

2024

Interim Report
First Quarter



TELE2



Highlights

- End-user service revenue of SEK 5.3 billion increased by 4% organically compared to Q1 2023 due to solid performance across operations. Total revenue of SEK 7.2 billion increased by 2% compared to Q1 2023.
- Underlying EBITDAaL of SEK 2.6 billion increased by 2% organically compared to Q1 2023, as end-user service revenue growth exceeded the cost inflation.
- Net profit from total operations of SEK 0.8 (0.8) billion and earnings per share of SEK 1.20 (1.23).
- Equity free cash flow of SEK 1.3 (1.1) billion. Over the last twelve months, SEK 4.9 billion has been generated, equivalent to SEK 7.1 per share.
- Full year 2024 guidance and mid-term outlook reiterated. Refer to page 6.
- Kinnevik agreed to sell its shareholding in Tele2 to Freya Investissement, jointly controlled by Iliad and its Chairman and founder Xavier Niel through NJJ Holding. Subject to the completion of the transaction, Freya will be the new largest shareholder in Tele2.
- Tele2 among less than 2% of assessed companies globally to achieve CDP's top 'A List' for climate change efforts.
- Tele2 on Equileap's global top 100 list for corporate gender equality efforts.

Key financial data

SEK million	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
Continuing operations				
End-user service revenue	5,340	5,113	4%	21,130
Revenue	7,152	7,009	2%	29,099
Operating profit	1,250	1,264		5,466
Profit after financial items	998	1,051		4,578
Underlying EBITDAaL	2,550	2,492	2%	10,409
Capex excluding spectrum and leases	1,015	1,063		3,941
Operating cash flow	1,535	1,429		6,468
Operating cash flow, rolling 12 months	6,574	6,517		6,468
Equity free cash flow	1,291	1,119		4,720
Equity free cash flow, rolling 12 months	4,892	3,670		4,720
Total operations				
Net profit	833	849		3,735
Earnings per share (SEK)	1.20	1.23		5.40
Equity free cash flow	1,291	1,119		4,720
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 January-March 2024 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2023. For discontinued operations, refer to Note 8.

Non-IFRS measures

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

CEO letter



Last year's growth momentum continued in Q1

I am pleased to say that we are off to a good start in 2024. Having built momentum in our Swedish business in 2023, we now see continued growth while maintaining high pace in our 5G roll-out and digital transformation efforts. Performance in the Baltics is also good, primarily led by a strong performance in Lithuania. The Tele2 model of unique capital efficiency continues to provide strong cash flows and low leverage even while executing significant upgrades of our technical capabilities.

Kinnevik sells to Freya, jointly controlled by Iliad and NJJ

During Q1, we learned that Iliad/NJJ and Kinnevik have agreed a transaction whereby Iliad/NJJ plans to buy the Kinnevik position in Tele2, subject to regulatory approval. Kinnevik was the founding shareholder of Tele2 and has made major contributions to the company over many years. Iliad's successful growth strategy has been recognized over many years as a leader within European telecoms. This transaction, if finalized, will bring clarity around the long-term ownership structure of Tele2.

Challenging the industry's volume focus

Over the last quarters, the Tele2 brand has been reinvigorated and shown strong performance in the market. Customer loyalty is improving because of these efforts and contributes to good growth momentum. The transition from volume to value is not linear and we are working hard to create better customer journeys in our own channels to reduce dependency on third-party retail solutions. Given the inherent volume focus our industry still suffers from, this journey will take time and happen in stages, but the direction is both credible and necessary.

Our reliable and loved Comviq brand keeps exciting our customers even though there has been massive entry level fighting in the no-frills end of the market. Comviq's more balanced approach has served us well and we will be devoting a significant amount of attention to the further development of our offerings and interfaces for Comviq going forward.

Sustainable investments in superior customer experience

Our 5G swap and roll-out continues at speed. We are confident that our year-end targets will be reached within the stated Capex envelope. As we speak, around 2/3 of the Swedish population is covered by our brand-new high frequency 5G network. Most of that coverage is available in the 3.5 GHz spectrum and a small proportion through 2.1 GHz, ensuring a true 5G speed experience for our customers.

We are ending the quarter at a leverage of 2.34 x underlying EBITDAaL, which is below our indicated band of 2.5 to 3.0x and shows the capital efficiency of our model. After paying dividend to our shareholders in May, we still expect to be around the 2.5x mark. We see that as prudent at this moment as it gives us flexibility.

Recognized for our commitment to planet and people

Since the beginning of the year, Tele2 has received positive recognition for our sustainability efforts. Our Climate A-rating with CDP was reaffirmed. We are also number two in Sweden and among the top 100 worldwide in

"I am pleased to say that we are off to a good start in 2024. The Tele2 model of unique capital efficiency continues to provide strong cash flows and low leverage even while executing significant upgrades of our technical capabilities."

Equileap's gender equality ranking. As ever, we are very aware that today's performance is not good enough to remain a leader in sustainability in the future, as the world and businesses around us keep improving. We welcome this challenge and will continue having sustainability as a key proof-point to our strategy.

Macro contributes to optimism

Moving into Q2, we are cautiously optimistic that consumer sentiment in our operations will gradually improve as we see reduced inflation and lower interest rates in our markets. These improvements should be supportive for the economy overall and our business over the next quarters.

Kjell Johnsen

President and Group CEO

Financial overview

Analysis of revenue

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
Mobile	1,502	1,428	5%	5,961
- Postpaid	1,295	1,207	7%	5,052
- Prepaid	206	221	-7%	909
Fixed	1,467	1,423	3%	5,776
- Fixed broadband	782	717	9%	2,982
- Digital TV	656	669	-2%	2,654
- Cable & Fiber	427	429	0%	1,702
- DTT	229	240	-5%	952
- Fixed telephony & DSL	30	37	-19%	139
Landlord & Other	166	166	0%	663
Sweden Consumer	3,135	3,017	4%	12,400
Sweden Business	1,048	1,019	3%	4,131
Baltics	1,157	1,077	7%	4,599
End-user service revenue	5,340	5,113	4%	21,130
Operator revenue	536	545	-2%	2,304
Equipment revenue	1,276	1,351	-6%	5,665
Revenue	7,152	7,009	2%	29,099

End-user service revenue increased by 4% organically driven by solid performance across operations.

- **Sweden Consumer** increased by 4% as strong growth in Fixed broadband and Mobile postpaid exceeded continued decline in legacy services.
- **Sweden Business** grew by 3% mainly as growth in Mobile exceeded continued decline in Fixed.
- **Baltics** grew by 7% in local currency driven by both volume growth and strong ASPU (Average Spend Per User) growth from price adjustments and upselling.

Total revenue increased by 2% organically driven by growth in end-user service revenue, partly offset by a decline in Equipment revenue.

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

Analysis of income statement

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Revenue	7,152	7,009	29,099
Underlying EBITDAaL	2,550	2,492	10,409
Reversal lease depreciation and interest	379	361	1,475
Underlying EBITDA	2,928	2,853	11,885
Items affecting comparability	-187	-68	-268
EBITDA	2,742	2,785	11,616
Depreciation/amortization	-1,492	-1,520	-6,150
- of which amortization of surplus from acquisitions	-373	-420	-1,646
- of which lease depreciation	-340	-317	-1,299
- of which other depreciation/amortization	-779	-783	-3,206
Result from shares in associated companies and joint ventures	0	0	0
Operating profit	1,250	1,264	5,466
Net interest and other financial items	-252	-213	-888
Income tax	-188	-201	-846
Net profit	809	850	3,731

Underlying EBITDAaL increased by 2% organically driven by end-user service revenue growth which was partly offset by cost inflation. Our energy costs increased by SEK 11 million compared to Q1 2023.

Items affecting comparability of SEK -187 (-68) million were mainly driven by restructuring costs related to the Strategy Execution Program. Refer to Note 3 for more details.

Net interest and other financial items of SEK -252 (-213) million increased compared to Q1 2023 due to higher financing costs for outstanding debt.

Income tax of SEK -188 (-201) million decreased compared to Q1 2023 due to lower taxable profits.

Analysis of cash flow statement

SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Continuing operations			
Underlying EBITDA	2,928	2,853	11,885
Items affecting comparability	-187	-68	-268
Amortization of lease liabilities	-405	-386	-1,240
Capex paid	-996	-926	-4,053
Changes in working capital	297	58	85
Net financial items paid	-181	-191	-835
Taxes paid	-195	-254	-987
Other cash items	29	35	133
Equity free cash flow	1,291	1,119	4,720
Equity free cash flow, rolling 12 months ¹⁾	4,892	3,670	4,720

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

¹⁾ Reconciliation of equity free cash flow rolling 12 months are presented in an Excel document (Q1-2024-financial-and-operational-data) on Tele2's website www.tele2.com.

Capex of SEK -996 (-926) million remains high due to continued intense investments and increased mainly due to timing of payments.

Items affecting comparability of SEK -187 (-68) million was mainly driven by restructuring costs.

Changes in working capital of SEK 297 (58) million were mainly impacted by a reduction in equipment receivables and increased provisions for restructuring costs.

Taxes paid of SEK -195 (-254) million declined due to settlement of taxes paid of SEK 93 million relating to previous years.

Analysis of financial position

Total operations SEK million	Mar 31 2024	Dec 31 2023
Bonds	25,727	23,113
Financial institutions and other liabilities	3,650	4,343
Cash and cash equivalents	-4,380	-1,634
Other adjustments	-551	-174
Economic net debt	24,446	25,648
Lease liabilities	4,039	4,320
Net debt	28,485	29,968
Underlying EBITDAaL, rolling 12 months	10,467	10,409
Economic net debt to Underlying EBITDAaL	2.3x	2.5x
Unutilized overdraft facilities and credit lines	8,743	8,436

Economic net debt of SEK 24.4 (25.6 by the end of 2023) billion declined due to the cash generated in the business.

Economic net debt to underlying EBITDAaL (financial leverage) of 2.3x by the end of Q1 (2.5x by the end of 2023) was below the lower end of the target range of 2.5–3.0x.

Financial guidance

Financial guidance

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

2024 guidance (unchanged)

- 3-4% organic growth of end-user service revenue
- 1-3% organic growth of underlying EBITDAaL
- 13-14% capex to sales (excluding spectrum and leases)

Mid-term outlook (unchanged)

- Low to mid-single-digit organic growth of end-user service revenue
- Mid-single-digit organic growth of underlying EBITDAaL
- 10-12% capex to sales (excluding spectrum and leases), however 13-14% in 2025

Dividend

The Board of Directors of Tele2 are proposing an ordinary dividend of SEK 6.90 (6.80) per A and B shares to be decided by the 2024 Annual General Meeting on 15 May, 2024. The proposal means that in total SEK 4.8 billion will be distributed to Tele2's shareholders in two tranches, in May and in October. Refer to Note 6 for more details.

Guidance

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

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

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

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

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	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
END-USER SERVICE REVENUE				
Sweden	4,183	4,036	4%	16,531
Lithuania	647	577	11%	2,508
Latvia	342	333	2%	1,394
Estonia	168	166	0%	697
Total	5,340	5,113	4%	21,130
REVENUE				
Sweden	5,505	5,431	1%	22,300
Lithuania	974	909	6%	3,944
Latvia	482	471	1%	2,024
Estonia	226	230	-2%	977
Internal sales, elimination	-34	-33	5%	-146
Total	7,152	7,009	2%	29,099
UNDERLYING EBITDAaL				
Sweden	1,899	1,886	1%	7,768
Lithuania	404	360	11%	1,598
Latvia	199	196	1%	834
Estonia	49	50	-3%	209
Total	2,550	2,492	2%	10,409
CAPEX				
Sweden	844	880	-4%	3,245
Lithuania	87	85	2%	309
Latvia	45	44	1%	218
Estonia	39	54	-28%	169
Capex excluding spectrum and leases	1,015	1,063	-5%	3,941
Spectrum	—	—		728
Right-of-use assets (leases)	120	206		420
Total	1,135	1,269		5,089
<i>of which:</i>				
– Network	669	720		2,501
– IT	218	212		913
– Customer equipment	126	123		491
– Other	2	8		36
Capex excluding spectrum and leases	1,015	1,063		3,941
Capex to sales (excluding spectrum and leases)	14%	15%		14%
Capex to sales (excluding spectrum and leases), rolling 12 months	13%	13%		14%

Overview by segment

Sweden

Tele2 Sweden end-user service revenue increased by 4% in the first quarter driven by 4% growth in Sweden Consumer and 3% in Sweden Business.

In Q1, we launched our Strategy Execution Program (SEP), which will run until Q4 2026 with a target to reach SEK 600 million of run-rate cost savings, and to support our digitalisation journey and create even more focus on value and efficiency. As part of SEP, Sweden Consumer initiated customer value creation partly through strengthened focus and investment in our own channels, and partly through a successful major IT migration relating to customer service capabilities, whereas Sweden Business established a Digitalisation and Automation program. Our 5G population coverage currently stands at close to 70% (up from 60% by year end 2023) with a brand-new network.

In Q1, SEP reached SEK 80 million of annualised run-rate savings mainly driven by organisational changes and network optimisations. The net savings effect on underlying EBITDAaL in Q1 was SEK 10 million YoY. Restructuring costs amounted to SEK 183 million mainly driven by organisational changes, some of which, however, did not contribute to the run-rate savings in Q1 but will do so in Q2.

Underlying EBITDAaL grew by 1% driven by end-user service revenue growth partly impacted by cost inflation.

Capex excluding spectrum and leases amounted to SEK 844 million as our network investments continue at a high pace.

Financials SEK million	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
End-user service revenue	4,183	4,036	4%	16,531
Revenue	5,505	5,431	1%	22,300
Underlying EBITDA	2,219	2,193		9,015
Underlying EBITDAaL	1,899	1,886	1%	7,768
Underlying EBITDAaL margin	34%	35%		35%
Capex				
Network	524	572		1,960
IT	196	187		801
Customer equipment	123	118		471
Other	1	3		13
Capex excluding spectrum and leases	844	880		3,245
Spectrum	—	—		706
Right-of-use assets (leases)	185	174		322
Capex	1,029	1,054		4,273
Capex to sales (excluding spectrum and leases)	15%	16%		15%

Sweden Consumer

The first quarter delivered total end-user service revenue growth of 4% built on strong RGU development in connectivity during previous quarters combined with the introduction of the new annual pricing strategy. Commercial activity on the market was most pronounced on the mobile side, partially driven by continued challenges on the handset market.

Mobile postpaid net intake was negative with 7,000 RGUs in the quarter. Mobile end-user service revenue grew by 5% as significant ASPU and postpaid RGU growth more than offset a decline of 7% in prepaid end-user service revenue partly due to effects relating to the registration requirement from February 2023.

Fixed broadband net intake was negative with 17,000 RGUs including a clean-up of 11,000 RGUs with no effect on end-user service revenue. Fixed broadband end-user service revenue grew by 9% through ASPU growth.

Digital TV Cable & Fiber net intake was negative with 17,000 RGUs including a clean-up of 16,000 RGUs with no impact on end-user service revenue. Digital TV end-user service revenue declined by 2% as Digital TV Cable & Fiber was flat while the legacy DTT business declined by 5%.

	Jan-Mar 2024	Jan-Mar 2023	Mar 31 2024	Mar 31 2023	Organic %	Dec 31 2023
RGUs (thousands)	Net intake		RGU base			
Mobile	-58	-40	2,785	2,888	-4%	2,843
– Postpaid	-7	4	2,076	2,008	3%	2,083
– Prepaid	-51	-44	709	880	-19%	760
Fixed	-47	-13	1,910	1,983	-4%	1,958
– Fixed broadband	-17	4	952	953	0%	969
– Digital TV	-26	-9	832	879	-5%	857
– Cable & Fiber	-17	-1	615	631	-3%	632
– DTT	-8	-8	217	248	-12%	226
– Fixed telephony & DSL	-5	-8	127	150	-16%	131
Total RGUs	-106	-53	4,695	4,870	-4%	4,801

	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
ASPU (SEK)				
Mobile	178	164	9%	172
– Postpaid	208	201	4%	206
– Prepaid	94	82	14%	90
Fixed	253	238	6%	243
– Fixed broadband	271	251	8%	259
– Digital TV	259	252	3%	253
– Cable & Fiber	228	226	1%	224
– DTT	345	318	9%	330
– Fixed telephony & DSL	78	81	-4%	80
Revenue (SEK million)				
Mobile	1,502	1,428	5%	5,961
– Postpaid	1,295	1,207	7%	5,052
– Prepaid	206	221	-7%	909
Fixed	1,467	1,423	3%	5,776
– Fixed broadband	782	717	9%	2,982
– Digital TV	656	669	-2%	2,654
– Cable & Fiber	427	429	0%	1,702
– DTT	229	240	-5%	952
– Fixed telephony & DSL	30	37	-19%	139
Landlord & Other	166	166	0%	663
End-user service revenue	3,135	3,017	4%	12,400
Operator revenue	191	183		734
Equipment revenue	421	477		2,057
Internal sales	0	0		0
Revenue	3,747	3,678	2%	15,191

Sweden Business and Wholesale

Sweden B2B's continued strategy execution resulted in 3% end-user service revenue growth in Q1, and 4% underlying when adjusted for a previously reported SEK 8 million positive one-off deal in the Fixed area in Q1 2023.

Mobile postpaid net intake was negative with 10,000 RGUs in Q1 mainly due to a larger public customer that churned during the quarter. Mobile end-user service revenue grew by 8% organically driven by ASPU and continued strong growth in our IoT business. In Q1, we intensified efforts to support customers to migrate away from legacy 2G/3G technologies.

In the Solutions area, end-user service revenue grew by 3% supported by high levels of activity for Networking and Unified Communications (UC).

As competence and certifications are crucial for our business, we are proud to have been recognised as the Partner of the year in Sweden by the UC company Avaya, and to have achieved Elite Partner status with the security company Check Point.

In Fixed, where our copper decommissioning has reached 95% completion, the underlying end-user service revenue performance is showing signs of gradual improvement.

Equipment revenues fell compared to Q1 2023 as the decline in Handset and Accessories more than offset growth in Network equipment.

Sweden Wholesale revenue remained largely unchanged in the quarter.

Sweden Business

	Jan-Mar 2024	Jan-Mar 2023	Mar 31 2024	Mar 31 2023	Organic %	Dec 31 2023
RGUs (thousands)	Net intake		RGU base			
Mobile (excluding IoT)						
– Postpaid	-10	9	1,046	1,042	0%	1,055
	Jan-Mar 2024	Jan-Mar 2023			Organic %	Full year 2023
ASPU (SEK)						
Mobile (excluding IoT)						
– Postpaid	146	139			5%	143
Revenue (SEK million)						
Mobile	582	536			8%	2,236
Fixed	179	204			-12%	759
Solutions	287	279			3%	1,135
End-user service revenue	1,048	1,019			3%	4,131
Operator revenue	24	24				95
Equipment revenue	434	456				1,774
Internal sales	1	1				4
Revenue	1,507	1,501			0%	6,004

Sweden Wholesale

Financials SEK million	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
Operator revenue	249	252		1,096
Equipment revenue	0	0		1
Internal sales	1	1		5
Revenue	250	253	-1%	1,103

Baltics

Lithuania

In Q1, competition in the Lithuanian market remained concentrated on campaigns and offers related to 5G. We focused on raising general awareness of 5G through promotions and free trials. The market saw one of the operators raise prices during the quarter.

Net intake was positive in the quarter with 18,000 RGUs in mobile post-paid driven by increased gross intake and successful customer retention, and 3,000 RGUs in mobile prepaid. Mobile ASPU increased by 11% in local currency mainly driven by upselling of prolongation contracts, additional revenues from new products, and last year's price adjustments.

End-user service revenue grew by 11% in local currency mostly driven by ASPU growth.

Underlying EBITDAaL grew by 11% in local currency mainly as end-user service revenue growth and successful cost management offset inflationary pressure.

	Jan-Mar 2024	Jan-Mar 2023	Mar 31 2024	Mar 31 2023	Organic %	Dec 31 2023
RGUs (thousands)	Net intake		RGU base			
Mobile	21	0	2,027	2,009	1%	2,006
– Postpaid	18	12	1,371	1,339	2%	1,352
– Prepaid	3	-13	656	670	-2%	653

	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
ASPU (EUR)				
Mobile	9.4	8.5	11%	9.0
– Postpaid	11.4	10.4	10%	11.0
– Prepaid	5.2	4.7	11%	5.1
Revenue (SEK million)				
Mobile	643	574	11%	2,495
– Postpaid	527	467	12%	2,021
– Prepaid	116	107	8%	473
Fixed	4	3	24%	13
End-user service revenue	647	577	11%	2,508
Operator revenue	32	39		176
Equipment revenue	276	274		1,179
Internal sales	19	18		81
Revenue	974	909	6%	3,944
Underlying EBITDA	429	382		1,688
Underlying EBITDAaL	404	360	11%	1,598
Underlying EBITDAaL margin	41%	40%		41%
Capex	137	93		322
Capex excluding spectrum and leases	87	85		309
Capex to sales (excluding spectrum and leases)	9%	9%		8%

Latvia

The Latvian market environment continued to be highly competitive in the quarter, with constant fights for customers across segments. Continued high interest rates and the restructuring of several transport and logistics industries away from Russia are dampening overall economic activity in the country as well as consumer spending capacity and behaviour. However, the market saw some operators announcing price increases during the quarter.

Net intake was positive in the quarter with 6,000 RGUs in mobile post-paid, mainly driven by new sales, and 1,000 RGUs in mobile prepaid. Mobile ASPU declined by 3% in local currency driven by extensive activities to retain customers and increase competitiveness in the consumer segment.

End-user service revenue grew by 2% in local currency due to a larger post-paid base.

Underlying EBITDAaL grew by 1% in local currency driven by end-user service revenue growth and prudent operational cost management.

	Jan-Mar 2024	Jan-Mar 2023	Mar 31 2024	Mar 31 2023	Organic %	Dec 31 2023
RGUs (thousands)	Net intake		RGU base			
Mobile	7	-8	1,063	1,007	6%	1,057
– Postpaid	6	4	827	799	4%	821
– Prepaid	1	-12	236	208	13%	235

	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
ASPU (EUR)				
Mobile	9.5	9.8	-3%	9.7
– Postpaid	11.3	11.3	-1%	11.3
– Prepaid	3.2	4.1	-22%	4.0
Revenue (SEK million)				
Mobile	339	332	1%	1,387
– Postpaid	314	303	3%	1,261
– Prepaid	25	30	-15%	126
Fixed	3	1	206%	7
End-user service revenue	342	333	2%	1,394
Operator revenue	22	27		119
Equipment revenue	107	102		469
Internal sales	10	9		42
Revenue	482	471	1%	2,024
Underlying EBITDA	214	209		892
Underlying EBITDAaL	199	196	1%	834
Underlying EBITDAaL margin	41%	41%		41%
Capex	60	56		279
Capex excluding spectrum and leases	45	44		218
Capex to sales (excluding spectrum and leases)	9%	9%		11%

Estonia

Our position as a price leader has continued to be instrumental in maintaining competitiveness during the period of macroeconomic uncertainty. Market conditions have remained challenging as aggressive campaign prices from competitors have continued. However, competitors announced price increases during the quarter.

Net intake in the quarter was positive in mobile postpaid with 3,000 RGUs whereas mobile prepaid was negative with 4,000 RGUs driven by restrictions related to Russia and regional instability. Mobile ASPU grew by 1% in local currency driven by a mix shift towards more postpaid.

End-user service revenue remained unchanged in local currency as the slight ASPU growth was offset by the marginally smaller customer base.

Underlying EBITDAaL declined by 3% in local currency due to increased cost base driven by inflation and weak equipment margins impacted by macroeconomic uncertainty.

	Jan-Mar 2024	Jan-Mar 2023	Mar 31 2024	Mar 31 2023	Organic %	Dec 31 2023
RGUs (thousands)	Net intake		RGU base			
Mobile	-1	4	454	459	-1%	455
– Postpaid	3	5	415	409	1%	412
– Prepaid	-4	-1	40	50	-21%	44

	Jan-Mar 2024	Jan-Mar 2023	Organic %	Full year 2023
ASPU (EUR)				
Mobile	9.9	9.8	1%	10.1
– Postpaid	10.6	10.6	0%	10.8
– Prepaid	3.1	3.4	-10%	4.0
Revenue (SEK million)				
Mobile	153	151	0%	632
– Postpaid	148	145	1%	606
– Prepaid	4	6	-26%	26
Fixed	16	15	1%	64
End-user service revenue	168	166	0%	697
Operator revenue	17	19	-11%	82
Equipment revenue	38	42	-10%	185
Internal sales	4	3	25%	13
Revenue	226	230	-2%	977
Underlying EBITDA	67	69		290
Underlying EBITDAaL	49	50	-3%	209
Underlying EBITDAaL margin	21%	22%		21%
Capex	-91	67		214
Capex excluding spectrum and leases	39	54		169
Capex to sales (excluding spectrum and leases)	17%	23%		17%

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. 25–27 and Note 2 on p. 113–117 in Tele2's Annual and Sustainability Report 2023 for more information about Tele2's risk exposure and risk management.

Events during the quarter

January 16. Tele2 accelerates generative AI-based customer service enhancements with Amazon Bedrock

Tele2 is leveraging Amazon Web Services (AWS) to launch an Internet of Things (IoT) customer support solution, powered by Amazon Bedrock, a fully managed service that enables the fast-paced building and scaling of generative artificial intelligence (AI) applications by making a selection of foundation models from leading AI companies accessible through simple application programming interface (API) calls. This innovative solution will be available for Tele2's IoT support agents and is set to redefine customer service standards.

February 6. Tele2 recognized by CDP with 'A' score for climate change efforts as the only telco in Sweden

Tele2 announced that global environmental non-profit organisation, CDP, has recognized Tele2 as the only telecom operator in Sweden, for its leadership in corporate transparency and performance on climate change by placing Tele2 on its annual 'A List' for the second year running.

February 8. Tele2 Updates Sustainability Strategy with Renewed Focus on Circular Economy, Child Online Protection, Sustainability through Tech, and Diversity

Tele2 has launched an updated sustainability strategy, setting new benchmarks and targets reaching to 2026 in the four focus areas Circular economy, Child online protection, Sustainability through tech and Diversity. Some of the new and updated targets include taking back 100,000 mobile phones in 2026 and increasing blocking of attempts to access child sexual abuse material with 10 percent.

February 21. Fonus and Familjens Jurist have Entered into an Agreement with Tele2 for Internet and SD-WAN Solutions

Fonus, the largest funeral agency in the Nordics, and Familjens Jurist, Sweden's largest law firm specializing in family law, have chosen Tele2 as their provider for internet and SD-WAN solutions for their operations.

February 29. Tele2 on Global Top List for Corporate Gender Equality Efforts

For the second consecutive year, Tele2 has earned a coveted spot on Equileap's global top 100 list of companies succeeding in gender equality. Only 4 Swedish companies made it to the top 100 positions, and the report suggests that Sweden is behind countries like Spain, Norway, and the UK, but ahead of Germany and the US.

March 13. Tele2 and foodora in revolutionary collaboration – connected drones deliver food from the sky to the doorstep

Tele2 and the q-trade platform foodora announced that they will launch food deliveries using IoT and 5G connected drones. The deliveries will be made wherever possible to the customers' property or garden and lowered with a cable from the drone, with the first deliveries taking place already in the spring on Värmdö, outside Stockholm.

Events after the end of the first quarter 2024

No significant events expected to have a material impact on Tele2's financial statements have occurred after the end of the first quarter 2024.

Financial calendar

Tele2 financial calendar for 2024 has been established.

May 15	Annual General Meeting 2024
July 17	Interim report Q2 2024
October 22	Interim report Q3 2024

Auditors' review

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

Stockholm, April 18, 2024
Tele2 AB (publ)

Kjell Johnsen
President and Group CEO

Q1 2024 PRESENTATION

Tele2 will host a teleconference and webcast with presentation at 10:00 CEST (09:00 BST, 04:00 EDT) on Thursday 18 April, 2024. 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.

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 Thursday 18 April, 2024.

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Consolidated income statement

SEK million	Note	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Revenue	2	7,152	7,009	29,099
Cost of services provided and equipment sold	3	-4,137	-4,172	-17,288
Gross profit		3,015	2,837	11,811
Selling expenses	3	-1,184	-1,099	-4,447
Administrative expenses	3	-639	-527	-2,176
Result from shares in associated companies and joint ventures		0	0	0
Other operating income	3	74	87	387
Other operating expenses	3	-16	-32	-109
Operating profit	3	1,250	1,264	5,466
Interest income		35	16	98
Interest expenses		-298	-223	-1,061
Other financial items		11	-6	76
Profit after financial items		998	1,051	4,578
Income tax		-188	-201	-846
Net profit, continuing operations		809	850	3,731
Net profit discontinued operations	8	24	-1	4
Net profit, total operations		833	849	3,735
Continuing operations				
<i>Attributable to:</i>				
Equity holders of the parent company		809	850	3,731
Net profit, continuing operations		809	850	3,731
Earnings per share (SEK)	6	1.17	1.23	5.40
Earnings per share, after dilution (SEK)	6	1.16	1.22	5.36
Total operations				
<i>Attributable to:</i>				
Equity holders of the parent company		833	849	3,735
Net profit, total operations		833	849	3,735
Earnings per share (SEK)	6	1.20	1.23	5.40
Earnings per share, after dilution (SEK)	6	1.20	1.22	5.37

Consolidated comprehensive income

SEK million	Note	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
NET PROFIT		833	849	3,735
Components not to be reclassified to net profit				
Pensions, actuarial gains/losses		77	87	5
Pensions, actuarial gains/losses, tax effect		-16	-18	-1
Components not to be reclassified to net profit/loss		61	69	4
Components that may be reclassified to net profit				
Translation differences in foreign operations		232	76	-6
Reversed cumulative translation differences from divested companies		—	-1	-1
Translation differences in associated companies		1	0	0
Translation differences		233	76	-7
Hedge of net investments in foreign operations		-139	-48	10
Tax effect on above		29	10	-2
Hedge of net investments		-111	-38	8
Exchange rate differences		122	38	2
Profit/loss arising on changes in fair value of hedging instruments		-3	-19	-91
Reclassified cumulative profit/loss to income statement		12	4	39
Tax effect on cash flow hedges		-2	3	11
Cash flow hedges		7	-12	-42
Components that may be reclassified to net profit/loss		129	26	-40
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		190	94	-36
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,023	944	3,698
<i>Attributable to:</i>				
Equity holders of the parent company		1,023	944	3,698
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,023	944	3,698

Condensed consolidated balance sheet

SEK million	Note	Mar 31 2024	Dec 31 2023
ASSETS			
Goodwill		29,997	29,898
Other intangible assets		12,321	12,683
Intangible assets		42,318	42,580
Property, plant & equipment		9,298	8,986
Right-of-use assets		4,012	4,216
Tangible assets		13,310	13,202
Shares in associated companies and joint ventures		6	6
Other financial assets	4	1,009	1,044
Capitalized contract costs		842	810
Deferred tax assets		93	104
Non-current assets		57,578	57,746
Inventories		971	824
Trade receivables		2,133	2,111
Other current receivables		3,686	3,660
Current investments		85	84
Cash and cash equivalents	5	4,380	1,634
Current assets		11,256	8,313
TOTAL ASSETS		68,833	66,059
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent company		23,830	22,780
Equity	6	23,830	22,780
Liabilities to financial institutions and similar liabilities	4	24,549	22,171
Lease liability		2,827	3,111
Provisions		947	1,045
Other interest-bearing liabilities		169	162
Interest-bearing liabilities		28,491	26,488
Deferred tax liability		3,579	3,597
Other non-interest-bearing liabilities		344	340
Non-interest-bearing liabilities		3,923	3,938
Non-current liabilities		32,414	30,426
Liabilities to financial institutions and similar liabilities	4	4,285	4,148
Lease liability		1,212	1,209
Provisions		253	46
Other interest-bearing liabilities		374	976
Interest-bearing liabilities		6,125	6,379
Trade payables		2,051	2,233
Other current non-interest-bearing liabilities		4,350	4,156
Non-interest-bearing liabilities		6,401	6,388
Current liabilities		12,526	12,767
Liabilities directly associated with assets classified as held for sale	8	62	86
TOTAL EQUITY AND LIABILITIES		68,833	66,059

Condensed consolidated cash flow statement

Total operations SEK million	Note	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating activities				
Net profit		833	849	3,735
Adjustments for non-cash items in net profit		1,562	1,524	6,193
Changes in working capital		297	58	85
Cash flow from operating activities		2,692	2,431	10,013
Investing activities				
Additions to intangible and tangible assets		-996	-926	-4,053
Acquisition and sale of shares and participations	7	-1	-2	54
Other financial assets, lending		-1	31	72
Cash flow from investing activities		-998	-896	-3,926
Financing activities				
Proceeds from loans		2,034	283	3,082
Repayments of loans		-992	-2,217	-3,969
Dividends paid	6	—	—	-4,702
Cash flow from financing activities		1,041	-1,934	-5,589
Net change in cash and cash equivalents		2,736	-399	497
Cash and cash equivalents at beginning of period		1,634	1,116	1,116
Exchange rate differences in cash and cash equivalents		10	5	21
Cash and cash equivalents at end of the period	5	4,380	722	1,634

Consolidated statements of changes in equity

Total operations SEK million	Note	Mar 31, 2024					
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	Total equity
Equity at January 1		870	27,378	-411	582	-5,640	22,780
Net profit		—	—	—	—	833	833
Other comprehensive income for the period, net of tax		—	—	-104	233	61	190
Total comprehensive income for the period		—	—	-104	233	894	1,023
Other changes in equity							
Share-based payments	6	—	—	—	—	28	28
Equity at end of the period		870	27,378	-515	815	-4,718	23,830

Total operations SEK million	Note	Mar 31, 2023					
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	Total equity
Equity at January 1		869	27,378	-378	589	-4,775	23,683
Net profit		—	—	—	—	849	849
Other comprehensive income for the period, net of tax		—	—	-50	76	69	94
Total comprehensive income for the period		—	—	-50	76	918	944
Other changes in equity							
Share-based payments	6	—	—	—	—	23	23
Share-based payments, tax effect	6	—	—	—	—	3	3
New share issues	6	2	—	—	—	—	2
Repurchase of own shares	6	—	—	—	—	-2	-2
Equity at end of the period		870	27,378	-428	665	-3,832	24,653

Parent company

Condensed income statement

SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Revenue	14	13	51
Administrative expenses	-28	-29	-105
Other operating expenses	0	0	—
Operating loss	-14	-16	-54
Dividend from group company	—	—	4,800
Interest income	96	48	296
Interest expense	-302	-167	-902
Other financial items	-142	-49	81
Profit/loss after financial items	-361	-184	4,222
Appropriations	—	—	1,476
Tax on profit/loss	73	38	-188
Net profit/loss	-288	-147	5,510

Condensed balance sheet

SEK million	Note	Mar 31 2024	Dec 31 2023
ASSETS			
Financial assets		76,078	75,458
Non-current assets		76,078	75,458
Current receivables		170	1,969
Current investments		85	84
Current assets		255	2,053
TOTAL ASSETS		76,333	77,511
EQUITY AND LIABILITIES			
Restricted equity	6	5,856	5,856
Unrestricted equity	6	33,536	33,789
Equity		39,391	39,645
Untaxed reserves		915	915
Interest-bearing liabilities	4	29,661	27,283
Non-current liabilities		29,661	27,283
Interest-bearing liabilities	4	6,207	9,435
Non-interest-bearing liabilities		159	233
Current liabilities		6,366	9,668
TOTAL EQUITY AND LIABILITIES		76,333	77,511

Notes

NOTE 1 ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim financial information for the Group for the three month period ended March 31, 2024 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 March 31, 2024 in accordance with the accounting policies and principles applied in the Annual and Sustainability Report 2023. The description of these principles and definitions are found in Note 1 in the Annual and Sustainability Report 2023. 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, 2024 have no effects to Tele2's financial reports for the three month period ended March 31, 2024.

Figures presented in this report refer to January 1 – March 31 (Q1), 2024 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2023.

NOTE 2 REVENUE AND SEGMENTS

Revenue per segment

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Sweden	5,505	5,431	22,300
Lithuania	974	909	3,944
Latvia	482	471	2,024
Estonia	226	230	977
Total including internal sales	7,187	7,041	29,244
Internal sales, elimination	-34	-33	-146
TOTAL	7,152	7,009	29,099

Internal sales

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Sweden	2	2	9
Lithuania	19	18	81
Latvia	10	9	42
Estonia	4	3	13
TOTAL	34	33	146

Revenue split per category

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Sweden Consumer			
End-user service revenue	3,135	3,017	12,400
Operator revenue	191	183	734
Equipment revenue	421	477	2,057
Internal sales	0	0	0
Total	3,747	3,678	15,191
Sweden Business			
End-user service revenue	1,048	1,019	4,131
Operator revenue	24	24	95
Equipment revenue	434	456	1,774
Internal sales	1	1	4
Total	1,507	1,501	6,004
Sweden Wholesale			
Operator revenue	249	252	1,096
Equipment revenue	0	0	1
Internal sales	1	1	5
Total	250	253	1,103
Lithuania			
End-user service revenue	647	577	2,508
Operator revenue	32	39	176
Equipment revenue	276	274	1,179
Internal sales	19	18	81
Total	974	909	3,944
Latvia			
End-user service revenue	342	333	1,394
Operator revenue	22	27	119
Equipment revenue	107	102	469
Internal sales	10	9	42
Total	482	471	2,024
Estonia			
End-user service revenue	168	166	697
Operator revenue	17	19	82
Equipment revenue	38	42	185
Internal sales	4	3	13
Total	226	230	977
Internal sales, elimination	-34	-33	-146
CONTINUING OPERATIONS			
End-user service revenue	5,340	5,113	21,130
Operator revenue	536	545	2,304
Equipment revenue	1,276	1,351	5,665
TOTAL	7,152	7,009	29,099

Underlying EBITDAaL

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Sweden	1,899	1,886	7,768
Lithuania	404	360	1,598
Latvia	199	196	834
Estonia	49	50	209
TOTAL	2,550	2,492	10,409

NOTE 3 PROFIT AFTER FINANCIAL ITEMS

Reconciling items to reported profit after financial items

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Underlying EBITDAaL	2,550	2,492	10,409
Reversal lease depreciation and interest	379	361	1,475
Underlying EBITDA	2,928	2,853	11,885
Restructuring costs	-183	-43	-146
Disposal of non-current assets	-1	-12	-36
Other items affecting comparability	-3	-13	-86
Items affecting comparability	-187	-68	-268
EBITDA	2,742	2,785	11,616
Depreciation/amortization	-1,492	-1,520	-6,150
Result from shares in associated companies and joint ventures	0	0	0
Operating profit	1,250	1,264	5,466
Net interest and other financial items	-252	-213	-888
Profit after financial items	998	1,051	4,578

Restructuring costs

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Redundancy costs	-148	-6	-19
Other employee and consultancy costs	-5	-8	-19
Exit of contracts and other costs	-30	-28	-107
Restructuring costs	-183	-43	-146
Reported as:			
– Cost of services provided	-16	-18	-68
– Selling expenses	-52	-6	-25
– Administrative expenses	-115	-19	-54

The restructuring costs in 2024 are solely related to the ongoing Strategy Execution Program in Sweden.

Disposal of non-current assets

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Closure of projects and systems	—	-9	-13
Network equipment scrapping	-3	-4	-29
Other	1	2	6
Disposal of non-current assets¹⁾	-1	-12	-36

¹⁾ Reported as other operating income and other operating expenses.

Other items affecting comparability

Continuing operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Legal disputes and settlements	—	1	-13
Legacy receivable reconciliation	—	—	-41
Inventory adjustment	—	—	-7
Legacy prepaid voucher value adjustment	—	—	2
Legacy insurance costs	-5	-16	-16
Legacy pension adjustment	—	—	-10
Other	3	2	0
Total	-3	-13	-86
Reported as:			
– Cost of services provided	2	—	-24
– Selling expenses	0	-13	-40
– Administrative expenses	-5	—	-23

NOTE 4 FINANCIAL ASSETS AND LIABILITIES

Financing

SEK million	Mar 31 2024	Dec 31 2023
Bonds SEK	8,792	6,784
Bonds EUR	16,935	16,329
Financial institutions	3,108	3,206
Total liabilities to financial institutions	28,834	26,319

Average maturity and average interest rate (including derivatives) for outstanding debt to financial institutions at March 31, 2024 amounted to 3.6 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 2028.

In March 2024, Tele2 issued bonds of SEK 2.0 billion. The issuance was divided in a floating rate tranche of SEK 1.6 billion with a coupon of STIBOR 3m +0.72 percentage points and a fixed rate tranche of SEK 400 million with a coupon of 3.75 percent. The maturity is 2.6 years. The bonds have been issued within Tele2's EMTN program and are listed for trading on the Luxembourg Stock Exchange.

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 March 31, 2024 to SEK 28,834 (December 31, 2023: 26,319) million and the fair value to SEK 28,466 (December 31, 2023: 25,930) million.

During 2024, 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 5 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 March 31, 2024 to SEK 54 (December 31, 2023: 74) 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 2023.

NOTE 6 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

Number of shares

	Mar 31 2024	Dec 31 2023
Total number of shares	696,221,597	696,221,597
Number of treasury shares	-4,588,520	-4,588,520
Number of outstanding shares	691,633,077	691,633,077
Number of outstanding shares, weighted average	691,633,077	691,399,936
Number of shares after dilution	696,154,849	696,244,505
Number of shares after dilution, weighted average	696,199,677	695,634,439

In Q1 2024 there were no changes in shares. Changes in shares during previous year are stated in Note 23 in the Annual and Sustainability Report 2023.

Outstanding share right programs

	Mar 31 2024	Dec 31 2023
LTI 2023	1,590,709	1,624,035
LTI 2022	1,459,397	1,509,122
LTI 2021	1,471,666	1,478,271
Total outstanding share rights	4,521,772	4,611,428

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 2023 Annual and Sustainability Report. During the three months in 2024, the total cost including social security costs for all the programs amounted to SEK 28 (32) million before tax.

LTI 2021

The exercise of the share rights in LTI 2021 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, 2021 until March 31, 2024, while operating cashflow (serie C below) was measured from January 1, 2021 to December 31, 2023. The outcome of these performance conditions was in accordance with below and 756,750 share rights are expected to be exchanged for shares in Tele2 during Q2 2024.

Serie	Performance criteria	Minimum level	Stretch level	Vesting at minimum	Target fulfillment	Allotment
A	Total Shareholder Return (TSR) – Tele2	0%	N/A	100%	3.0%	100%
B	Tele2s Relative Total Shareholder Return (TSR) compared to a peer group	0%	20%	50%	-18.5%	0%
C	Operating cash flow vs. target	90%	110%	30%	103.6%	77.4%

Dividend

To the Annual General Meeting (AGM) on May 15, 2024 Tele2's Board of Directors proposes for the financial year 2023 an ordinary dividend of SEK 4,772 million, or SEK 6.90 per A and B share. The dividend will be paid in two tranches of SEK 3.45. The proposed record dates are 17 May 2024 for the first tranche of the dividend and 15 October 2024 for the second tranche of the dividend. If the Annual General Meeting accepts the Board's proposal, the first tranche is expected to be paid on 22 May 2024 and the second tranche is expected to be paid on 18 October 2024.

NOTE 7 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Divestments			
Tele2 Germany	—	—	58
Other minor divestments	-1	-2	-4
Total sale of shares and participations	-1	-2	54
TOTAL CASH FLOW EFFECT	-1	-2	54

No material acquisitions or divestments have been made in Q1 2024. The proceeds from Tele2 Germany in 2023 refer to the earnout component, see Note 8.

Information on acquisitions and divestments made in 2023 is provided in the Annual and Sustainability Report 2023, Note 14 and Note 33.

NOTE 8 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.

During 2023, Tele2 received SEK 58 million. It was the final payment, as the maximum accumulated proceeds of SEK 205 million have been reached.

Tele2 Netherlands

In January 2019 Tele2 and Deutsche Telekom completed the combination of Tele2 Netherlands and T-Mobile Netherlands. Tele2 Netherlands was sold for SEK 1.9 billion and 25 percent share in the combined company.

The positive impact of SEK 26 million in Q1 2024 related to Tele2 Netherlands is a resolution of provisions from a resolved dispute.

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 2023 is provided in Note 33 of the Annual and Sustainability Report 2023.

Discontinued operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain	24	-1	4
– of which Germany	—	1	4
– of which Croatia	-2	-1	—
– of which Netherlands	26	0	—
NET PROFIT	24	-1	4
Attributable to:			
Equity holders of the parent company	24	-1	4
NET PROFIT	24	-1	4
Earnings per share (SEK)	0.03	0.00	0.01
Earnings per share, after dilution (SEK)	0.03	0.00	0.01

Balance sheet

Liabilities associated with assets held for sale as of March 31, 2024 refer to provisions related to the divested operation in Croatia.

Discontinued operations SEK million	Mar 31 2024	Dec 31 2023
LIABILITIES		
Interest-bearing liabilities	—	26
Non-current liabilities	—	26
Interest-bearing liabilities	58	57
Non-interest-bearing liabilities	4	4
Current liabilities	62	61
Liabilities directly associated with assets classified as held for sale	62	86

Cash flow statement

Discontinued operations SEK million	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Cash flow from investing activities	-1	-2	54
Net change in cash and cash equivalents	-1	-2	54

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	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating profit	1,250	1,264	5,466
Reversal:			
Result from shares in associated companies and joint ventures	0	0	0
Depreciation and amortization	1,492	1,520	6,150
EBITDA	2,742	2,785	11,616
Reversal, items affecting comparability:			
Restructuring costs	183	43	146
Disposal of non-current assets	1	12	36
Other items affecting comparability	3	13	86
Total items affecting comparability	187	68	268
Underlying EBITDA	2,928	2,853	11,885
Lease depreciation	-340	-317	-1,299
Lease interest costs	-39	-44	-176
Underlying EBITDAaL	2,550	2,492	10,409
Revenue	7,152	7,009	29,099
Revenue excluding items affecting comparability	7,152	7,009	29,099
Underlying EBITDAaL margin	36%	36%	36%

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	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
CONTINUING OPERATIONS			
Additions to intangible and tangible assets	-997	-927	-4,059
Sale of intangible and tangible assets	1	1	7
Capex paid	-996	-926	-4,053
This period's unpaid capex and reversal of paid capex from previous period	-18	-136	-609
Reversal received payment of sold intangible and tangible assets	-1	-1	-7
Capex intangible and tangible assets	-1,015	-1,063	-4,669
Additions to right-of-use assets	-120	-206	-420
Capex	-1,135	-1,269	-5,089

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	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Underlying EBITDAaL	2,550	2,492	10,409
Capex excluding spectrum and leases	-1,015	-1,063	-3,941
Operating cash flow	1,535	1,429	6,468

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	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
CONTINUING OPERATIONS			
Cash flow from operating activities	2,692	2,431	10,013
Capex paid	-996	-926	-4,053
Amortization of lease liabilities	-405	-386	-1,240
Equity free cash flow	1,291	1,119	4,720
eFCF per share (SEK)	1.87	1.62	6.83
eFCF per share after dilution (SEK)	1.85	1.61	6.78
OUTSTANDING SHARES			
Number of shares	691,633,077	691,011,367	691,633,077
Number of shares after dilution	696,154,849	695,061,937	696,244,505

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	Mar 31 2024	Dec 31 2023
Interest-bearing non-current liabilities	28,491	26,488
Interest-bearing current liabilities	6,125	6,379
Reversal provisions	-1,200	-1,091
Cash & cash equivalents, current investments and restricted funds	-4,466	-1,720
Derivatives	-465	-89
Net debt	28,485	29,968
Reversal:		
Lease liabilities	-4,039	-4,320
Economic net debt	24,446	25,648

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 (Q1-2024-financial-and-operational-data) on Tele2's website www.tele2.com.

Other financial metrics

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

ASPU

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

Average interest rate

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.

Capex to sales

Capex excluding spectrum and leases divided by revenue.

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.



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