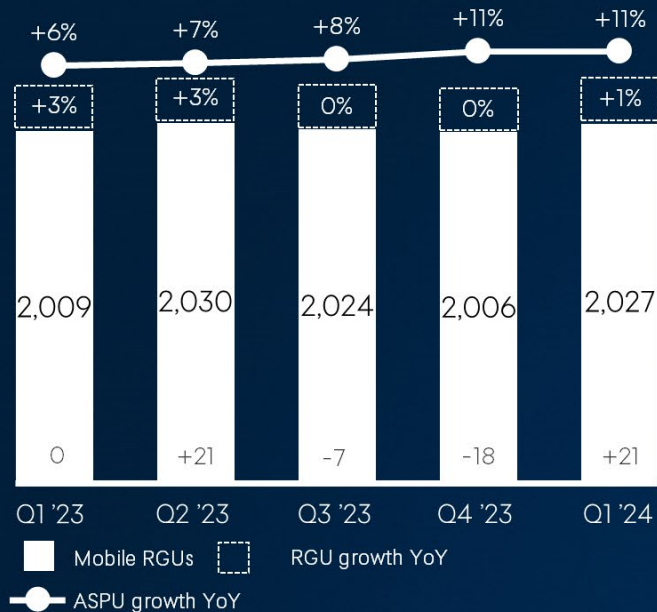
BALTICS



Baltics operational highlights: Solid overall ASPU growth

Lithuania – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



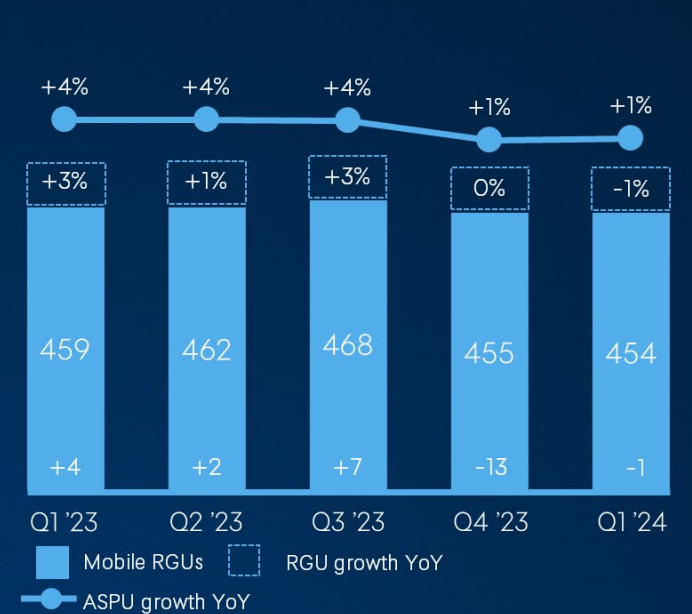
Latvia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



Estonia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



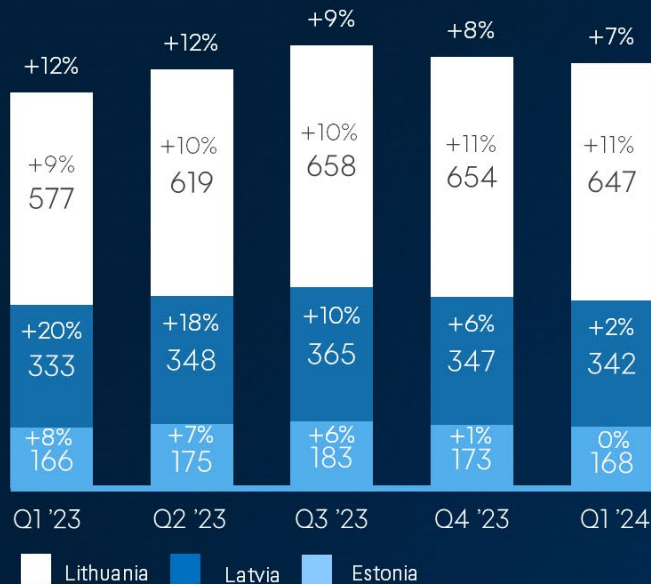
Q1 highlights

- The overall Baltic mobile postpaid customer base continued to increase supported by all markets
- Solid blended organic ASPU growth of 5% led by Lithuania and driven by more-for-more strategy, price adjustments and prepaid to postpaid migration

Baltics financials: Continued strong performance

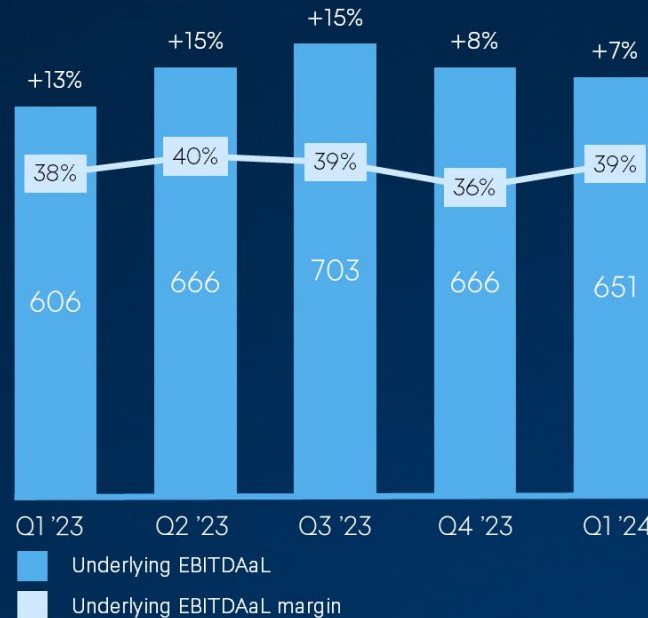
End-user service revenue

SEK million, YoY growth %



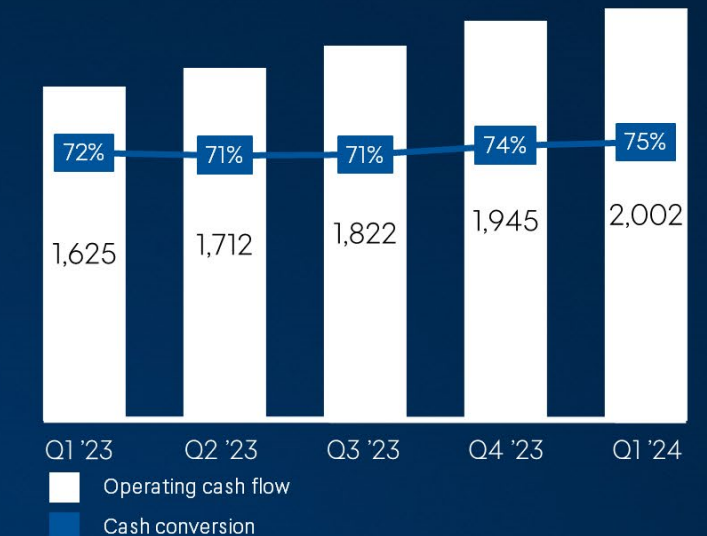
Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million

SEK million



Q1 highlights

- Continued strong EUSR growth of 7% led by Lithuania and driven by both ASPU and postpaid volume growth
- Underlying EBITDAaL growth of 7%
- Continued strong cash conversion of 75% despite significant capex to sales of 10% LTM

FINANCIAL OVERVIEW

Group results

SEK million		Q1 2024	Q1 2023
Revenue		7,152	7,009
Underlying EBITDA		2,928	2,853
Margin (%)		40.9%	40.7%
Items affecting comparability	1	-187	-68
D&A		-1,492	-1,520
Associated companies & JVs		0	0
Operating profit		1,250	1,264
Net interest and other financial items	2	-252	-213
Income tax		-188	-201
Net profit, continuing operations		809	850
Net profit, discontinued operations		24	-1
Net profit, total operations		833	849

Comments

- 1 Items affecting comparability increased due to restructuring costs related to the Strategy Execution Program
- 2 Net interest and other financial items increased due to higher financing costs for outstanding debt

Group cash flow

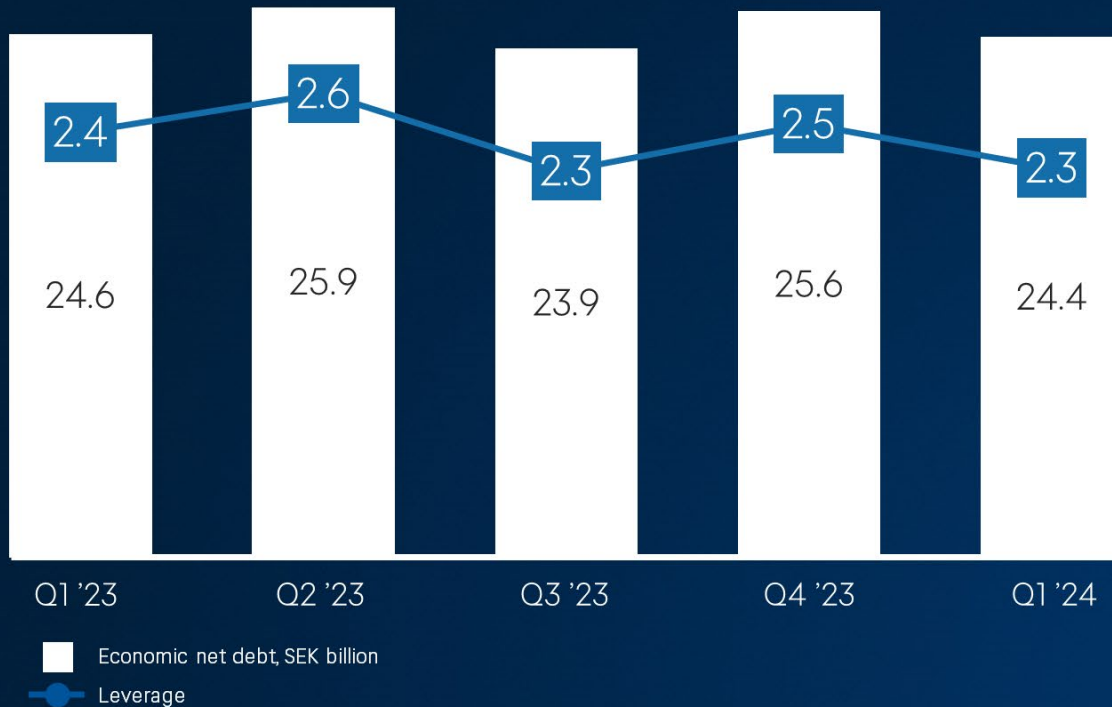
SEK million		Q1 2024	Q1 2023
Underlying EBITDA		2,928	2,853
Items affecting comparability		-187	-68
Amortization of lease liabilities		-405	-386
Capex paid	1	-996	-926
Changes in working capital	2	297	58
Net financial items paid		-181	-191
Taxes paid	3	-195	-254
Other cash items		29	35
Equity free cash flow		1,291	1,119
Equity free cash flow LTM	4	4,892	3,670
Equity free cash flow LTM / share (SEK)		7.1	5.3

Comments

- 1 Capex remains high due to continued intense investments and increased mainly due to timing of payments
- 2 Changes in working capital in the quarter were mainly impacted by a reduction in equipment receivables and increased provisions for restructuring costs
- 3 Taxes paid declined due to settlement of taxes paid of SEK 93 million relating to previous years
- 4 Equity free cash flow over the last twelve months amounted to SEK 4.9 billion, equivalent to SEK 7.1 per share

Leverage at 2.3x

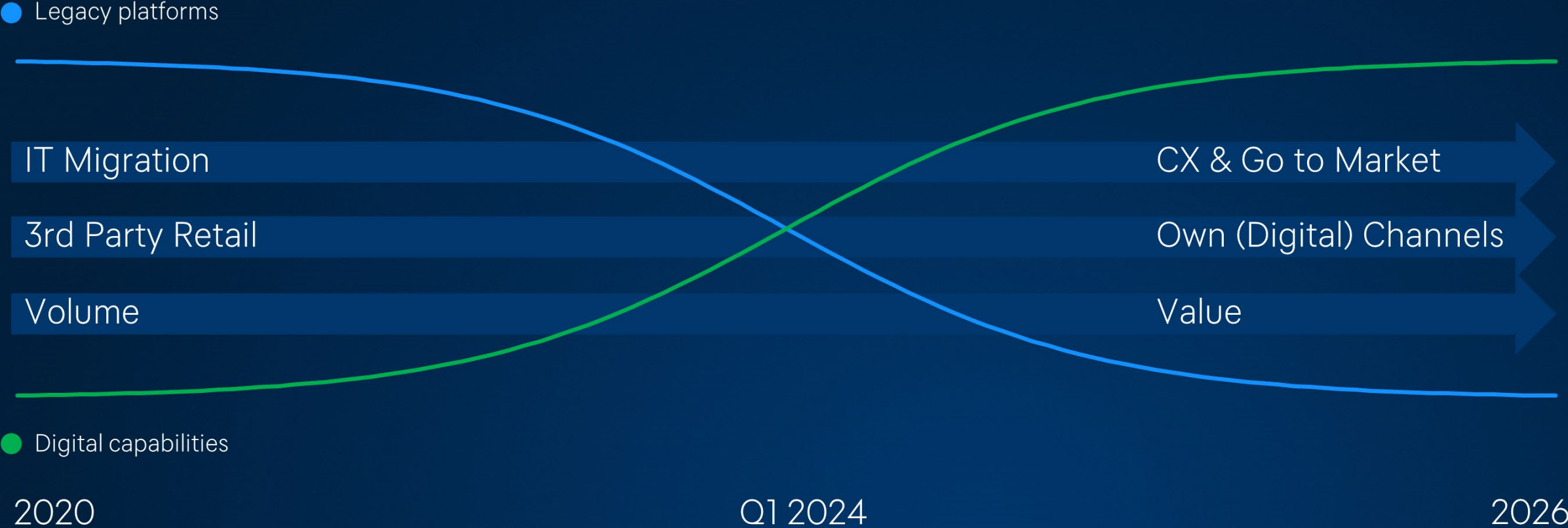
Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt declined compared to year-end 2023 due to the cash generated in the business
- Leverage of 2.3x was below the lower end of the target range of 2.5-3.0x

Ready for Next Phase of Strategy Execution



Strategy Execution Program (SEP) update

Radical improvements in customer experience and value will generate operational efficiency

Creating customer value in Q1

Consumer

- Strengthened focus and investment in own channels
- Major migration relating to Customer Service capabilities

Business

- Digitalisation and Automation program established

5G population coverage currently close to 70% with a brand-new network

Strategy Execution Program (SEP) update

Radical improvements in customer experience and value will generate operational efficiency

Realised in
Q1 2024

Annualised run-rate
Q1 2024

Annualised run-rate
target YE 2026

OPEX reduction
(SEK million)

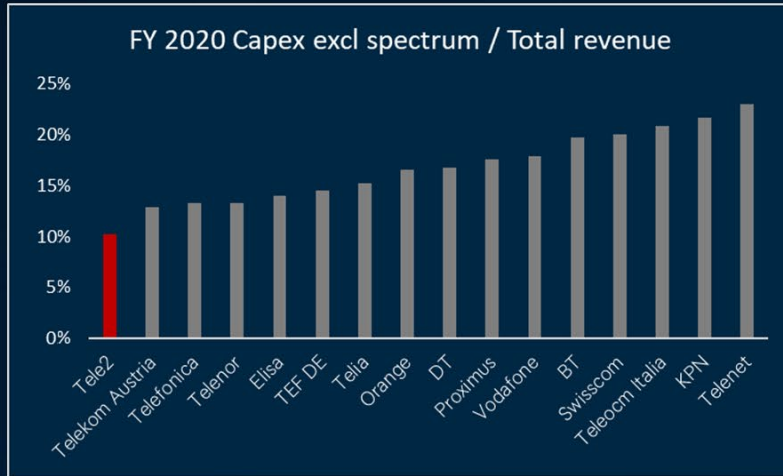
10

80

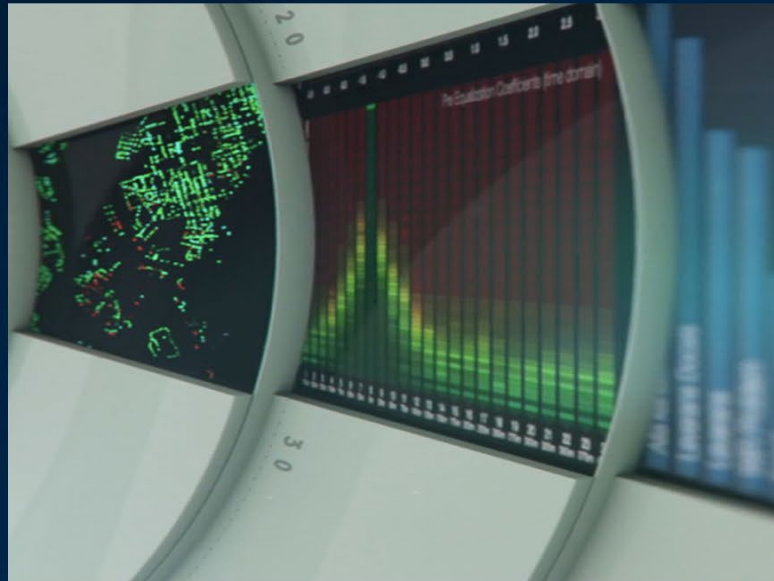
600

- Mainly driven by organisational changes and network optimisations
- SEK 10 million in net savings effect on underlying EBITDAaL YoY
- Restructuring costs of 183 million mainly driven by organisational changes. Some will contribute to run-rate savings from Q2.

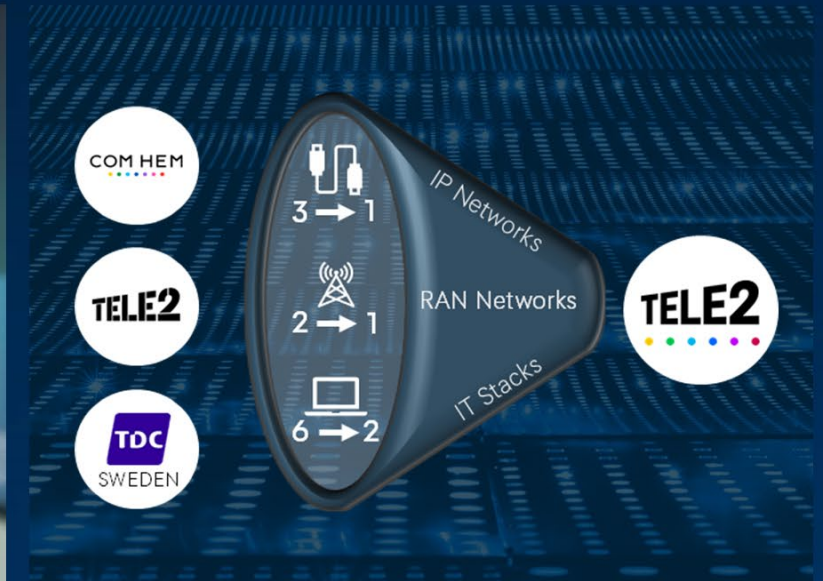
Continuously Improving our Operating Model



Network sharing makes us cost-efficient



Automation to optimize processes



Simplifying our assets

Our operating model and sustainability focus make Tele2 the most energy efficient operator in Sweden

Our Tech Journey

Weekly severe incidents (#)
N4M avg Potential user throughput (Mbps)



Increasing security & reliability while delivering more

Data Consumption



Enabling the increase of data consumption

Capex to revenue (ex. 5G rollout)



Improving our customer experience

Datacenter transformation & IT migration

Planning the 2G & 3G switch-off for 2025

Swap fully complete, with AI compatible hardware

Our stack evolution

Improving customer & employee experience



Cloud compatible & secure-by-design architecture requiring full sovereignty (regulatory)

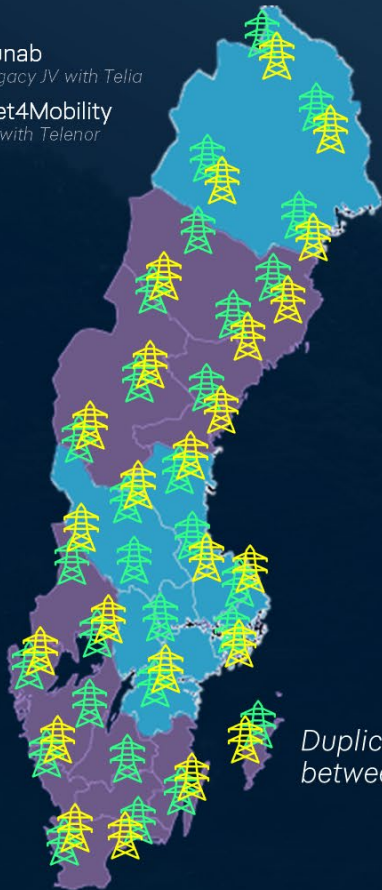
Our mobile network structure

2 JV's → 1 JV

~12k sites
Starting point

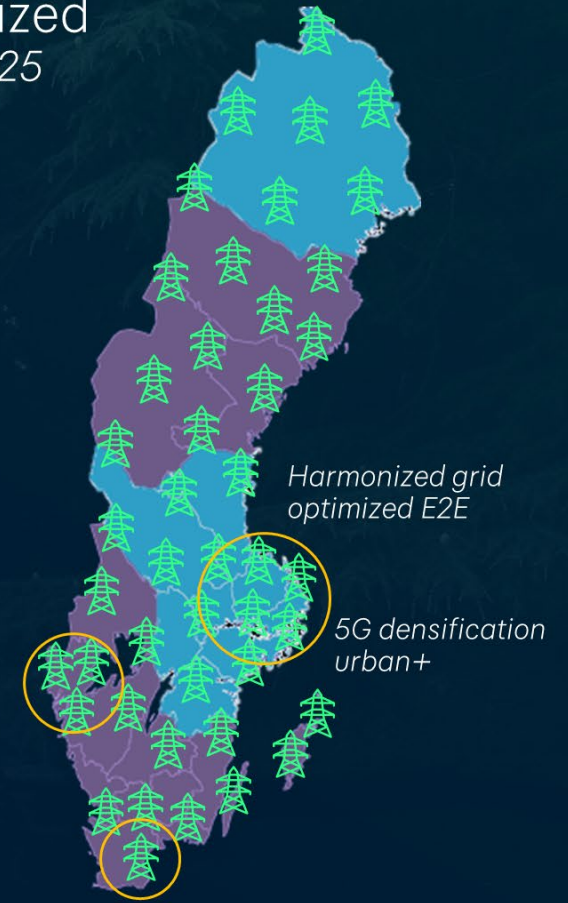
>9k sites
optimized
EoY 2025

- Sunab
Legacy JV with Telia
- Net4Mobility
JV with Telenor



Duplicated sites
between JV's

- 2-5x throughput per site
- 🏛️ Best-in-class Capex efficiency
- 🕒 Trouble shooting time reduced
In-house field service
- ↔️ AI enabled across
- 🔄 2/3G switch-off
*>10% of energy consumed for
<1% of data carried (Sunab)*



Harmonized grid
optimized E2E

5G densification
urban+

Tele2 ■
Telia & Telenor ■

Tele2 ■
Telenor ■

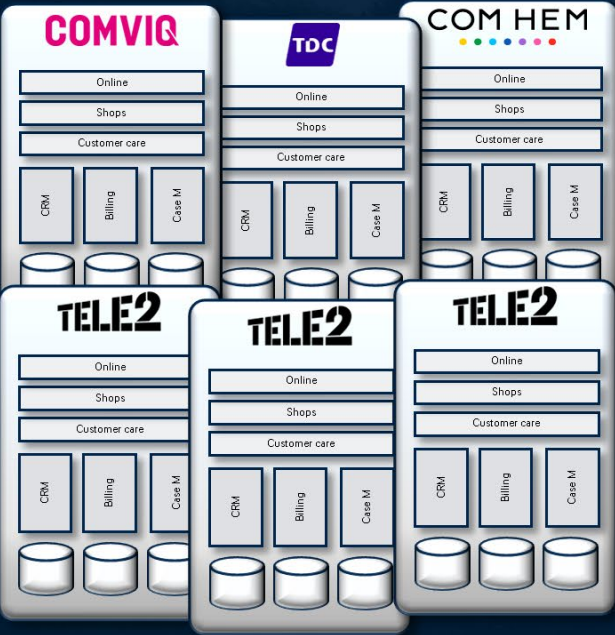
The IT landscape

6 stacks → 2 stacks

>6 different IT stacks
2021

>3 IT stacks
Today

2 IT stacks
2024



100% digital enabled



>40% fewer incidents across



Faster time-to-market
Fully composable architecture



1000 → 100 **COMVIQ** servers

Simplified target systems



Cloud compatible & secure-by-design
architecture requiring full sovereignty
(regulatory)

Key Customer Priorities

“Operations first”

Excellent fixed & own TV tech

- TiVo migration execution
- Remote-Phy Execution
- QoS & QoE

Best 5G

- Swap complete (90% pop. cov.)
- 5G Security completion
- Carbon emissions reduction

Own IT for data & AI

- Comviq & trouble ticketing completion
- B2B next step design and plan
- B2C digitalization execution

Future operating model

- Incidents reduction
- Change success improvement & Unregistered changes control
- Key business process uptime

Financial outlook (unchanged)

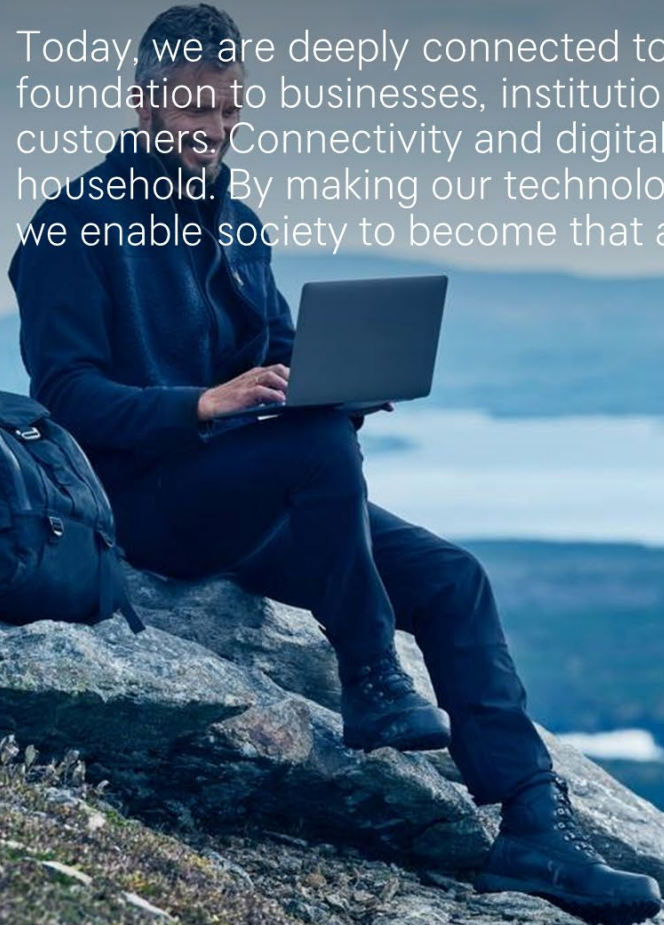
	End-user service revenue ¹	Underlying EBITDAaL ¹	Capex to sales ²
2024 guidance	3-4%	1-3%	13-14%
Mid-term outlook	Low to mid-single-digit	Mid-single-digit	10-12%

Capex to sales of 13-14% in 2025 as we finalize 5G rollout and close down 3G

Enabling a society of unlimited possibilities

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

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



TELE2