

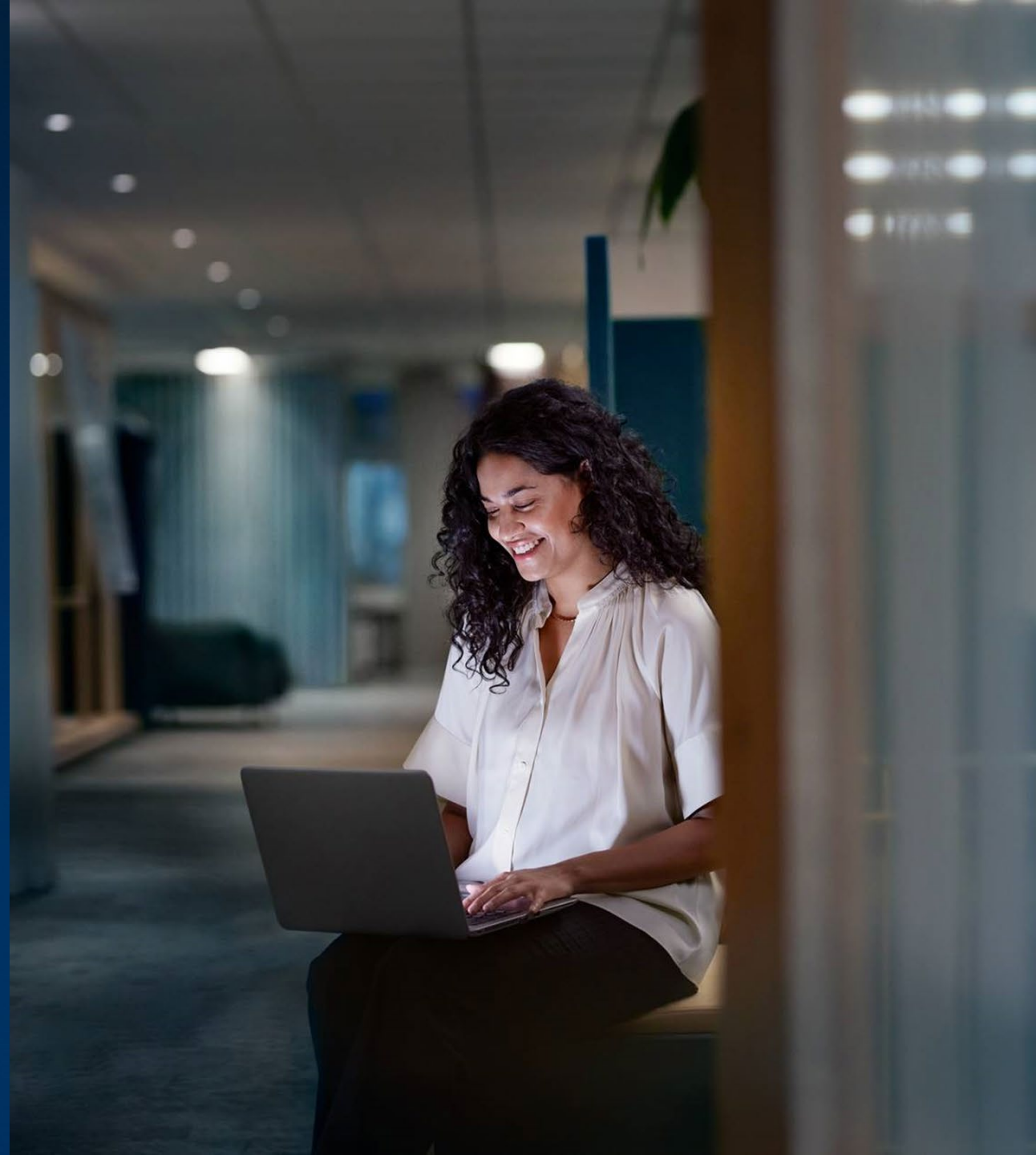
FOURTH QUARTER 2024

January 29, 2025

TELE2
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Highlights

- 2024 guidance delivered
- Solid FY 2024 with 3% growth in end-user service revenue and 2% in underlying EBITDAaL
- EFCF of SEK 4.4bn in 2024 (-7% YoY)
- Ordinary dividend proposal of SEK 6.35 per share (100% of 2024 EFCF)
- Deep transformation ongoing, including cost-optimisation and ~15% workforce reduction
- Solid 2025 guidance



Solid performance – Guidance delivered

SEK (YoY growth) ¹	Q4 24	FY 24	The Group in Q4 <ul style="list-style-type: none"> – EUSR growth of 2% with growth across operations – Underlying EBITDAaL growth of 1% driven by topline growth – Financial leverage of 2.5x following solid EFCF and payout of the second dividend tranche – EFCF of 4.4bn in FY 24 (-7% YoY) as expected 	Sweden Consumer in Q4 <ul style="list-style-type: none"> – EUSR flat YoY mainly as decline in legacy TV offset solid growth in connectivity – Strong ASPU growth in Fixed broadband and strong RGU intake in Mobile postpaid
End-user service revenue (EUSR)	5.5bn (+2.1%)	21.8bn (+3.3%)		
Underlying EBITDAaL	2.7bn (+1.3%)	10.6bn (+2.0%)		
Capex ² to sales	–	13.8%		
EFCF	0.8bn	4.4bn		
			Sweden Business in Q4 <ul style="list-style-type: none"> – EUSR growth of 3% driven by Mobile at 4% – Continued solid RGU intake in Mobile – Fixed continues to stabilise 	The Baltics in Q4 <ul style="list-style-type: none"> – Solid EUSR growth of 7% driven by ASPU and volume growth across markets – Underlying EBITDAaL growth of 6%

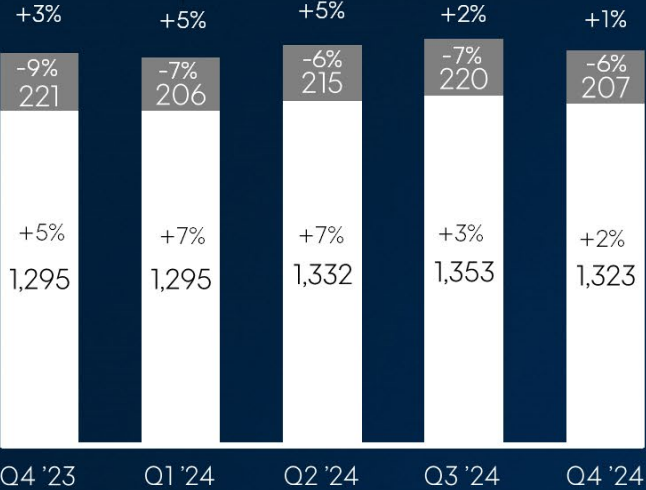
SWEDEN



Sweden Consumer: Solid growth in core connectivity

Mobile EUSR

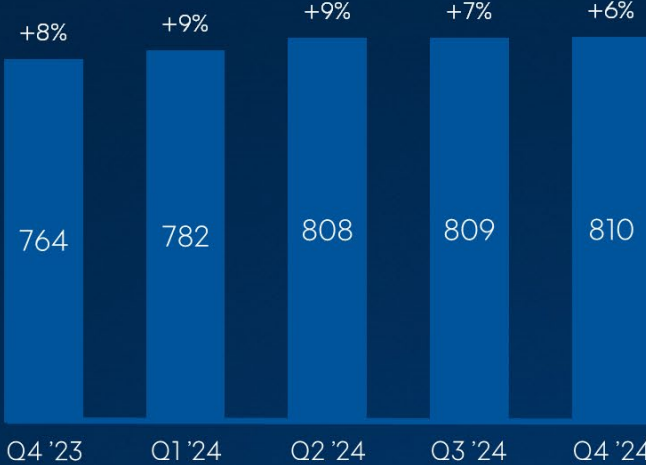
SEKm, YoY growth



■ Mobile prepaid
■ Mobile postpaid

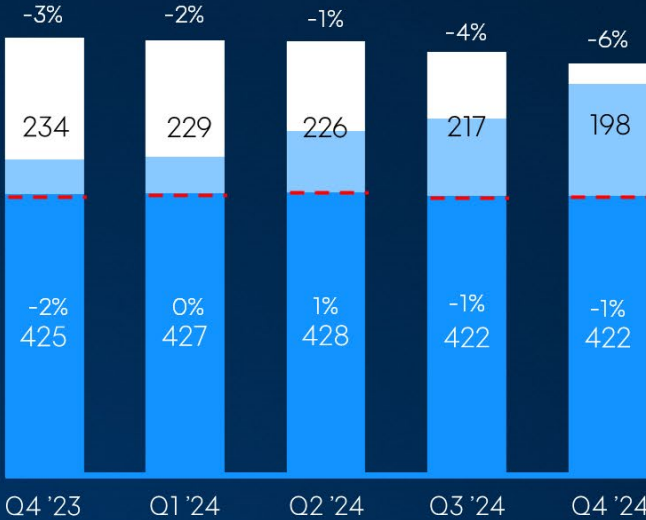
Fixed broadband EUSR

SEKm, YoY growth



Digital TV EUSR

SEKm, YoY growth



■ Boxer DTV Terrestrial
■ Boxer DTV Cable & Fiber
■ Tele2 DTV Cable & Fiber

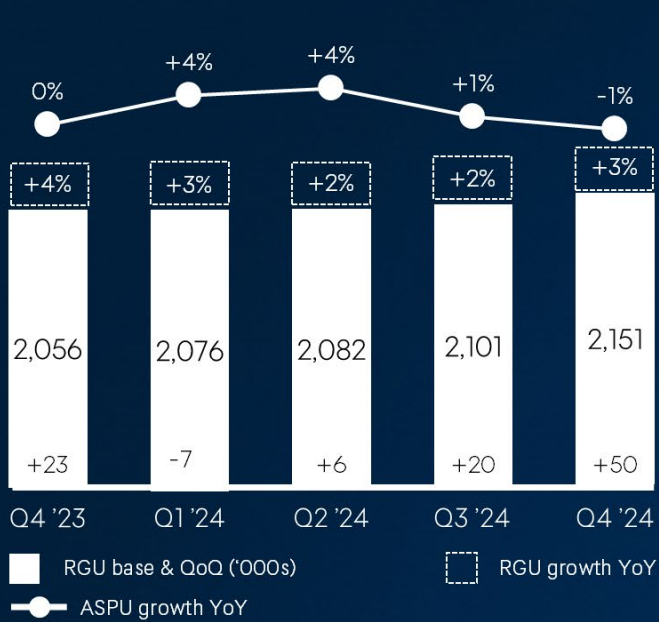
Q4 highlights

- Mobile end-user service revenue (EUSR) grew 1% due to postpaid growth offset by continued prepaid decline
- Fixed broadband EUSR grew 6% driven by strong ASPU growth
- EUSR for Digital TV declined by 6% driven by the final phase of the modernisation of Boxer TV services

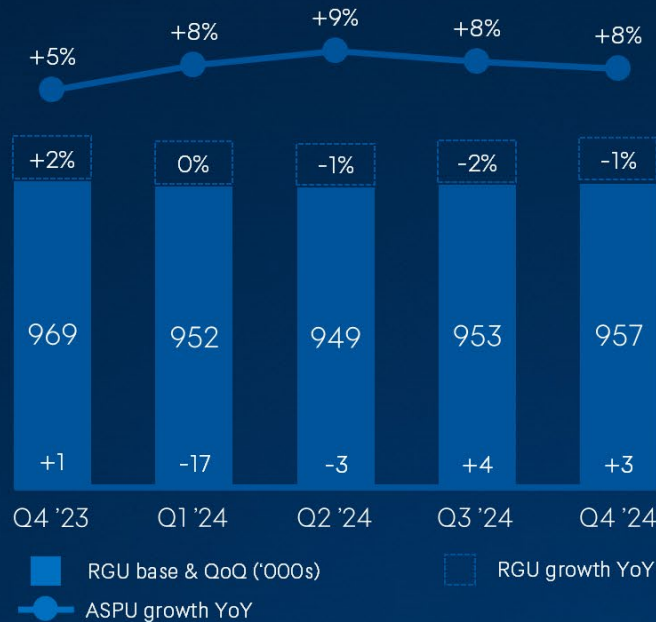


Sweden Consumer: Strong net intake in core services

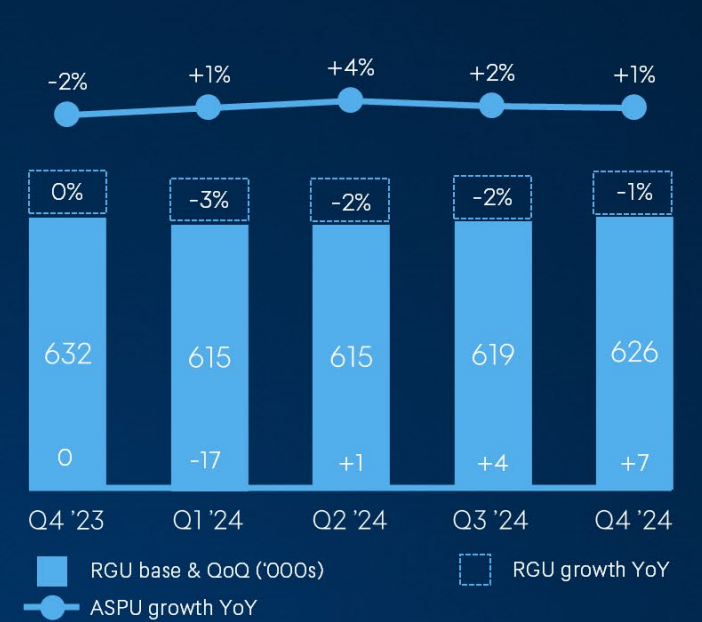
Mobile postpaid RGU & ASPU



Fixed broadband RGU & ASPU



Tele2 DTV Cable & Fiber RGU & ASPU



Q4 highlights

- Strong volume growth in Mobile postpaid incl. mobile broadband. ASPU growth of 1% excl. fair value accounting
- ASPU growth for Fixed broadband mainly driven by price adjustments. Volume growth in FMC and single-play
- Volume growth in Tele2 DTV Cable & Fiber supported by the Disney+ launch and migration from Boxer
- Successful Boxer migration away from DTT as only ~7% of RGUs have not activated Tv Hub (but may use OTT)

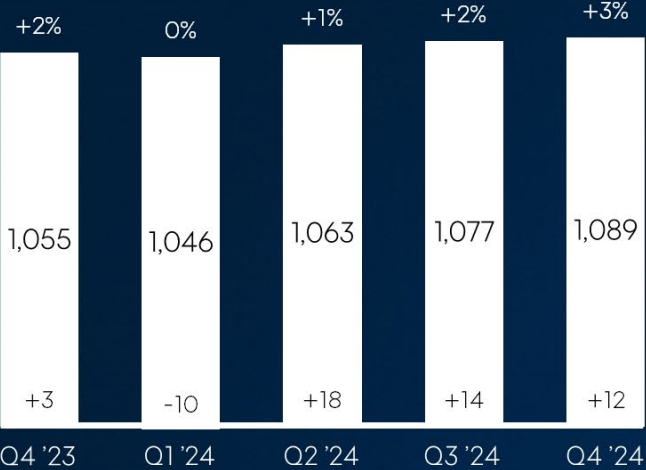
Boxer DTV migrated RGU share (EoP)



Sweden Business: Improved topline growth

Mobile RGU & net intake

Base & QoQ excl. IoT ('000s), YoY growth



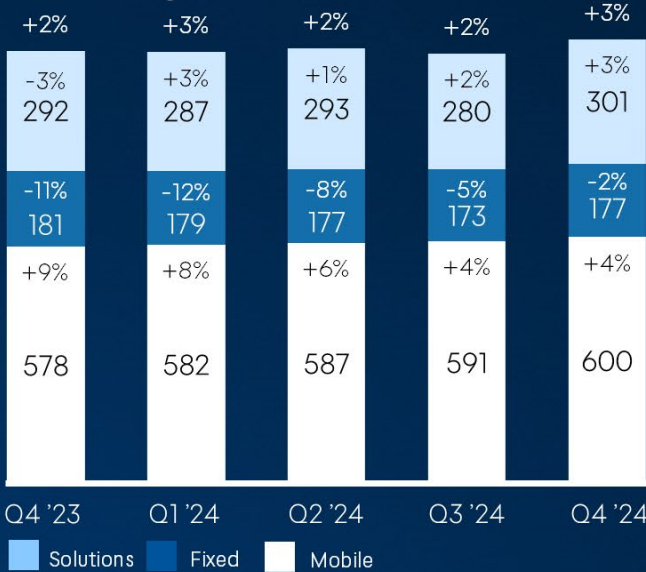
Mobile ASPU

YoY growth (excl. IoT)



End-user service revenue

SEKm, YoY growth



Q4 highlights

- Mobile EUSR growth of 4% driven by IoT and by continued solid RGU growth mainly in the SME and Public segments. ASPU impacted by change in customer mix YoY
- Solutions EUSR growth of 3% while Fixed continues to stabilise following the closure of the copper decommission project
- Total EUSR growth of 3% despite continued economic headwind

Sweden financials: Stable EBITDAaL, solid cash conversion

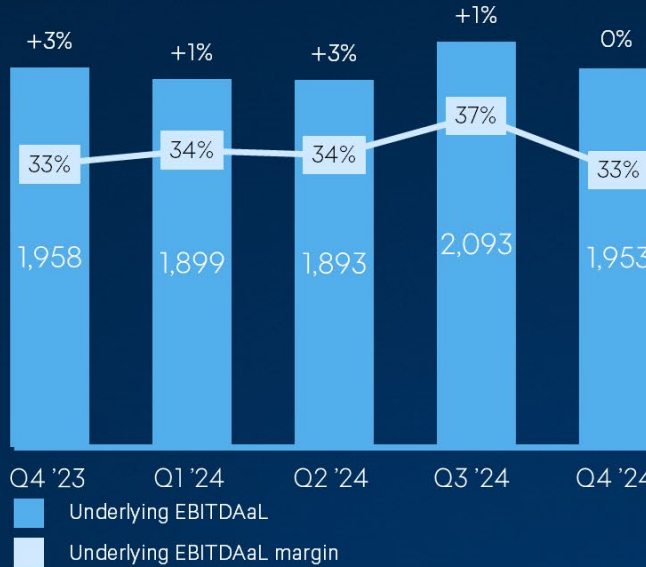
End-user service revenue

SEKm, YoY growth

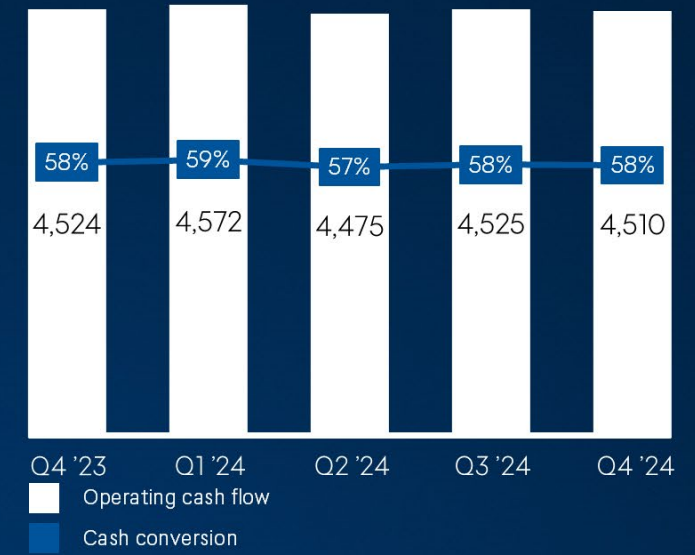


Underlying EBITDAaL & margin

SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm



Q4 highlights

- EUSR grew by 1% driven by Business while Consumer remained flattish due to phasing of pricing and migration effects from Boxer
- Underlying EBITDAaL remained stable largely due to slow EUSR growth
- Cash conversion of 58% reflecting capex to sales of 15% LTM

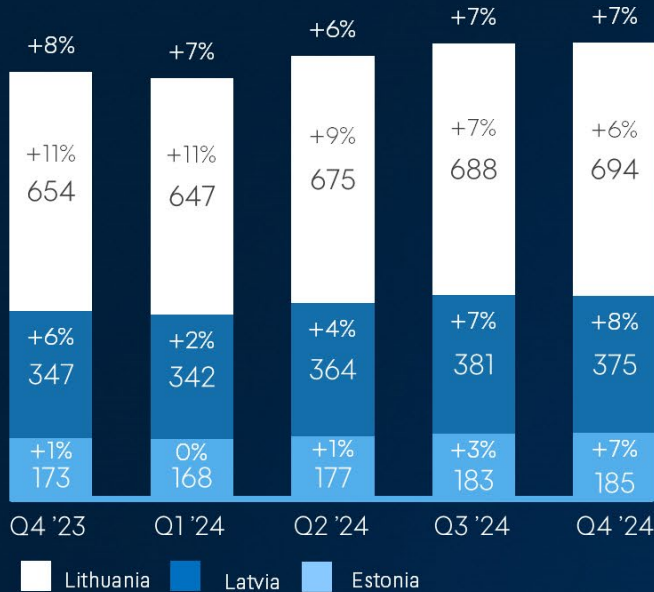
BALTICS



Baltics financials: Sustained strong growth

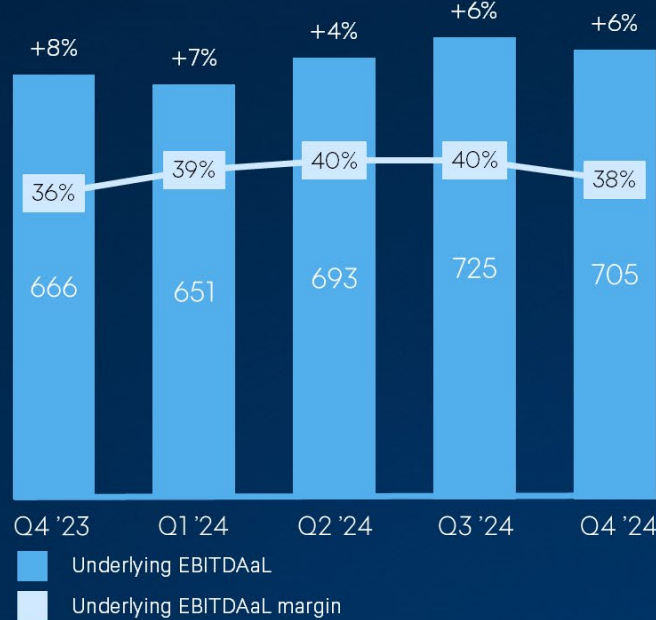
End-user service revenue

SEKm, YoY growth



Underlying EBITDAaL & margin

SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm

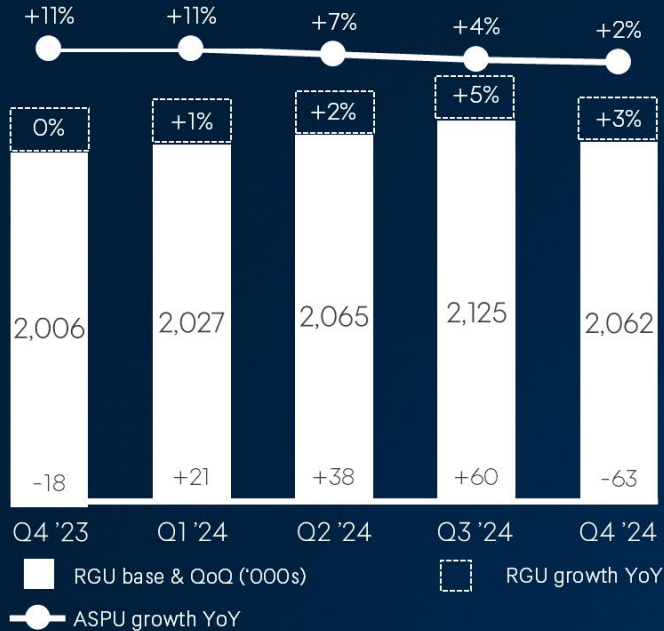


Q4 highlights

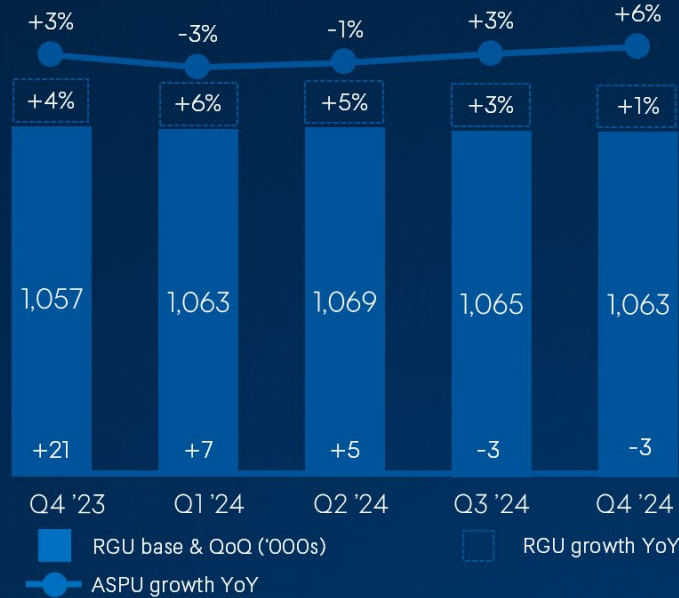
- Solid EUSR growth of 7% driven by both ASPU and postpaid volume across markets
- Underlying EBITDAaL growth of 6% with solid growth across markets
- Continued strong cash conversion of 73% with capex to sales at 10% LTM

Baltics operational highlights: Solid ASPU growth

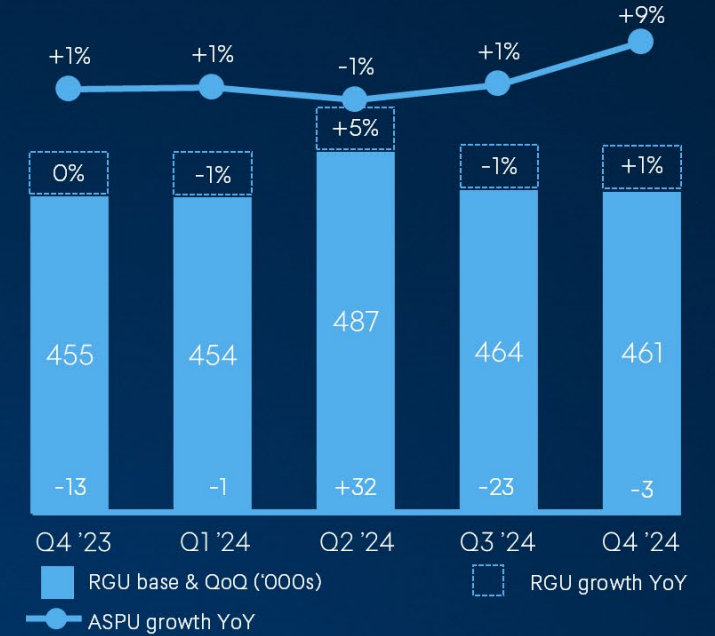
Lithuania – Mobile RGU* & ASPU*



Latvia – Mobile RGU & ASPU



Estonia – Mobile RGU & ASPU



Organic growth rate

Q4 highlights

- The overall Baltic mobile postpaid customer base continued to increase driven by Latvia
- Blended organic ASPU growth of 4% mainly driven by Latvia and Estonia through price adjustments and prepaid to postpaid migration

FINANCIAL OVERVIEW

Group results

SEK million	Q4 2024	Q4 2023	FY 24	FY 23
Revenue	7,783	7,684	29,583	29,099
Underlying EBITDA	3,055	2,999	12,149	11,885
Margin (%)	39.3%	39.0%	41.1%	40.8%
Items affecting comparability	-74	-80	① -394	-268
D&A	-1,502	-1,515	② -5,944	-6,150
Associated companies & JVs	0	0	5	0
Operating profit	1,480	1,405	5,817	5,466
Net interest and other financial items	-271	-259	③ -1,068	-888
Income tax	-238	-214	④ -915	-846
Net profit	971	932	3,834	3,731

Comments

- ① Items affecting comparability was mainly driven by restructuring costs related to the Strategy Execution Program
- ② Depreciation/amortisation decreased mainly because the surplus value of the TDC acquisition has been fully amortised
- ③ Net interest and other financial items increased partly due to higher financing costs for outstanding debt, and partly due to a 77m other financial gain related to bond repurchase in Q2 2023
- ④ Income tax increased partly due to a pillar 2 top-up tax related to Lithuania

Group cash flow

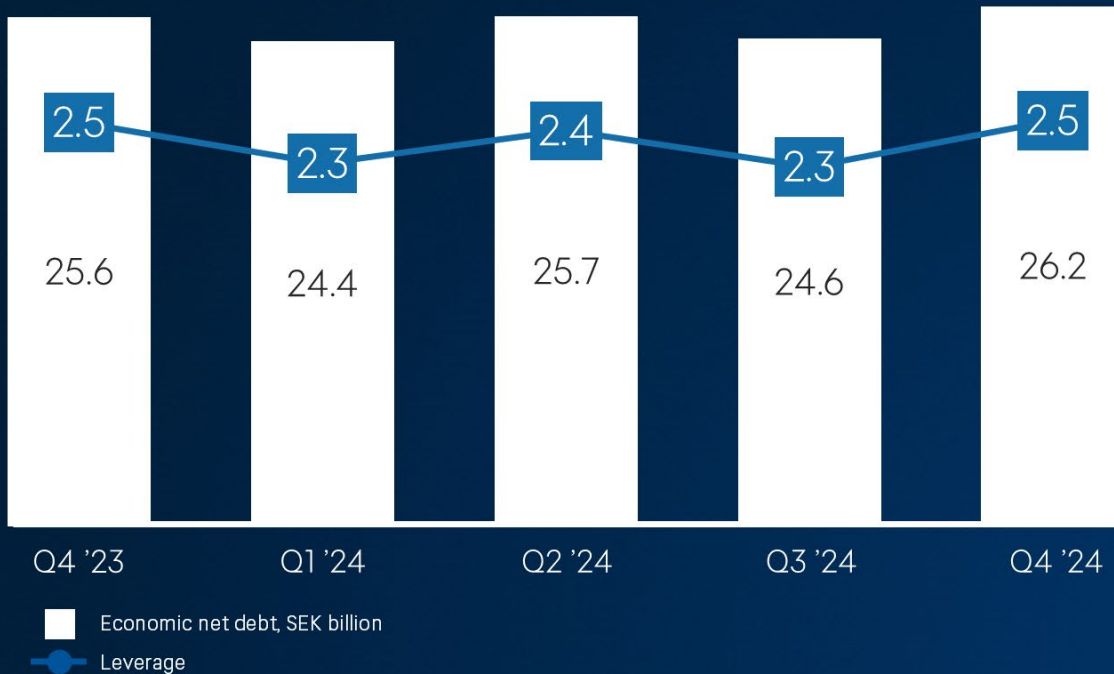
SEK million	Q4 2024	Q4 2023	FY 24	FY 23
Underlying EBITDA	3,055	2,999	12,149	11,885
Items affecting comparability	-74	-80	-394	-268
Amortisation of lease liabilities	-399	-266	① -1,430	-1,240
Capex paid	-1,041	-1,473	② -3,972	-4,053
Changes in working capital	-74	-315	76	85
Net financial items paid	-438	-302	③ -1,040	-835
Taxes paid	-260	-65	④ -1,141	-987
Other cash items	37	32	128	133
Equity free cash flow	808	531	4,378	4,720
Equity free cash flow / share (SEK)			⑤ 6.3	6.8

Comments

- ① Amortisation of lease liabilities increased mainly due to our network expansion and 90m reclassification to working capital in Q4 2024.
- ② Capex paid decreased due to a spectrum payment in Sweden of ~370m in Q4 2023, partly offset by higher network investments
- ③ Net financial items paid increased due to timing of coupon payments following previous bond refinancing, and higher interest rates
- ④ Taxes paid increased mainly due to timing of payments, with tax refunds of ~195m in 2023, compared to ~95m in 2024
- ⑤ Equity free cash flow over the last twelve months amounted to 4.4bn, equivalent to SEK 6.3 per share

Leverage at 2.5x

Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt increased by SEK 0.6bn compared to year-end 2023, as the payout of the ordinary dividend exceeded the cash generated in the business
- Leverage of 2.5x was at the lower end of the target range of 2.5-3.0x

Tele2 met guidance targets for 2024

	End-user service revenue ¹	Underlying EBITDAaL ¹	Capex to sales ²
2024 guidance	3-4%	1-3%	13-14%
2024 actuals	✓ 3.3%	✓ 2.0%	✓ 13.8%

1) Organic growth rate
2) Excluding spectrum and leases

Tele2 delivered on planned milestones in 2024

- Completed 5G swap
- Completed phase-out of legacy TiVo platform
- Completed migration of Boxer TV
- Completed reduction of IT stacks
- Completed delivery of several critical digital enablers
- Continuous expansion of fixed broadband footprint

Tele2 confirms growth potential across all segments

- Sweden growth trend continues:
 - Consumer driven by attractive offers, offsetting Boxer impact
 - Business driven by IoT, SMEs and LEs, despite economic context
 - Already before the finalisation of the 5G rollout, Tele2 has the best 5G availability, according to Opensignal, supporting customer experience and loyalty
- Baltics solid growth and excellent cash conversion:
 - Driven by number 1-2 positions in Lithuania and Latvia, and turnaround in Estonia

A deep transformation to improve Tele2's profitability

- Main reasons:
 - Organisational complexity generated by legacy and integration
 - Low profitability in Estonia and some parts of Sweden Business
- Radical change already in progress to improve efficiency, with two priorities:
 - Simplify our operating model and our organisation
 - Rejuvenate Tele2's smart, change and cost-savvy culture
- Tele2 deep Transformation plan will include:
 - an extensive cost-optimisation already in motion
 - ~15% workforce reduction (600-700 full-time equiv.), subject to union negotiations

2025: a transformation and transition year

- We will simplify our operating model and our organisation:
 - Get rid of the complexity inherited from legacy and integration
- We will improve the profitability of all parts of our business:
 - Sweden B2C: focus on customer loyalty and cross-selling
 - Sweden B2B: assess portfolio and automate delivery
 - Baltics: make Tele2 Estonia cash contributive, increase centralisation
- We will concentrate our investment on Networks building:
 - Secure 5G roll-out and prepare for 2G/3G closure

Tele2 transformation enables solid 2025 guidance

End-user service revenue¹

Underlying EBITDAaL¹

Capex to sales²

2025 guidance

Low single-digit

Mid- to high single-digit

~13%

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.

