

# 2023

Interim Report  
Third Quarter



**TELE2**



# Q3 2023 HIGHLIGHTS

- End-user service revenue of SEK 5.4 billion increased by 3% organically compared to Q3 2022 due to strong performance in the Baltics and Sweden B2B. Total revenue of SEK 7.3 billion remained unchanged organically compared to Q3 2022.
- Underlying EBITDAaL of SEK 2.8 billion increased by 3% organically compared to Q3 2022 driven by end-user service revenue growth and cost savings related to the Business Transformation Program, which were partly offset by inflationary pressures.
- Net profit from total operations of SEK 1.1 (1.0) billion and earnings per share of SEK 1.54 (1.44).
- Equity free cash flow of SEK 1.9 (1.3) billion. Over the last twelve months, SEK 4.6 billion has been generated, equivalent to SEK 6.7 per share.
- Important spectrum secured in Sweden through the network joint venture Net4Mobility. Tele2's share of the acquisition price amounts at SEK 0.7 billion.
- Financial guidance for full year 2023 and mid-term ambition reiterated.

## Key financial data

SEK million	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %	Full year 2022
<b>Continuing operations</b>							
End-user service revenue	5,397	5,110	3%	15,764	14,960	4%	20,097
Revenue	7,253	7,084	0%	21,415	20,649	2%	28,102
Operating profit	1,554	1,350		4,061	5,394		6,596
Profit after financial items	1,295	1,191		3,432	4,885		5,907
Underlying EBITDAaL	2,781	2,643	3%	7,785	7,577	1%	10,060
Capex excluding spectrum and leases	860	587		2,810	1,995		3,171
Operating cash flow	1,922	2,056		4,975	5,583		6,889
Operating cash flow, rolling 12 months				6,281	6,945		6,889
Equity free cash flow	1,894	1,348		4,189	3,008		3,461
Equity free cash flow, rolling 12 months				4,643	4,776		3,461
<b>Total operations</b>							
Net profit	1,063	994		2,799	4,316		5,574
Earnings per share (SEK)	1.54	1.44		4.05	6.25		8.07
Equity free cash flow	1,894	1,348		4,189	3,008		3,461
Economic net debt to underlying EBITDAaL				2.3x	2.4x		2.5x



### Continuing and discontinued operations

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

### Non-IFRS measures

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

# CEO LETTER – Q3 2023



“

Profitable growth and capital efficiency allows us to develop the business while offering attractive and predictable dividends.

## Important spectrum secured and strong balance sheet maintained in Tele2's 10th consecutive quarter of growth

Going into Q3, Tele2 continued focusing on growth and I am pleased to summarize yet another good quarter for our business. Overall, we are delivering a top-line growth of 3%, which represents our 10<sup>th</sup> consecutive quarter of growth. As we are gradually leaving legacy limitations behind us, we see a positive development in customer loyalty and churn for the Tele2 brand in Sweden. We were also designated the most transparent company among Swedish Large Cap companies when it comes to sustainability reporting.

## Profitable growth in times of complex market dynamics

When we presented Q1 and Q2, we talked about improved profitability in the second half of 2023. With that in mind, I am pleased to present an organic EBITDAaL growth of 3% compared to Q3 2022. While there are significant complexities from navigating a high inflation, higher interest environment with visible impact on consumer spending, Tele2 continues to apply appropriate measures to deliver profitable growth.

## The growth and capital efficiency enable continued investment and attractive dividend

A lot of attention was directed towards the important spectrum auctions in Sweden in September. Tele2 secured important spectrum in all the offered bands, and I am particularly pleased to see that the capital efficiency of Tele2 enables us to absorb, pro forma, the spectrum cost that will be payable in two installments in October 2023 and Q4 2025. In fact, we still maintain a leverage at the very bottom of our guidance and lower than at the same time one year ago.

This combination of Tele2's profitable growth and capital efficiency allows us to develop the business while offering attractive and predictable dividends to our shareholders. To that end, we continue building our 5G networks and are progressing in accordance with our plans. Tele2 is building high population coverage in the higher frequency bands, leading to a real 5G experience with massive improvements of transfer speeds. Our IT transformation is also making very good progress and we expect to unite the legacy platforms of our brands Tele2, Comviq and Com Hem into one common infrastructure in Q1 next year.

## Value and quality pay off when households face financial whirlwind

Overall, Swedish consumers are showing signs of householding more carefully with their resources when it comes to buying high-end handsets. There are also significant competitive pressures in the transactional lower end of the market. However, improvements in our go to market have made us more resilient and one key indicator confirming this is the lowered churn in the Tele2 brand. Coupled with a carefully managed and value-oriented way of responding to aggressive campaigning in the lower end, we see a strong business performance across brands and products. Trends within our broadband business are also positive and we continue upgrading our connections at a good pace, which leads to a further improved user experience. In Q3, we launched our Connection Guarantee where we link our fixed and mobile connectivity for superior reliability to our customers – a symbol of the value we offer as a true FMC operator.

## Building for continued success in the Baltics

Our performance in the Baltics continues to impress. We are progressing at pace with our 5G roll-out and equalizing the disadvantage we had at the outset due to the lockdowns in Shanghai. As we secured a good spectrum portfolio last year, the main task is now to install 5G and upgraded 4G capacities at speed and continue to bring attractive services to the market.

In summary, Tele2 continues to focus on growth and making sound investments to build long term customer and shareholder value. Our balance sheet and cash flow is strong and we are in a good position to continue rewarding our shareholders within the existing and well known shareholder remuneration framework.

**Kjell Johnsen**  
President and Group CEO

# Financial overview

## Analysis of revenue

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %	Full year 2022
Mobile	1,547	1,526	1%	4,445	4,388	1%	5,862
- Postpaid	1,310	1,267	3%	3,757	3,649	3%	4,880
- Prepaid	236	260	-9%	688	739	-7%	983
Fixed	1,455	1,437	1%	4,321	4,296	1%	5,726
- Fixed broadband	758	707	7%	2,218	2,119	5%	2,826
- Digital TV	664	683	-3%	1,995	2,027	-2%	2,707
- Cable & Fiber	425	430	-1%	1,278	1,273	0%	1,706
- DTT	239	254	-6%	718	754	-5%	1,001
- Fixed telephony & DSL	34	47	-28%	107	151	-29%	193
Landlord & Other	165	164	0%	495	500	-1%	664
<b>Sweden Consumer</b>	<b>3,166</b>	<b>3,128</b>	<b>1%</b>	<b>9,260</b>	<b>9,184</b>	<b>1%</b>	<b>12,252</b>
Sweden Business	1,024	985	4%	3,080	2,946	5%	3,977
Baltics	1,206	997	9%	3,424	2,830	11%	3,867
<b>End-user service revenue</b>	<b>5,397</b>	<b>5,110</b>	<b>3%</b>	<b>15,764</b>	<b>14,960</b>	<b>4%</b>	<b>20,097</b>
Operator revenue	594	602	-3%	1,711	1,805	-7%	2,416
Equipment revenue	1,262	1,372	-11%	3,940	3,883	-1%	5,590
<b>Revenue</b>	<b>7,253</b>	<b>7,084</b>	<b>0%</b>	<b>21,415</b>	<b>20,649</b>	<b>2%</b>	<b>28,102</b>

## Third quarter

**End-user service revenue** increased by 3% organically primarily driven by continued strong performance in the Baltics and Sweden B2B. International roaming revenue had a positive effect of SEK 11 million compared to Q3 2022.

- **Sweden Consumer** increased by 1% as growth in Mobile and Fixed broadband exceeded continued decline in legacy services.
- **Sweden Business** grew by 4% as growth in mobile and solutions exceeded continued decline in fixed.
- **Baltics** grew by 9% in local currency driven by both volume growth and strong ASPU (Average Spend Per User) growth from price adjustments and upselling.

**Total revenue** remained unchanged organically as growth in end-user service revenue was offset by a decline in equipment and operator revenue.

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

## First nine months

**End-user service revenue** increased by 4% organically primarily driven by continued strong performance in the Baltics and Sweden B2B. International roaming revenue had a positive effect of SEK 42 million compared to the first nine months in 2022.

- **Sweden Consumer** increased by 1% as growth in Mobile and Fixed broadband exceeded continued decline in legacy services.
- **Sweden Business** grew by 5% as growth in mobile and solutions exceeded continued decline in fixed.
- **Baltics** grew by 11% in local currency driven by both volume growth and strong ASPU growth from price adjustments and upselling.

**Total revenue** increased by 2% organically driven by growth in end-user service revenue, partly offset by decline in equipment and operator revenue.

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

## Analysis of income statement

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Revenue	7,253	7,084	21,415	20,649	28,102
<b>Underlying EBITDAaL</b>	<b>2,781</b>	<b>2,643</b>	<b>7,785</b>	<b>7,577</b>	<b>10,060</b>
Reversal lease depreciation and interest	369	331	1,100	984	1,335
<b>Underlying EBITDA</b>	<b>3,150</b>	<b>2,974</b>	<b>8,886</b>	<b>8,562</b>	<b>11,395</b>
Items affecting comparability	-44	-86	-189	-219	-294
<b>EBITDA</b>	<b>3,106</b>	<b>2,889</b>	<b>8,697</b>	<b>8,343</b>	<b>11,101</b>
Depreciation/amortization	-1,552	-1,539	-4,635	-4,620	-6,176
- of which amortization of surplus from acquisitions	-420	-433	-1,261	-1,300	-1,725
- of which lease depreciation	-324	-311	-967	-918	-1,231
- of which other depreciation/amortization	-807	-795	-2,407	-2,402	-3,221
Result from shares in associated companies and joint ventures	—	—	-1	1,671	1,672
<b>Operating profit</b>	<b>1,554</b>	<b>1,350</b>	<b>4,061</b>	<b>5,394</b>	<b>6,596</b>
Net interest and other financial items	-259	-159	-629	-508	-689
Income tax	-234	-191	-633	-567	-694
<b>Net profit</b>	<b>1,061</b>	<b>1,000</b>	<b>2,799</b>	<b>4,318</b>	<b>5,213</b>

### Third quarter

**Underlying EBITDAaL** increased by 3% organically as higher end-user service revenue, cost savings from the Business Transformation Program and lower energy costs more than offset inflationary pressures.

We have received and recorded SEK 25 million of electricity support in Sweden during Q3. Including this, our energy costs decreased by SEK 64 million compared to Q3 2022.

**Items affecting comparability** of SEK -44 (-86) million was mainly driven by restructuring costs. Refer to Note 3 for more details.

**Net interest and other financial items** of SEK -259 (-159) million increased compared to Q3 2022 due to higher financing costs for outstanding debt.

### First nine months

**Underlying EBITDAaL** increased by 1% organically as higher end-user service revenue, cost savings from the Business Transformation Program and to some extent lower energy costs more than offset inflationary pressures and higher content costs.

We have received and recorded SEK 35 million of electricity support in Sweden during the first nine months. Including this, our energy costs decreased by SEK 44 million compared to the first nine months in 2022.

**Items affecting comparability** of SEK -189 (-219) million was mainly driven by restructuring costs. Refer to Note 3 for more details.

**Result from shares in associated companies and joint ventures** of SEK -1 (1,671) million decreased compared to the first nine months in 2022 as a result of the divestment of T-Mobile Netherlands.

**Net interest and other financial items** of SEK -629 (-508) million increased compared to the first nine months in 2022. Higher financing costs for outstanding debt were partly offset by significantly improving other financial items as 2023 was positively impacted by a gain related to bond repurchase, whereas 2022 was burdened by exchange rate losses from hedges related to the T-Mobile Netherlands transaction.

## Analysis of cash flow statement

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Continuing operations</b>					
Underlying EBITDA	3,150	2,974	8,886	8,562	11,395
Items affecting comparability	-44	-86	-189	-219	-294
Amortization of lease liabilities	-295	-281	-974	-938	-1,226
Capex paid	-766	-807	-2,580	-2,416	-3,561
Changes in working capital	185	-200	400	-746	-1,380
Net financial items paid	-122	-49	-533	-319	-389
Taxes paid	-259	-254	-922	-1,022	-1,215
Other cash items	45	50	101	106	132
<b>Equity free cash flow</b>	<b>1,894</b>	<b>1,348</b>	<b>4,189</b>	<b>3,008</b>	<b>3,461</b>
Equity free cash flow, rolling 12 months <sup>1)</sup>			4,643	4,776	3,461

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

<sup>1)</sup> Reconciliation of equity free cash flow rolling 12 months are presented in an Excel document (Q3-2023-financial-and-operational-data) on Tele2's website www.tele2.com.

### Third quarter

**Capex paid** of SEK -766 (-807) million decreased slightly compared to Q3 2022.

**Changes in working capital** of SEK 185 (-200) million were mainly impacted by higher levels of accounts payable.

**Net financial items paid** of SEK -122 (-49) million increased compared to Q3 2022 due to higher interest rates both on loans and leases.

**Taxes paid** of SEK -259 (-254) million were largely unchanged compared to Q3 2022.

### First nine months

**Capex paid** of SEK -2,580 (-2,416) million increased compared to the first nine months in 2022 primarily due to higher network investments.

**Changes in working capital** of SEK 400 (-746) million were mainly impacted by lower levels of inventory and equipment receivable.

**Net financial items paid** of SEK -533 (-319) million increased compared to the first nine months in 2022 due to higher interest rates both on loans and leases.

**Taxes paid** of SEK -922 (-1,022) million declined compared to the first nine months in 2022, which was negatively impacted by timing of final tax payments relating to 2020.

**Equity free cash flow** over the last twelve months amounted to SEK 4.6 billion, equivalent to approximately SEK 6.70 per share.

## Analysis of financial position

Total operations SEK million	Sep 30 2023	Dec 31 2022
Bonds	23,570	22,475
Commercial papers	—	796
Financial institutions and other liabilities	4,451	4,050
Cash and cash equivalents	-3,825	-1,116
Other adjustments	-303	-558
<b>Economic net debt</b>	<b>23,893</b>	<b>25,647</b>
Lease liabilities	4,864	5,460
<b>Net debt</b>	<b>28,758</b>	<b>31,108</b>
Underlying EBITDAaL, rolling 12 months <sup>1)</sup>	10,268	10,060
<b>Economic net debt to Underlying EBITDAaL</b>	<b>2.3x</b>	<b>2.5x</b>
Unutilized overdraft facilities and credit lines	8,820	8,582

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

**Economic net debt** of SEK 23.9 (25.6 by the end of 2022) billion decreased by SEK 1.7 billion driven by the cash generated in the business, exceeding the payout of the first tranche of the ordinary dividend.

**Economic net debt to underlying EBITDAaL** (financial leverage) of 2.3x by the end of Q3 2023 (2.5x by the end of 2022) was below the lower end of the target range of 2.5–3.0x. Adjusted for the payout of the second tranche of the ordinary dividend and the first installment of the acquired spectrum in Sweden (both payable in October), pro forma leverage would have been 2.6x.

# Financial guidance

## Financial guidance (unchanged)

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

### Full year 2023

- Low to mid-single digit growth of end-user service revenue
- Low single digit growth of underlying EBITDAaL
- Capex to sales below 14% (excluding spectrum and leases)

### Mid-term ambition

- Low to mid-single digit growth of end-user service revenue
- Mid-single digit growth of underlying EBITDAaL
- Capex to sales of 10% to 14% (excluding spectrum and leases)

## Dividend

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

## Guidance

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

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

In 2023–2024, while we are modernizing our network and roll out 5G, we expect capex to sales (excluding spectrum and leases) in the upper end of the 10–14% target range. A gradual decline is then anticipated, moving towards the lower end of the 10–14% range in 2025–2026.

## Financial policy

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

# Group summary

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %	Full year 2022
<b>END-USER SERVICE REVENUE</b>							
Sweden	4,191	4,113	2%	12,340	12,131	2%	16,230
Lithuania	658	542	10%	1,854	1,551	10%	2,113
Latvia	365	299	10%	1,047	829	16%	1,142
Estonia	183	156	6%	524	450	7%	612
<b>Total</b>	<b>5,397</b>	<b>5,110</b>	<b>3%</b>	<b>15,764</b>	<b>14,960</b>	<b>4%</b>	<b>20,097</b>
<b>REVENUE</b>							
Sweden	5,487	5,529	-1%	16,426	16,290	1%	22,112
Lithuania	1,022	893	3%	2,883	2,540	4%	3,483
Latvia	528	457	4%	1,487	1,242	10%	1,713
Estonia	253	232	-2%	726	665	0%	911
Internal sales, elimination	-37	-27	24%	-105	-88	11%	-116
<b>Total</b>	<b>7,253</b>	<b>7,084</b>	<b>0%</b>	<b>21,415</b>	<b>20,649</b>	<b>2%</b>	<b>28,102</b>
<b>UNDERLYING EBITDAaL</b>							
Sweden	2,078	2,092	-1%	5,811	5,994	-3%	7,890
Lithuania	429	326	19%	1,189	948	15%	1,307
Latvia	218	172	14%	626	487	18%	668
Estonia	56	53	-5%	159	148	-1%	196
<b>Total</b>	<b>2,781</b>	<b>2,643</b>	<b>3%</b>	<b>7,785</b>	<b>7,577</b>	<b>1%</b>	<b>10,060</b>
<b>CAPEX</b>							
Sweden	714	483	48%	2,318	1,721	35%	2,649
Lithuania	67	43	39%	212	122	59%	234
Latvia	53	36	32%	152	72	93%	153
Estonia	26	25	-8%	128	79	48%	135
<b>Capex excluding spectrum and leases</b>	<b>860</b>	<b>587</b>	<b>43%</b>	<b>2,810</b>	<b>1,995</b>	<b>39%</b>	<b>3,171</b>
Spectrum	704	79		723	147		170
Right-of-use assets (leases)	231	148		630	546		1,370
<b>Total</b>	<b>1,795</b>	<b>814</b>		<b>4,163</b>	<b>2,688</b>		<b>4,711</b>
<i>of which:</i>							
– Network	537	357		1,848	1,156		1,981
– IT	200	141		622	491		729
– Customer equipment	116	76		321	292		386
– Other	7	13		19	56		75
<b>Capex excluding spectrum and leases</b>	<b>860</b>	<b>587</b>		<b>2,810</b>	<b>1,995</b>		<b>3,171</b>
Capex to sales (excluding spectrum and leases)	12%	8%		13%	10%		11%
Capex to sales (excluding spectrum and leases), rolling 12 months				14%	11%		11%



# Overview by segment

## Sweden

Tele2 Sweden end-user service revenue increased by 2% in the third quarter driven by 4% growth in business and 1% in consumer. International roaming revenue continued to recover with a positive effect of SEK 8 million compared to Q3 2022.

Although our Business Transformation Program formally completed by the end of Q2, we continue efforts to modernise and optimise in areas such as IT, networks and customer journeys.

Underlying EBITDAaL declined by 1% in the quarter as higher end-user service revenue, continued year-on-year benefits from the Business

Transformation Program and lower energy costs was more than offset by inflationary pressures and continued margin pressure from product mix changes as legacy services decline.

Capex excluding spectrum and leases amounted to SEK 714 million as our network investments continue at a high pace.

Spectrum capex following the auction in September amounted to SEK 704 million (attributable to a discounted purchase price of SEK 738 million).

Financials SEK million	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
<b>End-user service revenue</b>	<b>4,191</b>	<b>4,113</b>	<b>2%</b>	<b>12,340</b>	<b>12,131</b>	<b>2%</b>
Revenue	5,487	5,529	-1%	16,426	16,290	1%
Underlying EBITDA	2,388	2,374		6,741	6,833	
<b>Underlying EBITDAaL</b>	<b>2,078</b>	<b>2,092</b>	<b>-1%</b>	<b>5,811</b>	<b>5,994</b>	<b>-3%</b>
Underlying EBITDAaL margin	38%	38%		35%	37%	
<b>Capex</b>						
Network	424	275		1,454	952	
IT	177	125		550	439	
Customer equipment	111	75		305	285	
Other	2	8		9	44	
<b>Capex excluding spectrum and leases</b>	<b>714</b>	<b>483</b>		<b>2,318</b>	<b>1,721</b>	
Spectrum	704	—		704	40	
Right-of-use assets (leases)	200	124		521	463	
<b>Capex</b>	<b>1,617</b>	<b>607</b>		<b>3,542</b>	<b>2,224</b>	
Capex to sales (excluding spectrum and leases)	13%	9%		14%	11%	

## Sweden Consumer

The third quarter delivered strong net intake within mobile postpaid and fixed broadband, as the wider telecom market is demonstrating resilience in the face of inflationary pressure. The broadband segment saw innovation as our Connection Guarantee concept featuring mobile fallback was released. On the mobile side, Comviq updated the portfolio, adjusting prices and data allowances, and making 5G available on further tiers.

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

Mobile postpaid net intake was positive with 23,000 RGUs in the quarter. Mobile end-user service revenue grew by 1% as postpaid RGU growth and a

stable postpaid ASPU more than offset a decline of 9% in prepaid end-user service revenue due to effects relating to the registration requirement from February.

Fixed broadband end-user service revenue grew by 7% on the back of solid RGU and ASPU growth, the latter supported by price increases.

Digital TV end-user service revenue declined by 3% with Digital TV & Cable & Fiber marginally down on both ASPU and RGUs while the legacy DTT business contracted by 6%.

	Jul-Sep 2023	Jul-Sep 2022	Sep 30 2023	Sep 30 2022	Organic %
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>		
Mobile	5	14	2,876	2,984	-4%
– Postpaid	23	19	2,056	1,985	4%
– Prepaid	-19	-5	820	999	-18%
Fixed	-2	-11	1,973	2,005	-2%
– Fixed broadband	8	6	969	943	3%
– Digital TV	-5	-12	867	893	-3%
– Cable & Fiber	2	-2	632	629	1%
– DTT	-7	-9	234	264	-11%
– Fixed telephony & DSL	-5	-6	138	168	-18%
<b>Total RGUs</b>	<b>3</b>	<b>3</b>	<b>4,849</b>	<b>4,989</b>	<b>-3%</b>
Addressable fixed footprint	24	6	3,857	3,695	4%

	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
<b>ASPU (SEK)</b>						
Mobile	179	171	5%	170	164	4%
– Postpaid	214	214	0%	206	206	0%
– Prepaid	95	86	10%	88	82	7%
Fixed	246	238	3%	242	236	3%
– Fixed broadband	262	251	4%	257	252	2%
– Digital TV	255	253	0%	253	247	2%
– Cable & Fiber	224	227	-1%	224	223	1%
– DTT	334	314	6%	325	303	7%
– Fixed telephony & DSL	80	92	-13%	80	94	-15%
<b>Revenue (SEK million)</b>						
Mobile	1,547	1,526	1%	4,445	4,388	1%
– Postpaid	1,310	1,267	3%	3,757	3,649	3%
– Prepaid	236	260	-9%	688	739	-7%
Fixed	1,455	1,437	1%	4,321	4,296	1%
– Fixed broadband	758	707	7%	2,218	2,119	5%
– Digital TV	664	683	-3%	1,995	2,027	-2%
– Cable & Fiber	425	430	-1%	1,278	1,273	0%
– DTT	239	254	-6%	718	754	-5%
– Fixed telephony & DSL	34	47	-28%	107	151	-29%
Landlord & Other	165	164	0%	495	500	-1%
<b>End-user service revenue</b>	<b>3,166</b>	<b>3,128</b>	<b>1%</b>	<b>9,260</b>	<b>9,184</b>	<b>1%</b>
Operator revenue	180	184		548	566	
Equipment revenue	447	463		1,354	1,337	
<b>Revenue</b>	<b>3,794</b>	<b>3,776</b>	<b>0%</b>	<b>11,162</b>	<b>11,087</b>	<b>1%</b>

## Sweden Business and Wholesale

In Sweden B2B, we continue to execute on our strategy and all customer segments are contributing to the solid end-user service revenue growth of 4% during the quarter. Again, our growth areas exceeded the decline in legacy services, where our copper decommissioning has approached 80% completion rate. Quality certificates are important tools for our business, and we have extended our ISO 27001 certification to more services.

The macroeconomic situation continues to affect some of our customer groups, albeit with a limited impact on our business and with churn levels at expected levels. As usual, customer activity levels were seasonally low at the beginning of the quarter, but increased towards the end.

Mobile net intake was positive with 4,000 RGUs in Q3. During the quarter, we have reclassified some RGUs previously reported in Mobile to IoT subscriptions, which has led to a reduction in Mobile RGUs and an increase in Mobile ASPU (excluding IoT). The reclassification has also been done retroactively.

Equipment revenue decreased compared to Q3 2022, as a result of large rollouts last year and our increased focus on higher margin business.

Sweden Wholesale revenue increased by 2% during the third quarter, mainly driven by increased sales within A2P (application to person).

### Sweden Business

	Jul-Sep 2023	Jul-Sep 2022		Sep 30 2023	Sep 30 2022	Organic %
	Net intake			RGU base		
RGUs (thousands)						
Mobile (excluding IoT)						
– Postpaid	4	13		1,053	1,005	5%
	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
ASPU (SEK)						
Mobile (excluding IoT)						
– Postpaid	143	141	1%	142	142	0%
Revenue (SEK million)						
Mobile	566	519	9%	1,658	1,509	10%
Fixed	183	199	-8%	578	618	-6%
Solutions	275	266	3%	843	820	3%
<b>End-user service revenue</b>	<b>1,024</b>	<b>985</b>	<b>4%</b>	<b>3,080</b>	<b>2,946</b>	<b>5%</b>
Operator revenue	22	23		70	74	
Equipment revenue	357	461		1,296	1,336	
Internal sales	1	1		3	3	
<b>Revenue</b>	<b>1,404</b>	<b>1,470</b>	<b>-5%</b>	<b>4,448</b>	<b>4,359</b>	<b>2%</b>

### Sweden Wholesale

Financials SEK million	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
Operator revenue	287	282		809	840	
Internal sales	1	1		4	4	
<b>Revenue</b>	<b>289</b>	<b>283</b>	<b>2%</b>	<b>813</b>	<b>844</b>	<b>-4%</b>

# Baltics

## Lithuania

The Lithuanian market environment remained highly competitive in the quarter with continued focus on 5G. Tele2 launched a new image campaign to strengthen our position in the competitive mobile broadband market and to increase awareness of our 5G network alongside continued high pace in our 5G network rollout.

Mobile postpaid RGUs remained unchanged in the quarter as a result of higher churn in B2B following selective price increases, offset by successful new sales in other segments. Net intake in mobile prepaid was negative with 6,000 RGUs. Mobile ASPU grew by 8% in local currency mainly driven by upselling of prolongation contracts across segments.

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

Underlying EBITDAaL increased by 19% in local currency mainly driven by end-user service revenue growth and significantly lower energy prices.

	Jul-Sep 2023	Jul-Sep 2022		Sep 30 2023	Sep 30 2022	Organic %
<b>RGUs (thousands)</b>	<b>Net intake</b>			<b>RGU base</b>		
Mobile	-7	51		2,024	2,025	0%
– Postpaid	-0	22		1,344	1,313	2%
– Prepaid	-6	29		679	712	-5%
	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
<b>ASPU (EUR)</b>						
Mobile	9.2	8.5	8%	8.9	8.2	8%
– Postpaid	11.1	10.4	7%	10.8	10.2	6%
– Prepaid	5.3	4.9	9%	5.0	4.6	10%
<b>Revenue (SEK million)</b>						
Mobile	655	540	10%	1,844	1,543	10%
– Postpaid	528	432	10%	1,490	1,239	10%
– Prepaid	127	108	6%	354	304	7%
Fixed	3	3	10%	10	8	14%
<b>End-user service revenue</b>	<b>658</b>	<b>542</b>	<b>10%</b>	<b>1,854</b>	<b>1,551</b>	<b>10%</b>
Operator revenue	49	50		131	150	
Equipment revenue	295	287		839	792	
Internal sales	21	14		59	47	
<b>Revenue</b>	<b>1,022</b>	<b>893</b>	<b>3%</b>	<b>2,883</b>	<b>2,540</b>	<b>4%</b>
Underlying EBITDA	453	345		1,256	1,007	
<b>Underlying EBITDAaL</b>	<b>429</b>	<b>326</b>	<b>19%</b>	<b>1,189</b>	<b>948</b>	<b>15%</b>
Underlying EBITDAaL margin	42%	37%		41%	37%	
Capex	75	116		254	224	
<b>Capex excluding spectrum and leases</b>	<b>67</b>	<b>43</b>		<b>212</b>	<b>122</b>	
Capex to sales (excluding spectrum and leases)	7%	5%		7%	5%	

## Latvia

The Latvian market environment continued to be challenging in the quarter. Customers purchasing power is under pressure due to a combination of continued high inflation, albeit slightly declining, and price increases for public services. Meanwhile, operators aggressively seek to protect or increase market shares. Despite these headwinds, Tele2 has achieved good results across segments due to a successful new sales strategy alongside strong customer retention. We also continued upgrading our network with increased 5G population coverage.

Net intake in mobile postpaid was positive with 9,000 RGUs in the quarter due to a combination of new sales and continued migration from mobile

prepaid, which gained 5,000 RGUs in the quarter. Mobile ASPU grew by 9% in local currency driven by our more-for-more strategy and the price increases during 2022 in both consumer and business segments, as well as customer base mix shift towards more postpaid and higher value products.

End-user service revenue grew by 10% in local currency mainly due to ASPU growth, but to some extent also due to a larger postpaid base.

Underlying EBITDAaL grew by 14% in local currency driven by end-user service revenue growth and significantly lower energy prices more than offsetting inflationary pressure.

	Jul-Sep 2023	Jul-Sep 2022		Sep 30 2023	Sep 30 2022	Organic %
<b>RGUs (thousands)</b>	<b>Net intake</b>			<b>RGU base</b>		
Mobile	14	16		1,036	1,026	1%
– Postpaid	9	13		816	788	3%
– Prepaid	5	3		220	238	-7%
	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
<b>ASPU (EUR)</b>						
Mobile	10.0	9.2	9%	9.8	8.6	14%
– Postpaid	11.5	10.7	7%	11.4	10.1	13%
– Prepaid	4.4	4.1	7%	4.2	3.9	10%
<b>Revenue (SEK million)</b>						
Mobile	363	298	10%	1,042	826	16%
– Postpaid	329	267	11%	946	739	17%
– Prepaid	34	31	-1%	96	86	3%
Fixed	2	1	67%	5	3	44%
<b>End-user service revenue</b>	<b>365</b>	<b>299</b>	<b>10%</b>	<b>1,047</b>	<b>829</b>	<b>16%</b>
Operator revenue	32	40		89	109	
Equipment revenue	119	110		320	276	
Internal sales	11	9		31	28	
<b>Revenue</b>	<b>528</b>	<b>457</b>	<b>4%</b>	<b>1,487</b>	<b>1,242</b>	<b>10%</b>
Underlying EBITDA	233	185		669	523	
<b>Underlying EBITDAaL</b>	<b>218</b>	<b>172</b>	<b>14%</b>	<b>626</b>	<b>487</b>	<b>18%</b>
Underlying EBITDAaL margin	41%	38%		42%	39%	
Capex	67	47		194	128	
<b>Capex excluding spectrum and leases</b>	<b>53</b>	<b>36</b>		<b>152</b>	<b>72</b>	
Capex to sales (excluding spectrum and leases)	10%	8%		10%	6%	

## Estonia

In Estonia, we have successfully expanded our customer base, primarily within the residential postpaid segment. Our market position as a price leader has been instrumental in maintaining growth during this period of macroeconomic uncertainty and high inflation. Nevertheless, as part of efforts to maintain growth, we increased prices in Q3. According to the research agency Kantar Emor's annual Net Promotor Score survey, Tele2 was the highest rated telco in the country.

Mobile net intake was positive with 7,000 RGUs driven by both postpaid and prepaid. In our B2B segment, we see signs of operating improvements.

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 6% in local currency driven by both ASPU and volume growth in mobile postpaid.

Underlying EBITDAaL declined by 5% in local currency as higher end-user service revenue was offset by an increased cost base due to inflation, structural changes and lower equipment margins due to inventory management.

	Jul-Sep 2023	Jul-Sep 2022	Sep 30 2023	Sep 30 2022	Organic %
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>		
Mobile	7	2	468	457	3%
– Postpaid	2	5	413	399	3%
– Prepaid	5	-3	56	57	-3%

	Jul-Sep 2023	Jul-Sep 2022	Organic %	Jan-Sep 2023	Jan-Sep 2022	Organic %
<b>ASPU (EUR)</b>						
Mobile	10.1	9.7	4%	10.0	9.6	4%
– Postpaid	11.0	10.7	3%	10.8	10.5	3%
– Prepaid	3.6	3.6	1%	3.4	3.7	-8%
<b>Revenue (SEK million)</b>						
Mobile	167	142	6%	476	408	7%
– Postpaid	160	135	7%	457	389	8%
– Prepaid	7	7	-9%	19	19	-11%
Fixed	16	15	0%	48	42	5%
<b>End-user service revenue</b>	<b>183</b>	<b>156</b>	<b>6%</b>	<b>524</b>	<b>450</b>	<b>7%</b>
Operator revenue	23	23	-12%	63	66	-12%
Equipment revenue	44	50	-22%	129	142	-17%
Internal sales	3	2	42%	9	7	18%
<b>Revenue</b>	<b>253</b>	<b>232</b>	<b>-2%</b>	<b>726</b>	<b>665</b>	<b>0%</b>
Underlying EBITDA	76	70		220	199	
<b>Underlying EBITDAaL</b>	<b>56</b>	<b>53</b>	<b>-5%</b>	<b>159</b>	<b>148</b>	<b>-1%</b>
Underlying EBITDAaL margin	22%	23%		22%	22%	
Capex	35	44		172	112	
<b>Capex excluding spectrum and leases</b>	<b>26</b>	<b>25</b>		<b>128</b>	<b>79</b>	
Capex to sales (excluding spectrum and leases)	10%	11%		18%	12%	

# Other items

## Risks and uncertainty factors

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

## Events during the quarter

### August 31. Tele2 is the First Operator to Launch a Broadband Connection Guarantee

Tele2 can now provide its customers with a better and guaranteed online experience. With the broadband guarantee and a completely new type of guarantee – a connection guarantee – Tele2's 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.

### September 11. Tele2 joins Exponential Roadmap Initiative for collaboration towards net-zero

Tele2 has joined the Exponential Roadmap Initiative that brings together companies from various sectors with common missions to halve emissions by 2030 to reach net-zero emissions before 2050. The Exponential Roadmap Initiative is an accredited partner of UN-backed Race to Zero campaign, and a founding partner of the 1.5°C Supply Chain Leaders and the SME Climate Hub. In 2018 the Exponential Roadmap report was launched, highlighting 36 solutions that have exponential scaling potential to halve global greenhouse gas emissions by 2030.

### September 21. Tele2 and Telenor secure Swedish 5G frequencies

Tele2 and Telenor Sweden have together, through their network joint venture Net4Mobility, secured spectrum in the 900, 2,100 and 2,600 MHz bands to a sum of SEK 1,475 million. The spectrum auction was arranged by the Swedish Post and Telecom Authority.

### September 21. Tele2 awarded for the most transparent climate reporting on Stockholm OMX Large Cap

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 in their so-called transparency index report. This year the list is topped by Tele2, which has climbed 66 places since the last report (2020). The review included 133 companies on Stockholm's OMX Large Cap.

## Events after the end of the third quarter 2023

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

## Financial calendar

Tele2 financial calendar for 2024 has been established.

January 30	Tele2 Full year report 2023
April 18	Tele2 Q1 Interim report 2024
May 15	Tele2 Annual General Meeting 2024
July 17	Tele2 Half year report 2024
October 22	Tele2 Q3 Interim report 2024

## Auditors' review

This report has not been subject to review by Tele2's auditors.

Stockholm, October 18, 2023  
Tele2 AB (publ)

Kjell Johnsen  
President and CEO

## Q3 2023 PRESENTATION

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

Registration for the webcast and a separate registration for the teleconference will be available at [www.tele2.com/investors](http://www.tele2.com/investors).

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

### Contacts

**Fredrik Hallstan**

Head of External Communications, Phone: +46 761 15 38 30

**Stefan Billing**

Head of Investor Relations, Phone: +46 701 66 33 10

**Tele2 AB**

Company registration nr: 556410-8917

P.O. Box 62

SE-164 94 Kista, Stockholms län

Sweden

Tel + 46 (0) 8 5620 0060

[www.tele2.com](http://www.tele2.com)

Visit our website: [www.tele2.com](http://www.tele2.com)

### Contents

Condensed consolidated income statement  
Condensed consolidated comprehensive income  
Condensed consolidated balance sheet  
Condensed consolidated cash flow statement  
Condensed consolidated statement of changes in equity  
Parent company  
Notes  
Non-IFRS measures  
Other financial metrics



# Condensed consolidated income statement

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Revenue	2	7,253	7,084	21,415	20,649
Cost of services provided and equipment sold	3	-4,214	-4,232	-12,658	-12,305
<b>Gross profit</b>		<b>3,039</b>	<b>2,852</b>	<b>8,757</b>	<b>8,344</b>
Selling expenses	3	-1,053	-1,010	-3,288	-3,101
Administrative expenses	3	-508	-512	-1,612	-1,590
Result from shares in associated companies and joint ventures	4	—	—	-1	1,671
Other operating income	3	115	80	297	199
Other operating expenses	3	-39	-60	-92	-129
<b>Operating profit</b>	3	<b>1,554</b>	<b>1,350</b>	<b>4,061</b>	<b>5,394</b>
Interest income		33	8	68	20
Interest expenses		-289	-157	-772	-405
Other financial items		-3	-10	75	-123
<b>Profit after financial items</b>		<b>1,295</b>	<b>1,191</b>	<b>3,432</b>	<b>4,885</b>
Income tax		-234	-191	-633	-567
<b>Net profit, continuing operations</b>		<b>1,061</b>	<b>1,000</b>	<b>2,799</b>	<b>4,318</b>
Net profit discontinued operations	10	1	-6	—	-2
<b>Net profit, total operations</b>		<b>1,063</b>	<b>994</b>	<b>2,799</b>	<b>4,316</b>
<b>Continuing operations</b>					
<i>Attributable to:</i>					
Equity holders of the parent company		1,061	1,000	2,799	4,318
<b>Net profit, continuing operations</b>		<b>1,061</b>	<b>1,000</b>	<b>2,799</b>	<b>4,318</b>
Earnings per share (SEK)	8	1.54	1.45	4.05	6.25
Earnings per share, after dilution (SEK)	8	1.53	1.44	4.03	6.22
<b>Total operations</b>					
<i>Attributable to:</i>					
Equity holders of the parent company		1,063	994	2,799	4,316
<b>Net profit, total operations</b>		<b>1,063</b>	<b>994</b>	<b>2,799</b>	<b>4,316</b>
Earnings per share (SEK)	8	1.54	1.44	4.05	6.25
Earnings per share, after dilution (SEK)	8	1.53	1.43	4.03	6.22

# Condensed consolidated comprehensive income

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>NET PROFIT</b>		<b>1,063</b>	<b>994</b>	<b>2,799</b>	<b>4,316</b>
<b>Components not to be reclassified to net profit</b>					
Pensions, actuarial gains/losses		22	49	131	144
Pensions, actuarial gains/losses, tax effect		-5	-10	-27	-30
<b>Components not to be reclassified to net profit/loss</b>		<b>18</b>	<b>39</b>	<b>104</b>	<b>114</b>
<b>Components that may be reclassified to net profit</b>					
Translation differences in foreign operations		-144	114	202	334
Reversed cumulative translation differences from divested companies	3	—	—	-1	—
Translation differences in associated companies	4	-1	1	1	-5
<b>Translation differences</b>		<b>-145</b>	<b>114</b>	<b>202</b>	<b>329</b>
Hedge of net investments in foreign operations		97	-77	-118	-131
Tax effect on above		-20	16	24	27
<b>Hedge of net investments</b>		<b>77</b>	<b>-61</b>	<b>-94</b>	<b>-104</b>
<b>Exchange rate differences</b>		<b>-68</b>	<b>53</b>	<b>108</b>	<b>225</b>
Profit/loss arising on changes in fair value of hedging instruments		-13	27	-31	134
Reclassified cumulative profit/loss to income statement		12	-8	25	-24
Tax effect on cash flow hedges		0	-4	1	-23
<b>Cash flow hedges</b>		<b>-0</b>	<b>15</b>	<b>-5</b>	<b>87</b>
<b>Components that may be reclassified to net profit/loss</b>		<b>-68</b>	<b>68</b>	<b>103</b>	<b>313</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>-50</b>	<b>107</b>	<b>208</b>	<b>427</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,012</b>	<b>1,101</b>	<b>3,007</b>	<b>4,743</b>
<i>Attributable to:</i>					
Equity holders of the parent company		1,012	1,101	3,007	4,743
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,012</b>	<b>1,101</b>	<b>3,007</b>	<b>4,743</b>

# Condensed consolidated balance sheet

SEK million	Note	Sep 30 2023	Dec 31 2022
<b>ASSETS</b>			
Goodwill		29,990	29,905
Other intangible assets		13,048	13,835
<b>Intangible assets</b>		<b>43,037</b>	<b>43,740</b>
Tangible assets		8,747	8,220
Right-of-use assets		4,801	5,422
Shares in associated companies and joint ventures	4	6	6
Other financial assets	5	993	957
Capitalized contract costs		757	633
Deferred tax assets		45	81
<b>Non-current assets</b>		<b>58,385</b>	<b>59,060</b>
Inventories		1,027	1,254
Trade receivables		2,050	1,986
Other current receivables		3,455	4,029
Current investments		172	156
Cash and cash equivalents	6	3,825	1,116
<b>Current assets</b>		<b>10,529</b>	<b>8,542</b>
<b>Assets classified as held for sale</b>	10	<b>34</b>	<b>54</b>
<b>TOTAL ASSETS</b>		<b>68,948</b>	<b>67,656</b>
<b>EQUITY AND LIABILITIES</b>			
Attributable to equity holders of the parent company		22,059	23,683
<b>Equity</b>	8	<b>22,059</b>	<b>23,683</b>
Liabilities to financial institutions and similar liabilities	5	22,706	24,080
Lease liability		3,737	4,289
Provisions		1,022	1,286
Other interest-bearing liabilities		187	193
<b>Interest-bearing liabilities</b>		<b>27,652</b>	<b>29,848</b>
Deferred tax liability		3,526	3,807
Other non-interest-bearing liabilities		335	—
<b>Non-interest-bearing liabilities</b>		<b>3,861</b>	<b>3,807</b>
<b>Non-current liabilities</b>		<b>31,513</b>	<b>33,655</b>
Liabilities to financial institutions and similar liabilities	5	4,275	2,550
Lease liability		1,127	1,172
Provisions		25	76
Other interest-bearing liabilities		853	498
<b>Interest-bearing liabilities</b>		<b>6,280</b>	<b>4,296</b>
Trade payables		2,125	2,165
Dividend payable		2,352	—
Other current non interest-bearing liabilities		4,529	3,766
<b>Non-interest-bearing liabilities</b>		<b>9,006</b>	<b>5,931</b>
<b>Current liabilities</b>		<b>15,286</b>	<b>10,227</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	10	<b>90</b>	<b>91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68,948</b>	<b>67,656</b>

# Condensed consolidated cash flow statement

Total operations SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>Operating activities</b>					
Net profit		1,063	994	2,799	4,316
Adjustments for non-cash items in net profit		1,707	1,642	4,545	2,793
Changes in working capital		185	-200	400	-746
<b>Cash flow from operating activities</b>		<b>2,955</b>	<b>2,436</b>	<b>7,744</b>	<b>6,363</b>
<b>Investing activities</b>					
Additions to intangible and tangible assets		-766	-807	-2,580	-2,416
Acquisition and sale of shares and participations	9	-1	-24	21	8,948
Other financial assets, lending		26	-81	-15	-163
<b>Cash flow from investing activities</b>		<b>-742</b>	<b>-912</b>	<b>-2,575</b>	<b>6,369</b>
<b>Financing activities</b>					
Proceeds from loans		486	412	3,364	3,644
Repayments of loans		-350	-252	-3,502	-4,022
Dividends paid	8	—	—	-2,351	-11,315
<b>Cash flow from financing activities</b>		<b>135</b>	<b>161</b>	<b>-2,489</b>	<b>-11,693</b>
<b>Net change in cash and cash equivalents</b>		<b>2,348</b>	<b>1,685</b>	<b>2,680</b>	<b>1,039</b>
Cash and cash equivalents at beginning of period		1,473	591	1,116	880
Exchange rate differences in cash and cash equivalents		4	4	29	361
<b>Cash and cash equivalents at end of the period</b>	6	<b>3,825</b>	<b>2,279</b>	<b>3,825</b>	<b>2,279</b>

# Condensed consolidated statements of changes in equity

Total operations SEK million	Note	Sep 30, 2023					Total equity
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	
<b>Equity at January 1</b>		869	27,378	-378	589	-4,775	23,683
Net profit		—	—	—	—	2,799	2,799
Other comprehensive income for the period, net of tax		—	—	-99	202	104	208
<b>Total comprehensive income for the period</b>		—	—	-99	202	2,903	3,007
<b>Other changes in equity</b>							
Share-based payments	8	—	—	—	—	69	69
Share-based payments, tax effect	8	—	—	—	—	2	2
New shares issues	8	2	—	—	—	—	2
Repurchase of own shares	8	—	—	—	—	-2	-2
Dividends	8	—	—	—	—	-4,702	-4,702
<b>Equity at end of the period</b>		870	27,378	-477	791	-6,504	22,059

Total operations SEK million	Note	Sep 30, 2022					Total equity
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	
<b>Equity at January 1</b>		866	27,378	-301	152	3,047	31,142
Net profit		—	—	—	—	4,316	4,316
Other comprehensive income for the period, net of tax		—	—	-17	329	114	427
<b>Total comprehensive income for the period</b>		—	—	-17	329	4,430	4,743
<b>Other changes in equity</b>							
Share-based payments	8	—	—	—	—	56	56
Share-based payments, tax effect	8	—	—	—	—	6	6
New share issues	8	3	—	—	—	—	3
Repurchase of own shares	8	—	—	—	—	-3	-3
Dividends	8	—	—	—	—	-13,629	-13,629
<b>Equity at end of the period</b>		869	27,378	-318	481	-6,093	22,318

# Parent company

## Condensed income statement

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Revenue	12	12	39	36
Administrative expenses	-23	-24	-78	-70
<b>Operating loss</b>	<b>-11</b>	<b>-12</b>	<b>-39</b>	<b>-34</b>
Dividend from group company	4,800	—	4,800	6,300
Interest income	92	45	208	141
Interest expense	-237	-119	-607	-323
Other financial items	95	-79	-46	-301
<b>Profit/loss after financial items</b>	<b>4,739</b>	<b>-164</b>	<b>4,316</b>	<b>5,783</b>
Tax on profit/loss	12	34	99	98
<b>Net profit</b>	<b>4,751</b>	<b>-131</b>	<b>4,415</b>	<b>5,881</b>

## Condensed balance sheet

SEK million	Note	Sep 30 2023	Dec 31 2022
<b>ASSETS</b>			
Financial assets		75,977	73,337
<b>Non-current assets</b>		<b>75,977</b>	<b>73,337</b>
Current receivables		235	2,444
Current investments		172	157
<b>Current assets</b>		<b>407</b>	<b>2,601</b>
<b>TOTAL ASSETS</b>		<b>76,383</b>	<b>75,938</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	8	5,856	5,854
Unrestricted equity	8	32,703	32,927
<b>Equity</b>		<b>38,559</b>	<b>38,781</b>
<b>Untaxed reserves</b>		<b>610</b>	<b>610</b>
Interest-bearing liabilities	5	27,813	29,187
Non-interest-bearing liabilities		—	4
<b>Non-current liabilities</b>		<b>27,813</b>	<b>29,192</b>
Interest-bearing liabilities	5	7,027	7,105
Non-interest-bearing liabilities		2,375	251
<b>Current liabilities</b>		<b>9,402</b>	<b>7,356</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,383</b>	<b>75,938</b>

# Notes

## NOTE 1 ACCOUNTING PRINCIPLES AND DEFINITIONS

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

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

Figures presented in this report refer to July 1 – September 30 (Q3), 2023 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2022.

## NOTE 2 REVENUE AND SEGMENTS

### Revenue per segment

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Sweden	5,487	5,529	16,426	16,290
Lithuania	1,022	893	2,883	2,540
Latvia	528	457	1,487	1,242
Estonia	253	232	726	665
<b>Total including internal sales</b>	<b>7,290</b>	<b>7,111</b>	<b>21,521</b>	<b>20,736</b>
Internal sales, elimination	-37	-27	-105	-88
<b>TOTAL</b>	<b>7,253</b>	<b>7,084</b>	<b>21,415</b>	<b>20,649</b>

### Internal sales

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Sweden	2	2	7	6
Lithuania	21	14	59	47
Latvia	11	9	31	28
Estonia	3	2	9	7
<b>TOTAL</b>	<b>37</b>	<b>27</b>	<b>105</b>	<b>88</b>

### Revenue split per category

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>Sweden Consumer</b>				
End-user service revenue	3,166	3,128	9,260	9,184
Operator revenue	180	184	548	566
Equipment revenue	447	463	1,354	1,337
<b>Total</b>	<b>3,794</b>	<b>3,776</b>	<b>11,162</b>	<b>11,087</b>
<b>Sweden Business</b>				
End-user service revenue	1,024	985	3,080	2,946
Operator revenue	22	23	70	74
Equipment revenue	357	461	1,296	1,336
Internal sales	1	1	3	3
<b>Total</b>	<b>1,404</b>	<b>1,470</b>	<b>4,448</b>	<b>4,359</b>
<b>Sweden Wholesale</b>				
Operator revenue	287	282	809	840
Internal sales	1	1	4	4
<b>Total</b>	<b>289</b>	<b>283</b>	<b>813</b>	<b>844</b>
<b>Lithuania</b>				
End-user service revenue	658	542	1,854	1,551
Operator revenue	49	50	131	150
Equipment revenue	295	287	839	792
Internal sales	21	14	59	47
<b>Total</b>	<b>1,022</b>	<b>893</b>	<b>2,883</b>	<b>2,540</b>
<b>Latvia</b>				
End-user service revenue	365	299	1,047	829
Operator revenue	32	40	89	109
Equipment revenue	119	110	320	276
Internal sales	11	9	31	28
<b>Total</b>	<b>528</b>	<b>457</b>	<b>1,487</b>	<b>1,242</b>
<b>Estonia</b>				
End-user service revenue	183	156	524	450
Operator revenue	23	23	63	66
Equipment revenue	44	50	129	142
Internal sales	3	2	9	7
<b>Total</b>	<b>253</b>	<b>232</b>	<b>726</b>	<b>665</b>
Internal sales, elimination	-37	-27	-105	-88
<b>CONTINUING OPERATIONS</b>				
End-user service revenue	5,397	5,110	15,764	14,960
Operator revenue	594	602	1,711	1,805
Equipment revenue	1,262	1,372	3,940	3,883
<b>TOTAL</b>	<b>7,253</b>	<b>7,084</b>	<b>21,415</b>	<b>20,649</b>

### Underlying EBITDAaL

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Sweden	2,078	2,092	5,811	5,994
Lithuania	429	326	1,189	948
Latvia	218	172	626	487
Estonia	56	53	159	148
<b>TOTAL</b>	<b>2,781</b>	<b>2,643</b>	<b>7,785</b>	<b>7,577</b>

## NOTE 3 PROFIT AFTER FINANCIAL ITEMS

### Reconciling items to reported profit after financial items

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>Underlying EBITDAaL</b>	<b>2,781</b>	<b>2,643</b>	<b>7,785</b>	<b>7,577</b>
Reversal lease depreciation and interest	369	331	1,100	984
<b>Underlying EBITDA</b>	<b>3,150</b>	<b>2,974</b>	<b>8,886</b>	<b>8,562</b>
Restructuring costs	-25	-41	-111	-155
Disposal of non-current assets	-19	-28	-32	-50
Other items affecting comparability	—	-16	-45	-14
<b>Items affecting comparability</b>	<b>-44</b>	<b>-86</b>	<b>-189</b>	<b>-219</b>
<b>EBITDA</b>	<b>3,106</b>	<b>2,889</b>	<b>8,697</b>	<b>8,343</b>
Depreciation/amortization	-1,552	-1,539	-4,635	-4,620
Result from shares in associated companies and joint ventures	—	—	—	1,671
<b>Operating profit</b>	<b>1,554</b>	<b>1,350</b>	<b>4,061</b>	<b>5,394</b>
Net interest and other financial items	-259	-159	-629	-508
<b>Profit after financial items</b>	<b>1,295</b>	<b>1,191</b>	<b>3,432</b>	<b>4,885</b>

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

### Restructuring costs

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Redundancy costs	—	-16	-13	-50
Other employee and consultancy costs	-1	-6	-16	-27
Exit of contracts and other costs	-23	-19	-82	-78
<b>Restructuring costs</b>	<b>-25</b>	<b>-41</b>	<b>-111</b>	<b>-155</b>
Reported as:				
– Cost of services provided	-14	-5	-56	-20
– Selling expenses	-3	-11	-15	-52
– Administrative expenses	-9	-25	-40	-83

The restructuring costs are related to the business transformation program in Sweden, which was formally and successfully concluded in June 2023. Costs incurred in Q3 2023 refer to certain transformation activities included in the program that remain to be completed.

### Disposal of non-current assets

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Closure of projects and systems	-4	—	-13	-12
Network equipment scrapping	-16	-28	-24	-28
Other	—	—	5	-10
<b>Disposal of non-current assets<sup>1)</sup></b>	<b>-19</b>	<b>-28</b>	<b>-32</b>	<b>-50</b>

<sup>1)</sup> Reported as other operating income and other operating expenses.

In Q3 2023, the value of old IT systems and network equipment was reviewed, resulting in a scrapping expense of SEK 19 million.

### Other items affecting comparability

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Legal disputes and settlements	—	—	-11	—
Legacy receivable reconciliation	—	—	-20	—
Inventory adjustment	—	-7	—	-7
Legacy prepaid voucher value adjustment	—	9	—	9
Legacy roaming discount reconciliation	—	-20	—	-20
Legacy insurance costs	—	—	-16	—
Other	—	2	2	4
<b>Total</b>	<b>—</b>	<b>-16</b>	<b>-45</b>	<b>-14</b>
Reported as:				
– Cost of services provided	—	-17	—	-17
– Selling expenses	—	-11	-33	-9
– Administrative expenses	—	3	-12	3
– Other operating income	—	9	—	9

## NOTE 4 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

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

## NOTE 5 FINANCIAL ASSETS AND LIABILITIES

### Financing

SEK million	Sep 30 2023	Dec 31 2022
Bonds SEK	6,794	8,391
Bonds EUR	16,776	14,084
Commercial papers	—	796
Financial institutions	3,411	3,359
<b>Total liabilities to financial institutions</b>	<b>26,981</b>	<b>26,630</b>

Average maturity and average interest rate (including derivatives) for outstanding debt to financial institutions at September 30, 2023 amounted to 4.1 years and 3.2 percent, respectively.

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

### Classification and fair values

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds, lease liabilities and trade payables. For the category "Liabilities to financial institutions" the reported value amounted on September 30, 2023 to SEK 26 981 (December 31, 2022: 26,630) million and the fair value to SEK 25 808 (December 31, 2022: 25,350) million.

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



## NOTE 6 RELATED PARTIES

Tele2's share of cash and cash equivalents in joint operations (Svenska UMTS-nät AB and Net4Mobility HB, Sweden, including subsidiaries) for which Tele2 has limited disposal rights was included in the Group's cash and cash equivalents and amounted at September 30, 2023 to SEK 61 (December 31, 2022: 135) million. Other transactions with joint operations and other related parties mainly consists of the same items as prior year end and are presented in Note 34 of the Annual and Sustainability Report 2022.

## NOTE 7 CONTINGENT LIABILITIES

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

## NOTE 8 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

### Number of shares

	Sep 30 2023	Dec 31 2022
Total number of shares	696,221,597	695,021,597
Number of treasury shares	-4,588,520	-4,010,230
<b>Number of outstanding shares</b>	<b>691,633,077</b>	<b>691,011,367</b>
Number of outstanding shares, weighted average	691,322,222	690,647,136
Number of shares after dilution	696,067,358	695,074,506
Number of shares after dilution, weighted average	695,421,449	694,353,388

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

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

### Outstanding share right programs

	Sep 30 2023	Dec 31 2022
LTI 2023	1,559,496	—
LTI 2022	1,450,187	1,460,226
LTI 2021	1,424,598	1,441,908
LTI 2020	—	1,161,005
<b>Total outstanding share rights</b>	<b>4,434,281</b>	<b>4,063,139</b>

All outstanding long-term incentive programs (LTI 2021, LTI 2022 and LTI 2023) are based on the same structure. Additional information regarding the objective, conditions and requirements related to the LTI programs is stated in Note 31 of the 2022 Annual and Sustainability Report. During the nine months in 2023, the total cost including social security costs for all the programs amounted to SEK 80 (77) million before tax.

### LTI 2023

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

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

### LTI 2020

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

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

### Dividend

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

## NOTE 9 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>Acquisitions</b>				
Other minor acquisitions	—	—	—	-6
<b>Total acquisition of shares and participations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-6</b>
<b>Divestments</b>				
Tele2 Germany	—	-3	24	19
T-Mobile Netherlands	—	—	—	8,956
Tele2 Switzerland, Swisscom	—	-17	—	-17
Other minor divestments	-1	-4	-3	-4
<b>Total sale of shares and participations</b>	<b>-1</b>	<b>-24</b>	<b>21</b>	<b>8,954</b>
<b>TOTAL CASH FLOW EFFECT</b>	<b>-1</b>	<b>-24</b>	<b>21</b>	<b>8,948</b>

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

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

## NOTE 10 DISCONTINUED OPERATIONS

### Tele2 Germany

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

So far Tele2 has received accumulated earnout payments of SEK 171 million, of which SEK 0 million in Q3 2023. On September 30, 2023 the estimated fair value of the future cash flows amounted to SEK 34 million (December 31, 2022; SEK 54 million).

### Income statement

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

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

Discontinued operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Interest expenses	—	-1	—	-3
<b>Profit/loss after financial items</b>	<b>—</b>	<b>-1</b>	<b>—</b>	<b>-3</b>
<b>Net profit/loss from the operation</b>	<b>—</b>	<b>-1</b>	<b>—</b>	<b>-3</b>
<b>Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain</b>	<b>1</b>	<b>-4</b>	<b>—</b>	<b>1</b>
– of which Germany	-1	1	3	10
– of which Croatia	2	-5	-2	-7
– of which Netherlands	1	—	-1	-2
<b>NET PROFIT</b>	<b>1</b>	<b>-6</b>	<b>—</b>	<b>-2</b>
<i>Attributable to:</i>				
Equity holders of the parent company	1	-6	—	-2
<b>NET PROFIT</b>	<b>1</b>	<b>-6</b>	<b>—</b>	<b>-2</b>
Earnings per share (SEK)	0.00	-0.01	0.00	0.00
Earnings per share, after dilution (SEK)	0.00	-0.01	0.00	0.00

### Balance sheet

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

Discontinued operations SEK million	Sep 30 2023	Dec 31 2022
<b>ASSETS</b>		
Financial assets	6	32
<b>Non-current assets</b>	<b>6</b>	<b>32</b>
Current receivables	28	22
<b>Current assets</b>	<b>28</b>	<b>22</b>
<b>Assets classified as held for sale</b>	<b>34</b>	<b>54</b>
<b>LIABILITIES</b>		
Interest-bearing liabilities	27	26
<b>Non-current liabilities</b>	<b>27</b>	<b>26</b>
Interest-bearing liabilities	60	61
Non-interest-bearing liabilities	4	4
<b>Current liabilities</b>	<b>64</b>	<b>65</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>90</b>	<b>91</b>

### Cash flow statement

Discontinued operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Cash flow from investing activities	-1	-24	21	-2
<b>Net change in cash and cash equivalents</b>	<b>-1</b>	<b>-24</b>	<b>21</b>	<b>-2</b>

# Non-IFRS measures

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

## EBITDA

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

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

## Underlying EBITDA

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

*Underlying EBITDA:* EBITDA excluding items affecting comparability.

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

## Underlying EBITDAaL and underlying EBITDAaL margin

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

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

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

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating profit	1,554	1,350	4,061	5,394
Reversal:				
Result from shares in associated companies and joint ventures	—	—	1	-1,671
Depreciation and amortization	1,552	1,539	4,635	4,620
<b>EBITDA</b>	<b>3,106</b>	<b>2,889</b>	<b>8,697</b>	<b>8,343</b>
Reversal, items affecting comparability:				
Restructuring costs	25	41	111	155
Disposal of non-current assets	19	28	32	50
Other items affecting comparability	—	16	45	14
<b>Total items affecting comparability</b>	<b>44</b>	<b>86</b>	<b>189</b>	<b>219</b>
<b>Underlying EBITDA</b>	<b>3,150</b>	<b>2,974</b>	<b>8,886</b>	<b>8,562</b>
Lease depreciation	-324	-312	-967	-928
Lease interest costs	-45	-18	-133	-56
<b>Underlying EBITDAaL</b>	<b>2,781</b>	<b>2,643</b>	<b>7,785</b>	<b>7,577</b>
Revenue	7,253	7,084	21,415	20,649
<b>Revenue excluding items affecting comparability</b>	<b>7,253</b>	<b>7,084</b>	<b>21,415</b>	<b>20,649</b>
<b>Underlying EBITDAaL margin</b>	<b>38%</b>	<b>37%</b>	<b>36%</b>	<b>37%</b>

### Non-IFRS measures – Capex paid and capex

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

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

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

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>CONTINUING OPERATIONS</b>				
Additions to intangible and tangible assets	-766	-808	-2,586	-2,426
Sale of intangible and tangible assets	—	—	5	10
<b>Capex paid</b>	<b>-766</b>	<b>-807</b>	<b>-2,580</b>	<b>-2,416</b>
This period's unpaid capex and reversal of paid capex from previous period	-797	141	-947	285
Reversal received payment of sold intangible and tangible assets	—	—	-5	-10
<b>Capex intangible and tangible assets</b>	<b>-1,564</b>	<b>-666</b>	<b>-3,533</b>	<b>-2,142</b>
Additions to right-of-use assets	-231	-148	-630	-546
<b>Capex</b>	<b>-1,795</b>	<b>-814</b>	<b>-4,163</b>	<b>-2,688</b>

No capex has been reported related to discontinued operations.

### Non-IFRS measures – Operating cash flow

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

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

Continuing operations SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Underlying EBITDAaL	2,781	2,643	7,785	7,577
Capex excluding spectrum and leases	-860	-587	-2,810	-1,995
<b>Operating cash flow</b>	<b>1,922</b>	<b>2,056</b>	<b>4,975</b>	<b>5,583</b>

### Non-IFRS measures – Equity free cash flow

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

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

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

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
<b>CONTINUING OPERATIONS</b>				
Cash flow from operating activities	2,955	2,436	7,744	6,363
Capex paid	-766	-807	-2,580	-2,416
Amortization of lease liabilities	-295	-281	-974	-938
<b>Equity free cash flow (eFCF)</b>	<b>1,894</b>	<b>1,348</b>	<b>4,189</b>	<b>3,008</b>
eFCF per share (SEK)	2.74	1.95	6.06	4.35
eFCF per share after dilution (SEK)	2.72	1.94	6.02	4.33
<b>OUTSTANDING SHARES</b>				
Number of shares	691,633,077	691,011,367	691,633,077	691,011,367
Number of shares after dilution	696,067,358	695,058,392	696,067,358	695,058,392

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

### Non-IFRS measures – Net debt and economic net debt

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

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

*Economic net debt:* Net debt excluding lease liabilities.

Total operations SEK million	Sep 30 2023	Dec 31 2022
Interest-bearing non-current liabilities	27,652	29,848
Interest-bearing current liabilities	6,280	4,296
Reversal provisions	-1,047	-1,362
Cash & cash equivalents, current investments and restricted funds	-3,998	-1,274
Derivatives	-130	-401
<b>Net debt</b>	<b>28,758</b>	<b>31,108</b>
Reversal: Lease liabilities	-4,864	-5,460
<b>Economic net debt</b>	<b>23,893</b>	<b>25,647</b>

### Organic

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

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

Reconciliation of figures is presented in an excel document (Q3-2023-financial-and-operational-data) on Tele2's website [www.tele2.com](http://www.tele2.com).

# Other financial metrics

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

## ASPU

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

## Average interest rate

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

## Earnings per share

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

## Economic net debt / Underlying EBITDAaL (financial leverage)

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

## End-user service revenue

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

## Operating profit/loss (EBIT)

Revenue less operating expenses.

## RGU

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

## TSR

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



Visit our website: [www.tele2.com](http://www.tele2.com)

TELE2

