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This is Tele2

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

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

How we deliver

Consumer
Connectivity and entertainment services for individuals and households

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

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

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

End-user service revenue, 2022

- Sweden Consumer, 61%
- Sweden Business, 20%
- Lithuania, 10%
- Latvia, 6%
- Estonia, 3%

Underlying EBITDAaL, 2022

- Sweden, 78%
- Lithuania, 13%
- Latvia, 7%
- Estonia, 2%
• End-user service revenue of SEK 20,097 million increased by 3% compared to full year 2021 on an organic basis driven by a strong performance in the Baltics, Sweden B2B and slight tailwind from roaming.
• Total revenue of SEK 28,102 million increased by 4% compared to 2021 on an organic basis.
• Underlying EBITDAaL of SEK 10,060 million increased by 3% organically compared to 2021 driven by end-user service revenue growth and cost savings related to the Business Transformation Program, which were partly offset by higher energy costs.
• Net profit from total operations of SEK 5,574 (4,306) million and earnings per share of SEK 8.07 (6.25).

• Tele2 became the first telco in the Nordics and Baltics to set approved Net-Zero science-based target for emissions.
• Intensified rollout of 5G network in Sweden and the Baltics, which will enable us to deliver faster, more reliable and secure services to our customers.
• Signed strategic partnership with Viaplay providing our customers with access to a wide selection of Viaplay channels and streaming services as part of our pay TV subscriptions.
• Divestment of T-Mobile Netherlands was finalized in the spring of 2022, allowing Tele2 to focus on Sweden and the Baltics as its core markets.
• The Board of Directors of Tele2 proposes an ordinary dividend of SEK 6.80 (6.75) per share, to be decided at the 2023 AGM.

2022 in brief

REVENUE

28,102

SEK million

EMPLOYEES

4,438

Fearless employees

EMISSIONS

95%

scope 1 and 2 reduction since 2019
Tele2’s purpose is to enable a society of unlimited possibilities. The outbreak of the coronavirus was followed by unprecedented constraints for most people, and the importance of connectivity and digital communication became greater than ever before, both at work and privately. This was a reminder of Tele2’s important purpose.

When we entered 2022, we did so with optimism and hope for a fresh start. Instead, the world has been thrown into a new tumble of uncertainty and sad news. The heinous attack on Ukraine has affected us all, not least me who previously lived in both Kyiv and Moscow. Alongside the war, rampant electricity prices, inflation and uncertain macro conditions have had a major impact on people’s everyday lives, and we can conclude that 2022 did not become what the world had hoped for.

As for most companies, the global situation and uncertainty posed many challenges for Tele2 too. I am very impressed by the way our employees handled change, adapted to new situations, solved problems and never lost their focus on our customers. I am also proud of the employee initiatives that led to us sending mobile power plants to Ukraine and enabling free calls to and from the country so that people who had fled could stay in touch with friends and family.

Strong financial performance
When summarizing 2022, I am pleased to see that we have been able to adapt to these new realities to deliver yet another strong performance at Tele2. End-user service revenue grew by 3% reaching SEK 20 billion for the year, and underlying EBITDAaL increased by 3.4% to SEK 10 billion. Revenue growth was mainly driven by a strong performance in the Baltics and Sweden B2B, while the positive effects on results from higher revenues and internal efficiency measures were partly offset by the soaring energy prices. Adjusting for the unexpected increase in energy prices, we grew our underlying EBITDAaL by 4.9%, in line with our mid-term financial guidance.

Our operations in the Baltics deserve a special mention for strong performance in a very challenging situation. Despite inflation over 20% and soaring energy prices, we have delivered impressive growth in both top-line and bottom-line, while securing key spectrum and rolling out 5G services.
Introduction

Sustainability is a central part of our growth strategy
While our services can have a positive environmental impact, we must also make efforts to minimize our negative impact. We have set a clear ambition to be a leader in sustainability and in 2022 we further strengthened that position. During the year, we set a target to achieve net zero emissions across our value chain by 2035, and we became the first company in Sweden to have our target approved by the Science Based Targets initiative. Our ambitious sustainability agenda not only increases Tele2’s attractiveness among talent and other stakeholders, but also among existing and potential business partners. Expectations and demands on the telecoms industry are increasing rapidly, and we will contribute to this by constantly raising the bar of what can be expected from a telecoms operator with a leading sustainability agenda.

Accelerated expansion to become Europe’s best 5G network
Energy consumption is a critical part of our sustainability efforts, and it will become even more relevant as the 5G network expands. Tele2’s network partnership, Net4Mobility, is enabling the deployment of a network that is not only the most cost-effective network in Europe, but also the most energy-efficient. The existing 3G network partnerships are being phased out, which will soon make Net4Mobility the only network sharing vehicle on the Swedish mobile market. The relative value this creates for Tele2 and our customers is massive. The 5G rollout was rapid in 2022 and will accelerate further in 2023. By the second half of 2024, we aim to offer Europe’s best 5G network based on speed, coverage, energy and cost efficiency, products and services.

Quality and expertise drive B2B business growth
The importance of our 5G network is growing as our business customers begin to discover the possibilities offered by its speed and stability. It is very exciting to follow our customers’ efficiency and growth journeys as they are enabled by innovation based on our 5G connectivity. What seemed like vague hypotheses a few years ago is now reality. However, Tele2’s attractiveness in the business segment is also growing for other reasons. We have put a lot of effort and resources into becoming an insight-driven partner that focuses on solving real problems and demonstrating opportunities, rather than being just a replaceable provider of off-the-shelf products. This has paid off. The B2B unit has turned a negative trend into growth in a short period of time and I am very excited about the future potential.

Focus on value creation increases loyalty and willingness to pay
We have also seen a good performance in our consumer business in 2022. The consolidation and refinement of the brands has served us well, with Comviq targeting a price-sensitive audience and Tele2 a quality-conscious one. As a result, we are seeing growth in both segments. We also drive and lead developments in the TV market. Our strategy of acting as an aggregator has been well received by both content providers and consumers, with more and more people tired of jumping between streaming services. Simply a win-win-win.

“By the second half of 2024, we aim to offer Europe’s best 5G network based on speed, coverage, energy and cost efficiency, products and services.”

Kjell Johnsen
President and CEO

Competition for consumers’ wallets is fierce and market players are trying every method to win and keep customers. Unfortunately, all too often we see examples of short-term solutions where services and products are given away in a way that creates neither loyalty nor profitability. We are convinced that a long-term profitable and growing business must be based on value creation. That is why I am extremely happy when we repeatedly win the Ski (Swedish quality index) award for customer satisfaction, or when Empati Grand Prix recently named us the most empathetic company in the industry. These are small symbols of hard work that is already paying off, but will become even more important and distinctive in the future.

Tele2 is equipped for future growth
What gives me the most confidence for the future is that we were able to deliver such strong results in 2022 while putting a lot of time and resources on internal development. As part of our Business Transformation Program, we embarked on a major project with the aim of getting rid of legacy IT structures and equipping ourselves for a digital customer journey where we bring our brands and our customer data together in one place to optimize service and sales. The project will be completed in 2023 and will put us in a much better position to meet the new needs and demands of our customers.

Finally, I would like to stress how happy I am that our employees are returning to the offices. We continue to offer flexibility, but many are clearly longing for the pulse and energy that comes from face-to-face meetings and problem-solving together. Tele2 has always been, and will continue to be, a place where talent can be challenged and grow – with unlimited possibilities.

Kjell Johnsen
President and CEO

TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022
OBJECTIVE:
The leading telco in the Nordic and Baltic region
Driven by our purpose, our medium-term ambition is to be the leading telco in the Nordic and Baltic region. This ambition recognises the strength of our brands and our position in the markets where we operate as well as our history of industry leadership and proven ability to generate value for our customers, investors, employees and society.

We focus on:

Superior customer experience: Giving our customers what they want with a single-minded focus on service and delivering on the premium position the Telia brand holds for its fixed-mobile convergence offering.
Best industry shareholder returns: An efficient organisation and operations that together with an effective capital allocation model creates the conditions for sustainable and attractive shareholder remuneration.
High employee engagement: An organisation that gives us a competitive advantage, motivated by our purpose and ambition and led by our values: reliable, insight-driven, and collaborative.
Lead in sustainability: Achieving our ambitious sustainability goals and a sustainability strategy integrated into our business that meets the demands of stakeholders, including customers, investors, and our employees.

Our purpose
Enabling a society of unlimited possibilities
We believe in unleashing the unlimited opportunities that connectivity provides, to all our customers, no matter where they are or when they need it.
Our strategy builds on the deep insights we have into what our customers want more of, on our leading brands, and leverages the investments we have made in our networks and information technology. The strategy reflects our focus on value balanced with volume for long-term and sustainable growth. We will continue to implement our more-for-more approach that creates more value for our customers by giving them more of what they want and thereby bringing more value to our business.
Continued growth in the Baltics

In Estonia, Latvia and Lithuania we are focused on delivering our more-for-more approach for the mobile-centric bundle of telephony and broadband services we provide. We will continue to invest in our mobile networks and in fixed networks where we see demand for fixed-mobile convergence offerings.

Lead in customer satisfaction and brand reputation

We will continue to lead and build our brand reputation based on the strength of our service offerings and a superior customer experience where we are already a pacesetter.

Recognized leader in Sweden Business and IoT

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

Develop next generation household offerings

Building on the investments in our network, we will give our customers more of what they want. This includes expanding our mobile-centric offerings and growing our fixed-mobile convergence services where they are already available and exploring the potential where there is demand.

Strengthen our position in business-to-business

There is significant potential in the Baltic markets for business-to-business services. Using existing offerings and a market segmentation approach, we will tailor services to the needs of our customers and become a trusted digitalization and communication partner.

Reignite growth in Sweden Consumer

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

Distinctly positioned leading brands

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

Comviq is a much-loved brand targeting the mid-price segment that aims to deliver sustainable volume growth. Our Comviq customers benefit from our latest mobile network investments and both pre-paid and post-paid mobile services.

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

With a customer base of more than 2 million people in Sweden, we are ideally placed to leverage trends in fixed-mobile convergence.

Through the Tele2 brand, we will offer additional personalized services to existing customers, providing a premium-level quality of service and superior connectivity. At the same time, the strength of the Tele2 brand allows us to attract new customers and build our position in the Swedish market.

Accelearate digitalization of customer journeys

Our digital first approach will create a unified and seamless customer experience. By investing in our information technology systems, we will give our customers one invoice and one customer point of contact for all services.

Multi-segment approach with a value creation focus

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

Lead through fixed-mobile convergence and future proof business models & technologies

To meet the future needs of our customers in each segment, we will provide the latest services in our field. We will exploit the latest technologies and utilize new business models, including potential partnerships with businesses outside our industry or with different technology providers.
Our strategic enablers

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

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

**Reliable connectivity**
As a premium provider, we are investing in our mobile and fixed networks to provide faster and more reliable connectivity. Our network operations act as partners with the commercial business units and are relentlessly focused on the needs of our customers. Through investments in our networks and information technology systems, we will create the architecture that enables us to be a leading digital telco.

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

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

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

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

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

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

Tele2 is a strong cash generative company and shareholder remuneration is at the core of Tele2’s equity strategy. From 2012 to 2022 we have distributed roughly SEK 70.2 billion to shareholders through dividends. Going forward we are committed to maintaining leverage within the 2.5-3.0x range as underlying EBITDA grows and distribute at least 80% of equity free cash flow to shareholders.

In 2022, following the completion of the divestment of our 25% ownership in T-Mobile Netherlands (TMNL) we also completed our strategy to focus Tele2’s geographic presence exclusively on our core Baltic Sea region, where we have market positions and scale to drive sustainable growth.

Tele2’s vision is to be a leader in sustainability, and we have continued to implement our strategy launched in 2021. In 2022, we took several steps to demonstrate leadership in sustainability in our industry, and a key event was the setting of our net zero target by 2035. This made us the first company in Sweden, and the Baltics. To this point we provide 5G connectivity in more than 100 municipalities and even more cities in Sweden, with a nationwide population coverage of 21%. We have received positive results from Open Signal positioning Tele2 as one of the Global Winners for 5G Video Experience. We have also secured important 5G spectrum in Lithuania and Estonia during the year, after acquiring spectrum in Latvia in December 2021. We expect further 5G spectrum auctions to take place in Sweden during 2023.

### Sweden

During the year, we continued to execute on the Business Transformation Program which was launched in the beginning of 2020. So far the program has realized an annual run-rate saving of SEK 825 million with a target of SEK 1 billion in annualized run-rate savings by the end of H1 2023. The program yields substantial cost savings but also improve organizational efficiencies by reducing internal complexity, simplified product portfolio and reduce time customers spend with customer service.

Tele2’s strategy in the consumer market is to increase customer satisfaction through more-for-more fixed-mobile-convergence offerings. By continuously improving the customer experience through added services, enhancements, and upgrades, we will drive growth through churn reduction and price adjustments in the premium and mid-tier segment while optimizing our brand portfolio to remain relevant to all customer demographics. To this end we consolidated our two premium brands Tele2 and Com Hem into the new converged premium Tele2 brand in 2021 and we now have three brands in the portfolio, Tele2, Comviq and Boxer.

We believe TV will continue to play a vital role for our business and our role as aggregator of great content remains relevant as content becomes more and more fragmented across different services and devices. To better serve the changing behavior and viewing patterns of our customers, we have our own streaming service, Tele2 Play+ that was launched in 2020 and our first streaming linear proposition through Tele2 TV Play+ was launched in Q1 2022. We also strengthened our aggregator position in the streaming market by announcing a new partnership with Viaplay Group in March 2022.

In Sweden Business we continue to execute on our strategy, first presented at the capital markets day in 2021. The strategy involves taking a segmented approach to the business by differentiating the approach in the SME large private and large public segment. In the SME segment, the ambition is to take back market share by offering simplified packages and bundling based on customer needs. In the large private segment, the ambition is to improve profitability by deepening our customer collaborations to enable larger contracts, grow through as-a-service and mobile bundling. In the large public segment, the ambition is to maintain and develop our assets by carefully choosing our business opportunities and continue delivering reliable solutions for a sustainable society.

### The Baltics

In the Baltics we were able to show continued strong top and bottom-line growth by successfully executing on our mobile-centric convergence and more-for-more strategy, despite a challenging situation with high inflation and rising energy cost during the year. We will increase focus on fixed mobile converged opportunities either through own infrastructure or wholesale. In Lithuania we launched a fiber pilot project to trial a capex light approach by utilizing existing ducts to provide fixed services to customers.

### Netherlands

In March 2022, we completed the divestment of our 25% ownership in TMNL to funds advised by Apax Partners LLP and Warburg Pincus LLC. The cash proceeds from the transaction amounted to SEK 90 billion, which were distributed back to our shareholders as an extraordinary dividend of SEK 15 per share in May 2022.

In 2022, Tele2 accelerated the nationwide roll-out of 5G in Sweden and the Baltic states. To this point we provide 5G connectivity in more than 100 municipalities and even more cities in Sweden, with a nationwide population coverage of 21%. We have received positive results from Open Signal positioning Tele2 as one of the Global Winners for 5G Video Experience. We have also secured important 5G spectrum in Lithuania and Estonia during the year, after acquiring spectrum in Latvia in December 2021. We expect further 5G spectrum auctions to take place in Sweden during 2023.

TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022
Operations

Tele2 Group is an integrated provider of fixed and mobile connectivity and entertainment services. Its primary geographical markets are Sweden and the three Baltic States, Lithuania, Latvia, and Estonia. Since Tele2 was founded in 1993 it has continued to challenge prevailing norms and dusty monopolies. Today, the group’s network enables mobile and fixed connectivity, telephony, data networks, TV, streaming and global IoT solutions for millions of customers. Customer satisfaction and smart combined offerings are driving growth. Tele2 has been listed on Nasdaq Stockholm since 1996 and has around 4,400 employees.

Revenue

In 2022, revenue increased by 3.9% organically to SEK 28,102 (26,789) million for the group driven by strong growth in the Baltics, Sweden B2B and a slight tailwind from roaming. End-user service revenue increased by 3.0% organically to SEK 20,097 (19,249) million helped by a continued strong growth in the Baltics and Sweden B2B, while Sweden B2C showed a flat development on an aggregated level as growth in mobile and fixed broadband was offset by the decline in the legacy business.

Operating profit and net profit

Operating profit increased by 37% to SEK 6,596 (4,787) million. Growth in underlying EBITDAal, and a SEK 1,589 million capital gain from the divestment of T-Mobile Netherlands contributed to the increase in operating profit. Financial income and expenses amounted to SEK -689 (-980) million. Net profit amounted to SEK 5,574 (4,306) million during 2022, and earnings per share were SEK 8.07 (6.25). Tele2 has been released from a tax claim of SEK 363 million, including tax surcharge and interest, related to Tele2’s former joint venture in Kazakhstan, which has been included in net profit for 2022.

Investments

Capital expenditures excluding spectrum and leases amounted to SEK 3,171 (3,158) million. Capex mainly consisted of 5G related network investments, upgrade of the fixed network in Sweden, and IT investments related to the Business Transformation Program.

Financial position and cash flow

The group’s financial leverage was 2.5x (2.5x) as of 31 December 2022. Economic net debt amounted to SEK 25.6 (24.3) billion, an increase of SEK 1.4 billion compared to a year earlier. During 2022, Tele2 has paid cash dividend of in total SEK 3.6 billion. Equity free cash flow from continuing operations decreased to SEK 3,461 (5,760) million or SEK 5.01 (8.35) per share, mainly as a result of higher working capital, network investments and higher taxes paid. Equity free cash flow from total operations amounted to SEK 3,461 (5,785) million. The Board of Directors proposes an ordinary dividend of SEK 6.80 per share, or SEK 4.7 billion in total, to be decided at the 2023 Annual General Meeting in May.

Significant events during 2022

• In March 2022, Tele2’s divestment of its 25% holding in T-Mobile Netherlands was finalized. The transaction marks a completion of the international consolidation, allowing Tele2 to focus on Sweden and the Baltics. The cash proceeds from the divestment were distributed to Tele2’s shareholders, after being resolved at the 2022 Annual General Meeting, through an extraordinary dividend of SEK 15.00 per share (in total SEK 9.0 billion) in May 2022.
• Tele2 entered a strategic partnership with Viaplay, providing Tele2’s customers with access to a wide selection of Viaplay channels and streaming services as part of our pay-TV and streaming packages.
• Tele2 signed an agreement with electric boat company X Shore to build a private 5G network in their newly build factory in Nyköping, Sweden. Tele2 also announced collaborations with Amazon Web Services to enhance the cloud services and cloud management portfolio that Tele2 offers to its customers.
TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022

Board of Directors’ report

• TELE2 won an extensive Nordic-wide procurement deal to provide network services for the fuel company OKQ8. As a part of the agreement, TELE2 will establish one of the largest networks using SD-WAN technology in northern Europe and supply OKQ8 with several innovative services within a ‘Network as a Service’ framework.

• TELE2 issued its first sustainability-linked bond of SEK 1.6 billion demonstrating our commitment to lead in sustainability. TELE2 also signed its first sustainability-linked RCF of EUR 700 million with a five-year tenor and two one-year extension options, replacing the former RCF of EUR 760 million.

• TELE2 became the first telco in the Nordics and Baltics to receive SBTi approval for our net-zero emissions target. Also, out of nearly 15,000 companies evaluated globally, TELE2 was one of only 297 companies to receive a top rating (A) from CDP for our ambitious climate efforts.

• During the year, TELE2 intensified the roll-out of 5G network delivering faster, more reliable, and more secure services. New unlimited 5G data subscriptions were launched to consumers and businesses targeting small and medium sized enterprises, where customers themselves choose the data speed they want.

• TELE2 won a tax case, allowing for deduction of exchange losses in connection with the establishment of TELE2’s previous joint venture in Kazakhstan. The ruling meant that TELE2 was released from a tax claim of SEK 363 million including tax surcharge and interest. Consequently, all related provisions were released.

• TELE2’s Chair of the Board Carla Smits-Nusteling has decided not to stand for re-election to TELE2’s Board at the 2023 Annual General Meeting. The Nomination Committee have announced they will propose Andrew Barron as new Chair of the Board. Andrew Barron joined TELE2’s Board in 2018 and was appointed Deputy Chair in 2019.

Employees

On 31 December 2022, the number of employees in TELE2 was 4,438 (4,435). Please refer to Note 31 for additional information regarding the number of employees, gender distribution and personnel costs.

Guidance

TELE2 provides financial guidance for the year ahead and on a mid-term basis (three-year horizon) for continuing operations in constant currencies.

The guidance for 2023 is low single digit growth in end-user service revenue and low single digit growth in underlying EBITDAaL as inflationary trends including higher energy costs weighs on the results. Capex investments are expected in the upper end of the range of SEK 2.8–3.3 billion in 2023 as the roll-out of 5G is accelerating alongside the upgrade of the fixed network in Sweden with Remote-PHY.

TELE2’s mid-term guidance is a low single digit growth in end-user service revenues, mid single digit growth in underlying EBITDAaL and capex excluding spectrum and leasing assets of SEK 2.8–3.3 billion per year during roll-out of 5G and Remote-PHY.

Parent company

TELE2 AB is the parent company of the TELE2 Group. The operations include group management. In 2022, net sales in the parent company were SEK 49 (46) million. Net result for the full year was SEK 7,222 (7,907) million and consisted mainly of dividend from group companies.

Risks and uncertainty factors

The present challenging macro-economic and geo-political environment also affects TELE2, primarily through increasing energy costs, 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 in the Board of Directors’ report and Note 2 for more information about TELE2’s risk exposure and risk management.

Sustainability report

TELE2 has prepared a sustainability report in accordance with the Global Reporting Initiative (GRI) Standards. The sustainability report has been prepared in accordance with disclosure requirements set out in the Swedish Annual Accounts Act chapter 6 paragraph 11 and in accordance with the disclosure requirements set out in the EU Taxonomy Regulation Article 8. The scope and content of the statutory sustainability report can be found in the sustainability report in Note S1 About the sustainability report.
The four-year summary includes certain alternative performance measures that are not defined by IFRS. For additional information please refer to section Definitions at the end of the report.

<table>
<thead>
<tr>
<th>CONTINUING OPERATIONS</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-user service revenue</td>
<td>20,097</td>
<td>19,349</td>
<td>19,184</td>
<td>19,466</td>
</tr>
<tr>
<td>Revenue</td>
<td>28,102</td>
<td>26,789</td>
<td>26,554</td>
<td>27,203</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>11,395</td>
<td>10,900</td>
<td>10,484</td>
<td>10,309</td>
</tr>
<tr>
<td>EBITDA</td>
<td>11,101</td>
<td>10,517</td>
<td>12,329</td>
<td>9,598</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,596</td>
<td>4,787</td>
<td>7,371</td>
<td>3,812</td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>5,907</td>
<td>4,307</td>
<td>6,856</td>
<td>1,567</td>
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<tr>
<td>Net profit</td>
<td>5,213</td>
<td>3,960</td>
<td>7,233</td>
<td>2,431</td>
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<td>Underlying EBITDAaL</td>
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<td>9,639</td>
<td>9,239</td>
<td>9,043</td>
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<td>CapEx excluding spectrum and leases</td>
<td>3,171</td>
<td>3,158</td>
<td>2,717</td>
<td>2,387</td>
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<tr>
<td>Operating cash flow</td>
<td>6,889</td>
<td>6,482</td>
<td>6,523</td>
<td>6,666</td>
</tr>
<tr>
<td>Equity free cash flow</td>
<td>3,461</td>
<td>5,760</td>
<td>4,799</td>
<td>4,159</td>
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<tr>
<td>Key ratios</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue growth, organic</td>
<td>3%</td>
<td>1%</td>
<td>-1%</td>
<td>0%</td>
</tr>
<tr>
<td>Underlying EBITDAaL growth, organic</td>
<td>3%</td>
<td>5%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Underlying EBITDAaL margin</td>
<td>36%</td>
<td>36%</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>23%</td>
<td>18%</td>
<td>28%</td>
<td>14%</td>
</tr>
<tr>
<td>Value per share (SEK)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity free cash flow</td>
<td>5.01</td>
<td>8.35</td>
<td>6.97</td>
<td>6.06</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>TOTAL OPERATIONS</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>5,574</td>
<td>4,506</td>
<td>7,408</td>
<td>5,134</td>
</tr>
<tr>
<td>Total assets</td>
<td>67,656</td>
<td>74,251</td>
<td>75,411</td>
<td>79,784</td>
</tr>
<tr>
<td>Equity</td>
<td>23,683</td>
<td>31,142</td>
<td>32,761</td>
<td>34,805</td>
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<tr>
<td>Equity free cash flow</td>
<td>3,461</td>
<td>5,785</td>
<td>4,879</td>
<td>4,840</td>
</tr>
<tr>
<td>Key ratios</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Economic net debt to Underlying EBITDAaL</td>
<td>2.5x</td>
<td>2.5x</td>
<td>2.6x</td>
<td>2.5x</td>
</tr>
<tr>
<td>Value per share (SEK)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>8.07</td>
<td>6.26</td>
<td>10.76</td>
<td>7.28</td>
</tr>
<tr>
<td>Net profit/loss, after dilution</td>
<td>8.03</td>
<td>6.21</td>
<td>10.71</td>
<td>7.24</td>
</tr>
<tr>
<td>Equity</td>
<td>34,27</td>
<td>46,14</td>
<td>47,56</td>
<td>50,59</td>
</tr>
<tr>
<td>Equity free cash flow</td>
<td>5.01</td>
<td>8.39</td>
<td>7.29</td>
<td>7.04</td>
</tr>
<tr>
<td>Dividend, ordinary</td>
<td>6.80%</td>
<td>6.75</td>
<td>6.00</td>
<td>5.50</td>
</tr>
<tr>
<td>Dividend, extraordinary</td>
<td>-</td>
<td>15.00</td>
<td>3.00</td>
<td>3.50</td>
</tr>
<tr>
<td>Market price at closing day</td>
<td>85.10</td>
<td>129.10</td>
<td>108.60</td>
<td>135.85</td>
</tr>
</tbody>
</table>

(1) Proposed dividend.
# Group summary

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>16,230</td>
<td>16,065</td>
<td>1</td>
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<tr>
<td>Lithuania</td>
<td>2,113</td>
<td>1,779</td>
<td>13</td>
</tr>
<tr>
<td>Latvia</td>
<td>1,142</td>
<td>958</td>
<td>14</td>
</tr>
<tr>
<td>Estonia</td>
<td>612</td>
<td>546</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,097</td>
<td>19,349</td>
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</table>

## CAPEX

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
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<tr>
<td>Sweden</td>
<td>2,649</td>
<td>2,773</td>
<td>-4</td>
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<tr>
<td>Lithuania</td>
<td>234</td>
<td>176</td>
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<tr>
<td>Latvia</td>
<td>153</td>
<td>105</td>
<td>40</td>
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<tr>
<td>Estonia</td>
<td>136</td>
<td>106</td>
<td>23</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,371</td>
<td>3,158</td>
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</table>

## UNDERLYING EBITDA

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>7,890</td>
<td>7,756</td>
<td>2</td>
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<tr>
<td>Lithuania</td>
<td>1,307</td>
<td>1,112</td>
<td>12</td>
</tr>
<tr>
<td>Latvia</td>
<td>668</td>
<td>592</td>
<td>8</td>
</tr>
<tr>
<td>Estonia</td>
<td>196</td>
<td>179</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,060</td>
<td>9,639</td>
<td>3</td>
</tr>
</tbody>
</table>
Shareholder information

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

Share performance

During 2022, the Tele2 B share price decreased by 34.1%, from SEK 129.10 to SEK 85.10, while the OMX Stockholm PI decreased by 24.6%. The global sector index S&P 500 Telecommunications Services fell 40.4%. The highest closing price for the Tele2 B share in 2022 was SEK 152.15 on 27 April and the lowest closing price was SEK 84.16 on 20 December. The average closing price during 2022 was SEK 115.83. Total shareholder return (share price development including reinvested dividends) for Tele2 B shares was -23% in 2022, in line with the development for the overall stock market during the year. The OMX Stockholm All-Share Gross Index (OMXSGI) decreased -22% in 2022.

The total shareholder return for the Tele2 B share for the last five years has been 27%, and for the last ten years 131%. During 2022, 24% of the trade in Tele2 B shares took place on Nasdaq Stockholm, while 76% of the trade took place on other trading venues.

Financial policy

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

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

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

Share capital

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

The purpose of the C shares is to enable future deliveries of B shares to senior executives and other key employees participating in Tele2’s retention and performance-based incentive programs. The C shares will be converted into B shares prior to delivery.
Based on an authorization from the 2021 Annual General Meeting, the Board of Directors decided on a directed issue of 2,200,000 C shares and a subsequent buyback for a total of SEK 3 million. As of December 31, 2022, there were 22.6 million registered A shares, 670.3 million B shares (of which 1.8 million held in treasury), and 2.2 million C shares (all of which held in treasury).

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

Shareholders

During 2022, the number of shareholders in Tele2 increased by 12% to 131,767 per 31 December 2022. The market capitalization of the company was SEK 60.3 billion at year end.

In May 2022, Tele2’s largest owner Kinnevik AB decreased its holding in Tele2 by selling 50 million B shares for a total amount of SEK 6.1 billion in a book building process. After the transaction, Kinnevik’s holding in Tele2 represents 19.8% of the capital and 36.1% of the votes. No other shareholder owns, directly or indirectly, more than 10% of the shares in Tele2.

On 31 December 2022, the 15 largest shareholders represented 45.8% of the share capital and 56.2% of the votes. Foreign shareholders held 48.6% of the share capital and 37.8% of the votes.

### Top 15 shareholders

<table>
<thead>
<tr>
<th>Owner Type</th>
<th>Capital (%)</th>
<th>Votes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinnevik</td>
<td>19.8</td>
<td>36.1</td>
</tr>
<tr>
<td>BlackRock</td>
<td>6.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Vanguard</td>
<td>2.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Handelsbanken Fonder</td>
<td>2.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Nordea Fonder</td>
<td>2.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Norres Bank</td>
<td>1.9</td>
<td>1.5</td>
</tr>
<tr>
<td>Janus Henderson Investors</td>
<td>1.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Schroders</td>
<td>1.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Swedbank Robur Fonder</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Länsförsäkringar Fonder</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Avanza Pension</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Folksam</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Deka Investments</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Storebrand Fonder</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Eurozign Capital</td>
<td>0.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Total Top 15</td>
<td>45.8</td>
<td>56.2</td>
</tr>
<tr>
<td>Others</td>
<td>54.2</td>
<td>43.8</td>
</tr>
<tr>
<td>Shareholders</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Modular Finance

### Ownership by country based on capital

- **Sweden**: 51%
- **United States**: 15%
- **United Kingdom**: 4%
- **Finland**: 3%
- **Norway**: 2%
- **Others**: 8%
- **Anonymous ownership**: 16%

Source: Modular Finance
Sweden

2022 in brief
End-user service revenue increased by 1% compared to 2021 driven by a solid performance within the Business operations. International roaming revenue increased as the society started to open up after covid restrictions were eased. Higher revenues and cost savings from the Business Transformation Program were converted to an increase in underlying EBITDAaL by 2%, and managed to offset some of the increase in energy costs.

Continued optimization, primarily in the Digital Capabilities and Technology (DCT) organization, was executed during the year as part of the Business Transformation Program, which achieved annualized run-rate savings of SEK 825 million by year end. The program had an impact of approximately SEK 650 million on underlying EBITDAaL in 2022, resulting in a net impact of SEK 295 million year-on-year.

2023
The Business Transformation Program is expected to achieve the remaining SEK 175 million in savings during the first six months of 2023, and to be completed by mid-2023 with a total target of SEK 1 billion in annualized run-rate savings. The main focus will be on decommissioning SUNAB, our 3G joint venture with Telia, decommissioning IT systems, move customers to the target IT stacks, and further organizational optimizations.

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

Financials

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-user service revenue</td>
<td>16,230</td>
<td>16,065</td>
</tr>
<tr>
<td>Revenue</td>
<td>22,112</td>
<td>21,522</td>
</tr>
<tr>
<td>Underlying EBITDAaL</td>
<td>9,026</td>
<td>8,839</td>
</tr>
<tr>
<td>Underlying EBITDAaL margin</td>
<td>7,890</td>
<td>7,766</td>
</tr>
<tr>
<td>Capex</td>
<td>Network</td>
<td>1,575</td>
</tr>
<tr>
<td>IT</td>
<td>644</td>
<td>607</td>
</tr>
<tr>
<td>Customer equipment</td>
<td>375</td>
<td>364</td>
</tr>
<tr>
<td>Other</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Capex excluding spectrum and leases</td>
<td>2,649</td>
<td>2,773</td>
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<tr>
<td>Spectrum</td>
<td>40</td>
<td>53</td>
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<tr>
<td>Right-of-use-assets (leases)</td>
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<td>1,073</td>
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<tr>
<td>Capex</td>
<td>3,906</td>
<td>4,319</td>
</tr>
<tr>
<td>Capex excluding spectrum and leases / revenue</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Overview by segment

**End-user service revenue per business area, 2022**

- Consumer, 75%
- Business, 25%
Sweden Consumer

2022 in brief

In 2022, Sweden Consumer returned to growth, underpinned by strategic brand positioning, portfolio enrichment, returning roaming revenues and the more-for-more pricing strategy. Tele2 enforced its position as a premium convergent brand and Comviq cemented its market leading position in its segment.

The FMC journey continued with accelerated cross- and up-sell, focusing on households with an existing Tele2 relationship. The new Viaplay partnership was launched as part of our upgraded Entertainment portfolio to stabilize the Digital TV business and strengthen our streaming aggregator model. In August the new Tele2 mobile frontbook was launched, introducing a 5G Unlimited portfolio based on speed-tiering (speed-based pricing) to the Swedish market.

Price adjustments were effectively implemented on both the mobile and fixed customer base on the back of both product- and customer experience improvements, such as bundling of streaming content, broadband quality, and mobile data upgrades, enabled by 5G and accelerated Remote-PHY roll-out throughout Sweden.

End-user service revenue returned to growth with mobile connectivity and fixed broadband fully offsetting decline in legacy services. This was supported by a stabilization of Digital TV revenues in the second half of the year.

2023

In 2023, the aim for Sweden Consumer is to attain a sustainable growth position in the Swedish market based on execution of a balanced commercial strategy for volume and value built on more-for-more pricing, product innovation, digitalization of customer journey and continued service quality enhancements for both Tele2 and Comviq.

The next phase of FMC, roll-out of the new 5G speed-tiering portfolio, further implementation of pre-paid registration and continued enhancements to the entertainment portfolio, in combination with speed and quality upgrades to our broadband portfolio, should further strengthen Tele2’s and Comviq’s brand appeal.

Finally, operational execution of the Business Transformation Program will continue, with the modernized FMC IT stack enabling simplification of customer journeys and improved digital capabilities.

### Key Financials

- **Revenue (SEK million):**
  - Mobile: 5,862 (2022), 5,791 (2021)
  - Fixed: 5,726 (2022), 5,763 (2021)
  - Landlord & Other: 664 (2022), 676 (2021)

- **ASPU (SEK):**
  - Mobile: 166 (2022), 163 (2021)
  - Fixed: 236 (2022), 231 (2021)

- **End-user service revenue per service, 2022:**
  - Mobile: 48%
  - Fixed broadband: 23%
  - Digital TV: 22%
  - Landlord & Other: 5%

---

1) Unaudited.
Sweden Business

2022 in brief

We have continued executing our strategy set out in 2021 by differentiating our approach in the SME, large private, and public segments. In 2022, the focus on cyber security increased further due to the changing geopolitical environment, and we have supported our customers with advice and solutions to address these threats and challenges. Furthermore, supply chain uncertainties have impacted our delivery times and it has been a challenge to plan and execute our deliveries, especially in the large private and public segments. Thanks to our capabilities and our good understanding of our customers’ needs, we have managed the situation without any major impact on our customers’ experience.

A pillar of our strategy is to create profitable growth, and during the year we have focused on several areas to achieve this, and have seen improvements as planned and expected.

Our ambition for 2022 was to stabilize revenues and we have returned to 4% end-user service revenue growth for the full year 2022, and six consecutive quarters with year-on-year growth. This growth comes from our ability to support our customers’ businesses in different ways. All segments have contributed, and we saw a combination of increased net intake from both new and existing customers, which improved the mix and reduced the churn.

2023

In 2023, our ambition is to continue to stabilize and grow the Sweden business segment by continuing to execute our strategy in the SME segment, the aim is to grow, and in the large private and public segments we aim to improve profitability by building on existing relationships and growing engagement.

We will continue our efforts to decommission legacy copper services, and migrate customers to modern services with better profitability. Another focus area is to support and create awareness around sustainability and how our services can support creating a better future and deliver on our purpose of enabling society with unlimited possibilities. Our plans for the coming year are based on a somewhat improved supply chain environment, although not yet fully back to pre-covid conditions.

We are following the macro environment carefully and how it impacts our customers. We are convinced that from a long-term perspective there will be continued demand for our services based on increased digitalization and our customers’ needs to improve their businesses. This is also underpinned by different market trends and our ability to leverage these trends and act as a digitalization partner for our customers.
Baltics

Lithuania

2022 in brief
In 2022, Tele2 Lithuania mainly focused on executing on its mobile-centric-convergence more-for-more strategy, 5G auctions and commencing a nationwide roll out of 5G. The auction of 3500MHz spectrum ended in June and the auction of 700MHz spectrum was finalized in July.

A commercial launch of a fiber network pilot project took place, which provided valuable insights of the possibility to build a full-scale fiber network utilizing existing ducts, available on the market. During the year, Tele2 Lithuania reached the important milestone of 2 million customers driven by a positive intake of postpaid customers. The competition was mainly focused on mobile broadband and the B2B segment, where we successfully managed to maintain and attract new customers. The ASPU increased by 9% in 2022 which was mainly driven by appealing more-for-more data campaigns.

The main challenges in 2022 were the increasing energy prices and inflation. Although there have been only minor changes in consumer behavior so far, the record high inflation may start to affect customer confidence and the telco industry as well. Tele2 Lithuania managed to grow underlying EBITDAaL by 12% in 2022, which was mainly driven by higher end-user service revenue.

Due to the war in Ukraine, we initiated numerous activities to support Ukrainian refugees in Lithuania: free roaming and calls to Ukraine; nationwide collection of second-hand phones to be granted to Red Cross; call center help on support lines for Ukrainian refugees.

2023
In 2023, Tele2 Lithuania will continue its more-for-more strategy based on insight-driven competences, and aims to strengthen its positions in the mobile broadband and B2B markets in a sustainable way.

The deployment of 5G to improve network coverage is one of the key priorities, along with improvements in operational efficiency.

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGUs (thousands) 1)</td>
<td>Mobile</td>
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</tr>
<tr>
<td></td>
<td>Postpaid</td>
<td>1,327</td>
</tr>
<tr>
<td></td>
<td>Prepaid</td>
<td>682</td>
</tr>
<tr>
<td>ASPU (EUR) 1)</td>
<td>Mobile</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td>Postpaid</td>
<td>10.3</td>
</tr>
<tr>
<td></td>
<td>Prepaid</td>
<td>4.7</td>
</tr>
<tr>
<td>Revenue (SEK million)</td>
<td>Mobile</td>
<td>2,102</td>
</tr>
<tr>
<td></td>
<td>Postpaid</td>
<td>1,693</td>
</tr>
<tr>
<td></td>
<td>Prepaid</td>
<td>409</td>
</tr>
<tr>
<td>Revenue</td>
<td>Fixed</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>2,113</td>
</tr>
<tr>
<td></td>
<td>End-user service revenue</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td>Equipment revenue</td>
<td>1,104</td>
</tr>
<tr>
<td></td>
<td>Internal sales</td>
<td>61</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,483</td>
<td>3,028</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>1,181</td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDAaL</td>
<td>1,112</td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDAaL margin</td>
<td>13%</td>
<td>33%</td>
</tr>
<tr>
<td>Capex</td>
<td>381</td>
<td>309</td>
</tr>
<tr>
<td>Capex excluding spectrum and leases</td>
<td>234</td>
<td>175</td>
</tr>
<tr>
<td>Capex excluding spectrum and leases / revenue</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

1) Unaudited.
Latvia

2022 in brief
Tele2 Latvia continued to show good growth in 2022 with both commercial successes and important development activities.

Mobile net intake was positive in 2022 driven by mobile post-paid. Mobile ASPU increased by 11% in local currency driven by continued monetization of increased demand for data. End-user service revenue increased 14% in local currency driven by ASPU growth and volume growth. Underlying EBITDAaL increased by 8% due to higher end-user service revenues, partly offset by increased energy costs.

Following the spectrum acquisition in December 2021, Tele2 Latvia continued the nationwide rollout of 5G to strengthen its position as a leading mobile connectivity provider. The execution of the more-for-more strategy was done by monetizing data demand and migrating from prepaid to postpaid while optimizing the digital channels.

2023
Tele2 Latvia’s focus will remain on data monetization, mobile centric convergence, the more-for-more strategy, digitalizing key processes and migrating customers from prepaid to postpaid.

The massive rollout of 5G coverage will continue alongside upgrades to the core network to meet the growing demand for mobile data and to develop new services.

Tele2 Latvia will continue to address the situation of rising energy costs by implementing energy saving initiatives, and will also continue to evaluate the use of alternative energy sources.

---

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>Organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGUs (thousands)</td>
<td>1,015</td>
<td>993</td>
</tr>
<tr>
<td>– Postpaid</td>
<td>795</td>
<td>758</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>221</td>
<td>235</td>
</tr>
<tr>
<td>ASPU (EUR)</td>
<td>8.9</td>
<td>8.0</td>
</tr>
<tr>
<td>– Postpaid</td>
<td>10.3</td>
<td>9.5</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>4.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Revenue (SEK million)</td>
<td>1,138</td>
<td>955</td>
</tr>
<tr>
<td>– Postpaid</td>
<td>1,022</td>
<td>841</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>116</td>
<td>115</td>
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<tr>
<td>Fixed</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>1,142</td>
<td>958</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>143</td>
<td>166</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>391</td>
<td>344</td>
</tr>
<tr>
<td>Internal sales</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,713</td>
<td>1,508</td>
</tr>
</tbody>
</table>

1) Unaudited.
Estonia

2022 in brief

In 2022, Telia Estonia continued to see good commercial momentum with successful customer acquisitions while focusing on operational efficiencies to offset inflationary pressures. End-user service revenue grew by 7%, driven by both an increase in volume and ASPU. All telecom operators have implemented price adjustments during the autumn to compensate for higher costs. Underlying EBITDAaL increased by 4% due to higher end-user service revenues, partly offset by increased energy costs.

In 2022, the auctions of 5G spectrum in the 3.5 GHz and 700 MHz bands took place. Telia won the desired blocks at the minimum price in both auctions. Telia Estonia continued to expand fiber coverage, and gained customers through both own fiber and wholesale accesses, both in the business and consumer segment.

2023

Telia Estonia will focus on continuing its more-for-more FMC strategy by expanding the fixed footprint, while leveraging the positive momentum in the mobile market.

The rollout of the 5G network has started following the spectrum acquisition that took place in 2022.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Organic %</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGUs (thousands) 1)</td>
<td>455</td>
<td>437</td>
<td>4%</td>
</tr>
<tr>
<td>– Postpaid</td>
<td>404</td>
<td>384</td>
<td>5%</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>51</td>
<td>54</td>
<td>-4%</td>
</tr>
<tr>
<td>ASPU (EUR) 1)</td>
<td>9.7</td>
<td>9.4</td>
<td>4%</td>
</tr>
<tr>
<td>– Postpaid</td>
<td>10.5</td>
<td>10.2</td>
<td>3%</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>3.9</td>
<td>3.4</td>
<td>15%</td>
</tr>
<tr>
<td>Revenue (SEK million)</td>
<td>554</td>
<td>498</td>
<td>6%</td>
</tr>
<tr>
<td>– Mobile</td>
<td>528</td>
<td>476</td>
<td>6%</td>
</tr>
<tr>
<td>– Prepaid</td>
<td>26</td>
<td>22</td>
<td>14%</td>
</tr>
<tr>
<td>Fixed</td>
<td>58</td>
<td>48</td>
<td>15%</td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>612</td>
<td>546</td>
<td>7%</td>
</tr>
</tbody>
</table>

1) Unaudited.

Revenue

Underlying EBITDAaL
Employees

Unique People and Culture
At Tele2 we believe in the power of the people. We believe that coming together unleashes the full potential in all of us and builds an ever-stronger sense of team and belonging. With this we hope to achieve a strong culture which embraces collaboration, engagement, and well-being. At Tele2 we trust our people with great responsibility and accountability. Engaged employees perform better and are personally motivated to make Tele2 an even better place to work. As part of Tele2’s ambition to become a leading Telco in the Nordic & Baltic region we have defined four strategic enablers, each with defined KPIs and targets that we track on a quarterly basis.

- Walk the talk leadership that aligns and engages
- Evolve Tele2’s culture to maintain competitive advantage
- Attract and retain performance driven people with future proof competencies
- Diverse and inclusive workplace to be proud of

Walk the Talk Leadership that aligns and engages
Our strategy and mid-term ambition will place high demands on our people, on us as an organization, and on our ways of working. Great leadership that aligns and engages our employees around our strategy will be key. We will promote leaders who walk the talk, who understand that they have an important role to serve as ambassadors and role models for Tele2’s culture and values. This year we have launched our evolved culture concept to remain a differentiator and deliver on our strategic objectives. We believe that the right attitude, enthusiasm, and the ability to work according to Tele2’s values – Reliable, Insight Driven and Collaborative – are more important than an impressive resume. During this year we have conducted a number of Tele2 Way trainings and workshops.

Our culture – the Tele2 Way – is at the center of what we do and to stay ahead – providing superior customer experience – becoming more fact-based, increasing collaboration and not the least keeping up the Tele2 spirit – we are ‘Vinnarskallar’ who challenge to win.

Attract and retain performance driven people with future proof competencies
To continue to win, we challenge ourselves to always be better, adapt to customer needs and always strive to deliver maximum customer value. Through high expectations on ourselves and others, we want to make an impact and make a difference. We encourage a growth mindset with relevant feedback and continuous performance dialogue between manager and employee, as well as between peers. The approach seeks to ensure that all employees have clear and updated goals, and frequent and meaningful conversations with their manager around their aspirations, performance, and drivers for engagement. We believe in learning by doing, through exposure to challenging assignments together with good coaching, collaboration and learning from others. At the same time, we expect our people to have high ambitions and contribute to their own best abilities. During this year we have conducted a number of Tele2 Way trainings and workshops, and potential as leaders, both in terms of self-leadership as well as collaboration. Our Executive Trainee program continue to provide opportunities for engagement. We believe in learning by doing, through exposure to challenging assignments together with good coaching, collaboration and learning from others. At the same time, we expect our people to have high ambitions and contribute to their own best abilities. During this year we have conducted a number of Tele2 Way trainings and workshops.

Diverse and inclusive workplace to be proud of
Tele2’s ambition is always to employ the best talent that the market has to offer; considering values, experience and competence that match with our values. Our culture and workplace is central in achieving this and Tele2 is committed to providing a workplace that facilitates diversity, productivity and working together. We are making progress, in our employee ‘MyVoice’ survey our employees are scoring high on inclusion, above high performing benchmarks. With our ambitions agenda to become a gender balanced company, we still have some way to go. At the same time, we are happy to see that we have reached 50/50 gender balance in our stores.

Changes in the Tele2 Group Leadership Team
During the year some changes in the leadership has been announced that will bring an important and diverse perspective to Tele2. Johan Gustafsson has taken on the role as EVP Communication and Sustainability from the 1 January 2023. Johan brings important experiences from his former roles in the media industry and in hyper-growth environments such as Klarna.

Jenny Garneij has been appointed EVP People & Change. Jenny will start her position in May 2023 and succeeds Karin Svensson with hyper-growth environments such as Klarna.

Jenny Garneij has been appointed EVP People & Change. Jenny will start her position in May 2023 and succeeds Karin Svensson who has decided to leave Tele2 later this year. Jenny brings valuable experience from her former roles at Nordea and Nordnet Bank, primarily within human resources and communication.
Remuneration guidelines

The current guidelines for remuneration to senior executives were approved by the Annual General Meeting 2020 and are presented in Note 31. The Boards' proposal for the Annual General Meeting in 2023 to resolve on updated Guidelines for remuneration to senior executives is presented below.

Our approach to the remuneration guidelines

The remuneration policy provides a structure that aligns remuneration with the successful delivery of our long-term business strategy, interests and sustainability. A prerequisite for the successful implementation of the company’s business strategy and safeguarding of its long-term interests and its sustainability, is that the company is able to attract and retain driven and engaged talent. To this end, it is necessary that the company offers competitive remuneration that is able to attract and retain driven and engaged talent. To this end, it is necessary that the company offers competitive remuneration to senior executives.

Variable short-term remuneration, including criteria for awarding

The variable short-term remuneration (“STI”) shall be linked to predetermined and measurable criteria, measured over a period of maximum one year, which can be financial, such as EBITDA or revenue, or non-financial, such as sustainability. In addition, they may be individualized, quantitative or qualitative objectives. For senior executives, the financial criteria are weighted 80 percent and the non-financial criteria are weighted 20 percent. The criteria shall be designed to contribute to the company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the senior executive’s long-term development. The variable short-term remuneration can amount to a maximum of 100 percent of the annual fixed base salary. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and/or determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the senior executives. The evaluation for financial objectives shall be based on the latest financial information made public by the company.

Variable long-term incentives, including criteria for awarding

The structure of any variable long-term incentives shall ensure a long-term commitment for Tele2’s development and value creation and may be both share and share-price related as well as cash based. Going forward, any long-term share and share-price related incentive plans will be resolved upon separately by General Meetings and are therefore not covered by these guidelines. For defining the total remuneration, for the senior executives, the Remuneration Committee uses external benchmarks within the Telecom, Hi-Tech and General industry and reviewing peer companies.

Pension benefits

The senior executives are offered defined contribution pension plans, including health insurance. Defined contributions for pensions to the CEO and the other senior executives can amount to a maximum of 20 percent premium based on the annual fixed base salary.
salary and the STI, which could maximum lead to 40 percent contribution of the annual fixed base salary.

**Other benefits**

Other benefits may include e.g. car benefit, health care insurance and for expatriated senior executives e.g. housing benefits for a limited period of time. Such benefits may amount to not more than five percent of the annual fixed base salary.

**Termination of employment**

The maximum period of notice of termination of employment shall be twelve months in the event of termination by the CEO and six months in the event of termination by any of the other senior executives. In the event of termination by the company, the maximum notice period during which compensation is payable is eighteen months for the CEO and twelve months for any of the other senior executives. Additionally, remuneration may be paid for non-compete undertakings and such remuneration shall compensate loss of income. The remuneration shall be paid during the time the non-compete undertaking applies, however not for more than six months. With regard to the CEO, the remuneration shall amount to not more than 60 percent of the CEO’s average monthly remuneration (both fixed and variable) paid by the company during the twelve months preceding the time of termination and with regard to other senior executives, the remuneration shall amount to not more than 80 percent of the senior executive’s monthly base salary at the time of the termination.

**Salary and employment conditions for employees**

In the preparation of the Board’s proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees’ total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee’s and the Board’s basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

**The decision-making process to determine, review and implement the guidelines**

The Board has established a remuneration committee. The committee’s tasks include preparing the Board’s decision to propose guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by a General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other senior executives do not participate in the Board’s processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

**Derogation from the guidelines**

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company’s long-term interests, including its sustainability, or to ensure the company’s financial viability. As set out above, the remuneration committee’s tasks include preparing the Board’s resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

**Description of material changes to the guidelines and how the views of shareholders’ have been taken into consideration**

The remuneration committee and the Board have consulted with shareholders and proxy advisors and have followed up on comments and questions. The remuneration committee and the Board have resolved to propose adjustments to the company’s remuneration guidelines, entailing that the introductory section is adjusted to reference to the company’s business strategy as described at the company’s webpage and annual and sustainability report. Further, the short-term incentive goals and the process for requiring benchmarking of remuneration have been clarified.

The proposed adjustments have been reflected in these guidelines which will be subject to the shareholders’ approval at the General Meeting 2023.
## Enterprise risk management

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

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

### Strategic risk management

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

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

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

### The most important strategic risks

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

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

**RISK**

**DESCRIPTION**

**RISK MITIGATION**

**Risk related to customer churn**
Customer churn may increase due to Tele2's inability to deliver satisfactory services over the Tele2 network, unsatisfactory customer service, customers’ reduced willingness to pay for converged offerings and Tele2’s inability to respond to competitors’ product and pricing activities. Also, third-party termination of contracts or refusal to renew existing contracts or loss of a large B2B customer could contribute to increased customer churn. These risks could lead to increased costs and reduced revenue and could have a material adverse effect on Tele2's business, financial condition and results of operations.

Tele2 continuously works to improve the customer experience and increase customer satisfaction, which will continue to be the company’s focus in future years.

**Risk related to the ability to recruit and retain skilled personnel**
To remain competitive and implement the strategy, and to adapt to changing technologies, Tele2 will need to recruit, retain and, where necessary, retrain highly skilled employees with the relevant expertise. The loss of key individuals or other employees who have specific knowledge of, or relationships with, customers in the markets in which Tele2 operates could have a material adverse effect on Tele2’s business, financial condition and results of operations.

Tele2 has recruited a number of skilled employees and works continuously to provide incentives for them to retain and contribute to the continued development of the company.

**Financial risks**
Through the operations, Tele2 is exposed to various financial risks such as currency risks, interest rate risks, liquidity risks, credit risks, risks related to tax matters and impairment of assets.

Financial risk management is mainly centralized to the Finance function (responsible for treasury, tax matters and impairment recognition). The aim is to control and minimize Tele2’s financial risks as well as financial costs, and optimize the relationship between risk and cost. Further information on financial risk management can be found in Note 2.

**Risks related to unstable geopolitical conditions**
Since Tele2 operates in a global environment, it is and will be affected by the general economic environment, political uncertainties, local business risks as well as laws, rules and regulations in individual countries, thereby affecting demand for the company’s services.

Tele2 is closely monitoring the development on world events and is kept informed by local management, government officials and independent sources.

**Risks related to corruption and unethical business practices**
Throughout the operations of Tele2, there are risks of corruption, especially in areas linked to market regulation, price setting, supply chain and third-party management and customer service. Actual or perceived corruption or unethical business practices may damage the reputation of Tele2 and result in financial penalties and debarment from procurement and institutional investment processes. Fraud may significantly impact financial results.

Tele2’s anti-corruption policy establishes the principles applied by Tele2 to prevent corruption within the business. All employees and business partners have been informed of the company’s code of conduct and efforts to combat corruption and reduce the risk of unintentional mistakes. Tele2’s guidelines for gifts, entertainment and hospitality, which are included in the anti-corruption policy have also been communicated throughout the organization, provide detailed information on how everyone at Tele2 should act in terms of external hospitality, as well as the rules governing giving and receiving gifts or other benefits. Fraud risks are monitored and managed through the internal security department.

**Risks related to pandemics**
Pandemics have the capability of affecting the global economic, social, and political landscape. The consequences of such global events (for example the COVID-19 pandemic) can cause disruption to Tele2’s employees, suppliers and customers. Should Tele2 be unable to adapt and manage the impact of such pandemics, it could have a material adverse effect on the business, financial condition and results of operations.

Tele2 is constantly monitoring operations to ensure continuity of Tele2 services to customers and the society. There is an adaptive crisis management plan in place and capable of implementing mitigation actions. Tele2 also remains in close contact with local health authorities and governmental agencies to react and adapt to any developments and minimize any risks to Tele2’s employees, customers, and suppliers.
Corporate governance report

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

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

The Code is based on the principle of comply or explain, which means that companies can deviate from single rules in the Code, provided that they offer an explanation for the deviation. Tele2 has not deviated from the Code during 2022.
General Meetings and Nomination Committee

Annual General Meeting

The 2022 Annual General Meeting ("AGM") was held on April 28, 2022. At the meeting, 99.6% shareholders were in attendance, personally or by proxy, representing 99.1 percent of the votes. Due to the prevailing extraordinary situation of COVID-19, Tele2’s Annual General Meeting was, in order to reduce the risk of spreading the virus and having regard to the authorities’ regulations and advice on avoiding public gatherings, carried out both through advance voting (postal voting) pursuant to temporary legislation as well as in person at Tele2’s head office in Kista. David Andersson, an external lawyer was elected Chairman of the meeting. Noted as present was the Head of Legal Helena Wanhainen.

The following significant resolutions were adopted by the AGM:
- Approval of the Annual and Sustainability Report for 2021 and resolution on ordinary dividend of SEK 6.75 per share in two tranches of 3.40 and 3.35 SEK per share. The record date for the first dividend was decided as May 2, 2022 and the second as October 11, 2022. The dividend was paid out to the shareholders on May 5, 2022 and October 14, 2022 respectively. The meeting further resolved on an extraordinary dividend of SEK 13.00 per share. The record date was decided as May 2, 2022 and the dividend was paid out to the shareholders on May 5, 2022.
- Discharge the directors of the Board and the CEO from liability for the financial year 2021;
- Approval of remuneration to the Board and auditor and procedures for the Nomination Committee;
- Re-election of Andrew Barron, Georgi Ganev, Eva Lindqvist, Lars-Åke Norling, Carla Smits-Nusteling, Stina Bergfors and Sam Kini as directors of the Board and re-election of Carla Smits-Nusteling as Chairman of the Board;
- Re-election of Deloitte as auditor until close of the 2024 AGM;
- The Board of Directors were authorised by the Annual General Meeting 2022 to (i) resolve to issue up to 1,200,000 Class C shares, (ii) resolve to repurchase own Class C shares, (iii) resolve to sell own Class B shares and (iv) resolve to repurchase up to 10% of the company’s own shares. The authorisations are valid to the next Annual General Meeting. The detailed conditions for the authorisations are set out in the minutes from the AGM.

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

Nomination Committee for the 2022 AGM

For the 2022 AGM, the Nomination Committee, consisted of; Anna Stenberg appointed by Kinnevik AB; John Hernander appointed by Nordea Funds and Frank Larsson appointed by Handelsbanken Funds. The Committee held a number of meetings during 2022 in person and by phone, with additional contact over email and interviews with Board members between meetings.

The Committee believed the composition of the Board to be fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

The Committee submitted proposals to the 2022 AGM for the election of the Board and auditor, and their remuneration, Chairman of the AGM and the procedure for the Nomination Committee.

Nomination Committee for the 2023 AGM

In accordance with the procedures for the Nomination Committee as decided by; and in force since the 2018 AGM, Anna Stenberg, as representative for Kinnevik AB, has convened a Nomination Committee consisting of members appointed by the largest shareholders in terms of voting interest in Tele2 AB. The members of the Nomination Committee for the 2023 AGM are shown in the table below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
<th>Share of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anna Stenberg (Chairman)</td>
<td>Kinnevik AB</td>
<td>36.1%</td>
</tr>
<tr>
<td>Viktor Kockberg</td>
<td>Nordea Fonder</td>
<td>12%</td>
</tr>
<tr>
<td>Frank Larsson</td>
<td>Handelsbanken Fonder</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

The Committee also had the benefit of an internal performance review of the Board and its individual members, presented to the Committee by the Chairman of the Board. In its work, the Nomination Committee applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee gave particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines.
The Board

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

At the 2022 AGM, Tele2’s shareholders re-elected Andrew Barron, Georgi Ganey, Eva Lindqvist, Lars-Åke Nöring, Carla Smits-Nusteling, Stina Bergfors and Sam Kini as directors of the Board. Furthermore, Carla Smits-Nusteling was re-elected as Chairman of the Board. At the constitutional board meeting following the 2022 AGM, the Board re-elected Andrew Barron as Deputy Chairman of the Board.

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

Independence of the Board

The Board’s assessment regarding each member’s position of independence in relation to the company, its shareholders and the management is mentioned in the Board member profiles in the Board of directors section. None of the Board members are part of the senior management of the company, nor are they union representatives. Four of the total seven Board members as at end of 2022 were women.

Tele2 meets the Code’s requirement that the majority of the members be independent in relation to the company and its executive management. Six of the total seven Board members as at the end of 2022 are independent of the company, its executive management and, additionally, its major shareholders.

The Board’s responsibility and work procedures

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

The Board:

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

The Board's work in 2022

During the 2022 financial year, the Board has met thirteen (13) times – three (3) times in Stockholm, two (2) times through a combination of video meetings and in person, two (2) times via video and six (6) per capsulam meetings.

Below is a summary of the main topics handled by the Board during 2022:

- Review and approval of financial reports.
- Review and follow-up of internal controls, risk management and corporate governance.
- Treasury matters.
- Corporate responsibility matters, including data privacy, corruption risks and ethical business practices.
- Human resources matters, including talent management, succession planning and remuneration guidelines.
- Strategy review, including review of growth opportunities, product portfolio, business model challenges and marketing strategies.
- Evaluation of the Board.
- Auditors’ reports.

Attendance of Board members

<table>
<thead>
<tr>
<th>Name</th>
<th>Board meetings</th>
<th>Audit Committee</th>
<th>Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Barron</td>
<td>13</td>
<td>8/8</td>
<td>5/5</td>
</tr>
<tr>
<td>Carla Smits-Nusteling</td>
<td>13/13</td>
<td>8/8</td>
<td>-</td>
</tr>
<tr>
<td>Georgi Ganey</td>
<td>13/13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lars-Åke Nöring</td>
<td>12/13</td>
<td>8/8</td>
<td>5/5</td>
</tr>
<tr>
<td>Andrew Barron</td>
<td>13/13</td>
<td>-</td>
<td>5/5</td>
</tr>
<tr>
<td>Eva Lindqvist</td>
<td>12/13</td>
<td>8/8</td>
<td>-</td>
</tr>
<tr>
<td>Stina Bergfors</td>
<td>13/13</td>
<td>-</td>
<td>5/5</td>
</tr>
<tr>
<td>Sam Kini</td>
<td>13/13</td>
<td>7/8</td>
<td>-</td>
</tr>
</tbody>
</table>

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

Annual Evaluation of the Board

The Chairman of the Board ensures that an annual self-assessment of the Board’s work is performed, where the Board members are given the opportunity to share their views on working methods, Board material, their own and other Board members’ work, as well as the scope of their assignment. The assessment was performed in 2022.

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

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

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

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

Audit Committee

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

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

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

At the statutory Board Meeting following the 2022 AGM, the Board re-appointed Eva Lindqvist as the Chairman of the Audit Committee, and Carla Smits-Nusteling, Lars-Åke Norling and Sam Kiri as ordinary members. Telé2 meets the independence requirements of the Code versus the Audit Committee, also mentioned in the Board member profiles in the Board of directors section.

The Audit Committee usually meets in connection with Board meetings or in order to review, assess and approve the release of the group’s external financial results. The Audit Committee has met eight (8) times in 2022 – one (1) time per胶囊an and seven (7) times through a combination of videos and in person (in Stockholm) participation. The President and CEO and the CFO together with the Head of Legal, Head of Internal Audit, Head of Financial Reporting and Operations, Head of Investor Relations and the company’s external auditors were also present at the meetings, as required. Other management representing IT and Network, Sustainability and Security were also present in part or some of the meetings.

In 2022, the primary matters dealt with by the Audit Committee were the approval of financial reports, capital structure, extraordinary dividend, crisis management, tax, reports from the external auditor, follow-up of internal audits and risk assessments, corporate responsibility, compliance and information regarding significant financial and control projects. The Audit Committee, through its Chairman, also meets with the external auditor independently to exchange views regarding the company’s accounting and control environment. The results of the Audit Committee’s work in the form of observations, recommendations and proposed decisions and measures are reported regularly to the Board of Directors.

Remuneration Committee

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

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

The Board appoints the members and the Chairman of the Remuneration Committee. At the statutory Board meeting following the 2022 AGM, Andrew Barron was appointed Chairman of the Remuneration Committee and Stina Bergfors and Lars-Åke Norling were appointed members of the Committee.

During 2022, the Remuneration Committee held five (5) meetings.

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

Auditor

At the AGM 2022, the audit firm Deloitte AB, Sweden, was elected as external auditor until the AGM 2024 in compliance with the proposal from the Nomination Committee. Didrik Roos is the auditor in charge. He is an authorized public accountant and partner at Deloitte. In addition to his assignment at Telé2, he is amongst others, in charge of the audits of Boozt, H&M and Systembolaget.

During 2022, Deloitte performed a sustainability assurance assignment for Telé2 besides the ordinary audit assignments. These audit related services have been approved by the Audit Committee. Refer to Note 32 for information regarding fees to the auditors.
The internal controls over Tele2’s financial reporting aims to provide reasonable assurance of the reliability of internal and external financial reporting, and to ensure that external financial reporting is prepared in accordance with legislation, applicable accounting standards and other requirements for listed companies.

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

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

Responsibilities for maintaining Internal Control over Financial Reporting
The responsibility for maintaining an effective control environment and ongoing work on internal controls has been assigned to the President and Group CEO and documented in the “Instructions to the Managing Director of Tele2 AB”, that clarifies its responsibilities and regulates the Board’s and its committees’ internal distribution of work. Furthermore, the Board has appointed an Audit Committee with a written charter, the primary task of which is to ensure that established principles for financial reporting and internal controls are adhered to and that appropriate relations are maintained with the company’s auditors. Results of internal and external audits, which are reported to the Audit Committee, as well as management’s reporting on risks and incidents forms the basis for the Board’s evaluation of the internal controls over financial reporting.
enforcement of the Tele2 Code of Conduct and, as part of this, the four-eyes principle, which means that important decisions and contracts signed on behalf of Tele2 should always be made by at least two persons. The Code of Conduct is signed by all employees upon joining Tele2 and then reconfirmed annually. All employees are accountable for compliance with the code of conduct. When entering into a contractual arrangement with Tele2, suppliers and other business partners also need to give their assurance regarding compliance with Tele2’s standards by signing Tele2’s Business Partner Code of Conduct.

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

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

Risk assessment

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

Other inputs to this risk assessment and the internal audit plan include results of prior audits, known incidents and reporting issues, external risk benchmarks and external assessments of countries’ general corruption levels, etc. The internal audit plan is reviewed and approved by the Board through the Audit Committee.

Information and communication

Corporate policies and procedures are available for employees on the company’s intranet or directly through the relevant central function. Manuals and guidelines of significance to financial reporting are regularly updated and continuously communicated to the employees concerned. Monthly closings follow a pre-defined
Control activities

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

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

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

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

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

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

Monitoring

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

Follow-up assisted by Internal Audit

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

Carla Smits-Nusteling
Chairman of the Board, elected in 2019
Born: 1966 | Nationality: Dutch citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: 1,687 B shares
Committee work: Member of the Audit Committee
Other current assignments: Board member of Nokia Oyj, Stitching Continuut Ahold Delhaize and Allegro.eu
Previous assignments: CFO of Koninklijke KPN N.V., Board member of ASML, Lay judge of the Enterprise Court of the Amsterdam Court of Appeal
Education: M.Sc. Business Economics from Erasmus University, Rotterdam and Executive Master of Finance & Control from Vrije Universiteit Amsterdam

Andrew Barron
Deputy Chairman of the Board, elected in 2019
Born: 1965 | Nationality: British citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: 7035 B shares
Committee work: Chairman of the Remuneration Committee
Other current assignments: Board member of Versure, Openreach, Astound Broadband and Delta Fiber
Previous assignments: Chairman of the Board of Com Hem Holding, Board member of Arris International plc, Board director of Ocean Outdoor, COO of Virgin Media inc. and MTG, CEO of Chellomedia, Executive Vice President of Walt Disney Europe and management consultant at McKinsey & Co
Education: Bachelor’s Degree Cambridge University, MBA Stanford University

Stina Bergfors
Board member, elected in 2021
Born: 1972 | Nationality: Swedish citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: Does not hold any shares or rights
Committee work: Member of the Remuneration Committee
Other current assignments: Board member of Remuneration Committee
Other current assignments: Board member of H&M and Handelsbanken. Involvement in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences IVA
Previous assignments: Co-founder and CEO of United Screens, country director for Google and Youtube in Sweden, CEO of Carat Media Agency
Education: B.Sc. in Business and Economics and an honorary doctorate from Luleå University of Technology

Georgi Ganev
Board member, elected in 2016
Born: 1976 | Nationality: Swedish citizen
Independence: Independent in relation to the company and management but not independent in relation to the company’s major shareholders
Holdings in Tele2: 1,030 B shares
Committee work: –
Other current assignments: CEO of Kinnevik, Board member of Global Fashion Group and Babylon Health
Previous assignments: CEO of Dustin Group and Bredbandsbolaget, CMO at Telenor Sweden
Education: M.Sc. in Information Technology from Uppsala University
Sam Kini
Board member, elected in 2021
Born: 1974 | Nationality: British citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: Does not hold any shares or rights
Committee work: Member of the Audit Committee
Other current assignments: CIO at Unilever
Previous assignments: Chief Data and Information Officer of easyJet Group, 20 years in IT-focused executive roles at Telenet Group, Virgin Media and Liberty Global
Education: BA in Administrative Management from the University of Lincoln

Eva Lindqvist
Board member, elected in 2018
Born: 1958 | Nationality: Swedish citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: 2,891 B shares
Committee work: Chairman of the Audit Committee
Other current assignments: Board member of Nordlo, Excillum, Bodycote plc, Keller Group plc and Nominet Ltd. Elected Member of the Royal Swedish Academy of Engineering Sciences
Previous assignments: Board member of Swepla, ACAST, Chip First, Tarser Studios, Mr Green & Co, Kährs Holding, Com Hem Holding, Assa Abloy, Almaka Group and Caverion Oy. Senior Vice President of TeleSonera’s mobile operations, CEO of TeleSonera International Carrier and senior positions at Ericsson
Education: M.Sc. in Engineering Physics, MBA

Lars-Åke Norling
Board member, elected in 2018
Born: 1968 | Nationality: Swedish citizen
Independence: Independent in relation to the company and management as well as in relation to the company’s major shareholders
Holdings in Tele2: 3,000 B shares
Committee work: Member of the Remuneration Committee and Member of the Audit Committee
Other current assignments: CEO of Nordnet
Previous assignments: Investment Director at Kinnevik with responsibility for the TMT sector, Board director of Millicom, CEO of Dric and Digi, Executive Vice President of Developed Asia at Telenor, CEO of Telenor Sweden, CTO/COO of Bredbandsbolaget
Education: M.Sc. in Engineering Physics from Uppsala University, M.Sc.in Systems Engineering from Case Western Reserve University, MBA from University of Gothenburg
Leadership team

Kjell Johnsen
President and CEO
Joined the company in 2020
Born: 1968
Kjell has broad international experience from senior management and board positions in different industries and countries, including Group COO of VEON, CEO Beeline Russia, Chairman of WindTre Italy and EVP Head of Telenor Europe. Prior to joining the telecom industry, Kjell worked internationally with Norsk Hydro and Scandsea International.

Holdings in Tele2¹: 120,000 B shares
100,000 share rights (LTI 2020)
200,000 share rights (LTI 2021)
200,000 share rights (LTI 2022)

Charlotte Hansson
Executive Vice President, Group CFO
Joined the company in 2022
Born: 1969
Charlotte was previously CFO at Systembolaget. Prior to that, she was Group CFO at the Nasdaq listed global PR software and service company Cision, Group CFO of the Swedish facility management company Addici and also has a background within MTG. Charlotte is currently a member of the board for Orexo, a Nasdaq Mid Cap listed med-tech company.

Holdings in Tele2¹: 7,500 B shares
60,000 share rights (LTI 2022)

Hendrik de Groot
Executive Vice President, Chief Commercial Officer
Joined the company in 2021
Born: 1965
Hendrik was previously Head of Group Commercial at VEON. Prior to that he served as Chief Commercial Officer and VP Commercial & Customer Operations at Ziggo in the Netherlands. Throughout his international career, Hendrik held several senior positions in the telecom industry.

Holdings in Tele2¹: 17,500 B shares
60,000 share rights (LTI 2021)
60,000 share rights (LTI 2022)

Johan Gustafsson
Executive Vice President, Communications & Sustainability
Joined the company in 2023
Born: 1986
Johan has worked with multiple different high profile brands in a variety of sectors and roles, including communications consultant at Prime Weber Shandwick, Head of Corporate Communications at TV4 and C More and recently Director of Policy and External Relations at Klarna.

Holdings in Tele2¹: 0

¹ Allocated share rights at grant date, before compensation for dividend and share issue.
Torkel Sigurd  
Executive Vice President, Corporate Affairs  
Joined the company in 2007, joined the leadership team in 2021  
Born: 1975  
Torkel has 20 years of experience within telecom and has been part of the Tele2 family for more than 14 years. He has had several senior positions with both strategic, operational, commercial and product related focus. He also headed Tele2’s M&A unit during the company's international consolidation.  
Holdings in Tele2\textsuperscript{1}: 41,606 B shares  
12,000 share rights (LTI 2020)  
27,000 share rights (LTI 2021)  
27,000 share rights (LTI 2022)  

Karin Svensson  
Executive Vice President, People & Change  
Joined the company in 2018  
Born: 1965  
Karin was previously a self-employed Human Resources advisor. She was previously the Chief Human Resources Officer at Bisnode. Karin started her career with Accenture where she was a Partner for 11 years as well as Nordic HR Director and Human Capital Lead.  
Holdings in Tele2\textsuperscript{1}: 62,500 B shares  
27,000 share rights (LTI 2020)  
27,000 share rights (LTI 2021)  
27,000 share rights (LTI 2022)  

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Kim Hagberg  
Executive Vice President, Chief Operations  
Joined the company in 2013, joined the leadership team in 2018  
Born: 1966  
Kim was previously Product Management Director at Tele2, overseeing cross functional and cross market processes in which technologies become products. Before that, Kim worked for 12 years at different positions within Telia. She also has experience from the telecom supply chain with 8 years at different suppliers in Canada, France and Switzerland.  
Holdings in Tele2\textsuperscript{1}: 36,734 B shares  
27,000 share rights (LTI 2020)  
27,000 share rights (LTI 2021)  
27,000 share rights (LTI 2022)  

Yogesh Malik  
Executive Vice President, CTIO  
Joined the company in 2021  
Born: 1972  
In 2014-2020, Yogesh served as VEON’s Group CTO and a member of VEON’s executive board. Prior to joining VEON, he was the CEO of Telenor India (Uninor), following a number of senior technology and business roles in Europe, North and South America, China and South Asia. Yogesh is an Executive MBA graduate of IMD in Lausanne, Switzerland, and holds a degree in engineering from MSU University in India.  
Holdings in Tele2\textsuperscript{1}: 9,000 B shares  
27,000 share rights (LTI 2020)  
27,000 share rights (LTI 2021)  
27,000 share rights (LTI 2022)  

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1 Allocated share rights at grant date, before compensation for dividend and share issue.
Stefan Trampus
Executive Vice President, Tele2 B2B
Joined the company in 2018, joined the leadership team in 2021
Born: 1969
Stefan has experience from more than 20 years in the Swedish telecommunication industry, including senior roles such as Chief Sales Officer at Com Hem, Head of the B2B and Landlord business units at Com Hem and Head of Broadband Services at Telia Sweden. Stefan was also CEO of Tele2’s subsidiary iTUX.
Holdings in Tele2: 65,902 B shares
12,000 share rights (LTI 2020)
27,000 share rights (LTI 2021)
27,000 share rights (LTI 2022)

Nathalie Dahmm
Adjunct member of the Group Leadership Team
Chief Culture & HR Business Advisory
Joined the company in 1999, joined the leadership team in 2021
Born: 1973
Nathalie has been part of the Tele2 family for over 20 years, with experience from several senior HR positions within Culture, Leadership and Change Management, as well as several positions within Technology, across different markets and functions at Tele2.
Holdings in Tele2: 29,056 B shares
12,000 share rights (LTI 2020)
12,000 share rights (LTI 2021)
27,000 share rights (LTI 2022)
Remuneration report

Introduction
This report describes how the guidelines for executive remuneration of Telé2 AB (publ), adopted by the annual general meeting 2020, were implemented in 2022. The report also provides information on remuneration to the CEO and a summary of the company’s outstanding long-term share and share-price related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Stock Market Self-Regulation Committee’s Remuneration Rules.

Further information on executive remuneration is available in note 31 (Employees and personnel costs) in the Annual and Sustainability Report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available in the Annual and Sustainability Report 2022.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 31 in the Annual and Sustainability Report 2022.

Total CEO remuneration in 2022

<table>
<thead>
<tr>
<th>Name of director</th>
<th>Fixed remuneration</th>
<th>Variable remuneration</th>
<th>Total remuneration</th>
<th>Proportion of fixed and variable remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kjell Johnsen</td>
<td>9,004</td>
<td>44</td>
<td>4,902</td>
<td>3,100</td>
</tr>
</tbody>
</table>

1) Including holiday pay of 4,511.
2) Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Key developments 2022
The CEO summarizes the company’s overall performance in his statement in the CEO word in the Annual and Sustainability Report 2022.

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

Under the remuneration guidelines, executive remuneration shall be on market terms and remuneration to the senior executives should comprise annual fixed base salary, variable short-term remuneration, variable long-term incentives, pension benefits and other benefits. For analyzing the remuneration of senior executives, the remuneration committee utilize external vendor benchmark both within the Telecom and General industry sector for Senior Executives. The Board considers the remuneration and the average annual increases of all employees an important element in determining the annual salary increase for senior executives.

1) The variable short-term remuneration (“STI”) shall be linked to predetermined and measurable criteria, measured over a period of maximum one year, which can be financial, such as EBITDA or revenue, or non-financial, such as sustainability. In addition, they may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy. The Telé2 Way or promote the senior executive’s long-term development.

The guidelines are found in note 31 in the Annual and Sustainability Report 2022. The remuneration guidelines, adopted unanimously by the annual general meeting 2020, have been fully implemented. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share and share-price related incentive plans.

CEO remuneration for 2022 is presented in the table below.
Share-based remuneration

Outstanding share-related and share price-related incentive plans

The company has during 2022 vested the 2019 long-term share based incentive plan (LTI) and implemented the 2022 LTI Plan as well as having 2020 and 2021 LTI Plans ongoing. The long term incentive plans are offered to senior executives and a selected number of other key employees within the Tele2 Group. Subject to the employee having made an own investment in shares in the company (savings shares), the employee has been awarded a number of retention shares and performance shares.

The current Tele2 CEO, Kjell Johnsen, is participating in the LTI program 2020, LTI program 2021 and LTI program 2022. For the plans of participation, the CEO has invested in 10,000 savings shares in LTI program 2020 and each 20,000 saving shares in LTI program 2021 and 2022 and thus been awarded 10,000 retention rights and 90,000 performance rights for LTI program 2020 and been awarded each 20,000 retention rights and 180,000 performance rights for LTI program 2021 and 2022. Retention rights and performance rights have been awarded free of charge (but subject to own investment) and are subject to a vesting period of three years and continued employment. Vesting of retention- and performance rights is also subject to the satisfaction of performance conditions, for the 2020, 2021 and 2022 year program – Absolute TSR and Relative TSR vs Peer Group during the three-year period, and Operating Cashflow measured on cumulative basis for the consolidated Tele2 Group during the Operating Cash flow measurement period. The Absolute TSR measurement will give maximum one retention share, as for the performance rights allocation, the Relative TSR and the Operating Cashflow has a weight on 50% each, enabling the maximum possibility of nine performance shares per saving share for the CEO.

<table>
<thead>
<tr>
<th>Share awards plans (CEO)</th>
<th>SEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of director</td>
<td>Name of plan</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Kjell Johnsen</td>
<td>LTI 2020</td>
</tr>
<tr>
<td></td>
<td>LTI 2021</td>
</tr>
<tr>
<td></td>
<td>LTI 2022</td>
</tr>
</tbody>
</table>

1) Value is calculated as the market share price at the time of the award (2020: 121.91, 2021: 110.69, 2022: 131.63) multiplied with the number of maximum shares each right entitles to, including compensation for dividends executed during the year.

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

<table>
<thead>
<tr>
<th>Name of director</th>
<th>Name of plan</th>
<th>Description of the criteria related to the remuneration component</th>
<th>Relative weighting of the performance criteria</th>
<th>a) Measured performance and b) actual award/ remuneration outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kjell Johnsen</td>
<td>LTIP 2020</td>
<td>Absolute TSR</td>
<td>10%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relative TSR</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operating cashflow</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td>LTIP 2021</td>
<td>Absolute TSR</td>
<td>10%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relative TSR</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operating cashflow</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td>LTIP 2022</td>
<td>Absolute TSR</td>
<td>10%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relative TSR</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operating cashflow</td>
<td>45%</td>
<td>N/A1)</td>
</tr>
</tbody>
</table>

1) Performance period still running.
### Short term variable remuneration

**Application of performance criteria**

The performance measures for the CEO’s variable remuneration have been established to deliver the company’s strategy and to encourage behavior which is in the long-term interest of the company. In the determination of performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account. The non-financial performance measures individual performance of business related goals and sustainability goals and further contribute to alignment with sustainability as well as the company values. Due to the commercial sensitiveness, the company cannot reveal the exact target measurements of the goal part of the Short-term Incentive plan until it has been paid out. Each financial goal has a minimum, target and maximum level, based on a target range and the table shows the exact outcome of each financial goal. The sustainability goals achievements and individual goals achievement are aggregated into one performance outcome per respective goal category. The CEO participates in the company’s One Time Transformation Program which was implemented in 2021 with a vesting period until Q2 2023 with payment in 2023, as further described in the remuneration report 2021.

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

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
<th>Threshold performance level</th>
<th>Target performance level</th>
<th>Maximum performance level</th>
<th>Actual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>KSEK outcome at threshold performance</td>
<td>KSEK outcome at target performance</td>
<td>KSEK outcome at maximum performance</td>
<td>KSEK outcome</td>
</tr>
<tr>
<td>Underlying EBITDAaL</td>
<td>30%</td>
<td>90% 1,583</td>
<td>100% 2,638</td>
<td>105% 1,783</td>
<td>101% 1,757</td>
</tr>
<tr>
<td>End User Service Revenue</td>
<td>30%</td>
<td>95% 1,583</td>
<td>100% 2,638</td>
<td>105% 1,783</td>
<td>101% 1,757</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>20%</td>
<td>90% 1,583</td>
<td>100% 2,638</td>
<td>105% 1,783</td>
<td>101% 1,757</td>
</tr>
<tr>
<td>Sustainability Goals1)</td>
<td>5%</td>
<td>96% 264</td>
<td>100% 440</td>
<td>104% 176</td>
<td>99% 176</td>
</tr>
<tr>
<td>Individual Goals2)</td>
<td>15%</td>
<td>0% 791</td>
<td>66% 1,591</td>
<td>100% 1,397</td>
<td>90% 1,397</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>0% 5,276</td>
<td>68% 8,793</td>
<td>100% 4,902</td>
<td>90% 4,902</td>
</tr>
</tbody>
</table>

1) Sustainability goals for 2022 are measuring percentage of female employees and CO2 emission reductions.
2) Individual goals include a weighted assessment of personal business impact goals as well as living up to Telia values and Telia code of conduct.
Deviations from the remuneration guidelines

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

Comparative information on the change of remuneration and company performance

Remuneration and company performance

<table>
<thead>
<tr>
<th>SEK</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kjell Johnsen CEO remuneration (from 2020-09-15)</td>
<td>17,049</td>
<td>18,241</td>
<td>5,036</td>
</tr>
<tr>
<td>Anders Nilsson CEO remuneration (1/1-14/9 2020)</td>
<td>0</td>
<td>0</td>
<td>13,766</td>
</tr>
<tr>
<td>Underlying EBITDAa</td>
<td>10,860,000</td>
<td>9,639,000</td>
<td>9,239,000</td>
</tr>
<tr>
<td>Ratio Average remuneration CEO vs Employee</td>
<td>21.84</td>
<td>24.32</td>
<td>25.30</td>
</tr>
</tbody>
</table>

1) Average remuneration includes base salary, holiday pay, benefits, variable pay at target and pension.
We are a part of the solution for a sustainable future

With a vision to lead in sustainability, Tele2’s leadership in sustainability will meet the demands of our key stakeholders, including customers, investors, and employees.
Science-Based Targets
Tele2 has set a new target for net-zero emissions by 2035, that has been approved by the Science-Based Targets initiative. This means that the goals are based on the latest climate science and in line with the 1.5°C target. Tele2 was the first company based in Sweden, the first telco in the Nordics and Baltics, and the second telco globally, to achieve this.

Connecting a circular society
We are committed to a shift to a circular economy
Not only in our own operations, but by acting as a driving force of circularity in our industry and in society as a whole. This way we can greatly reduce our own impact and that of our industry, while actively empowering a shift to a society that is truly unlimited.

Avoided emissions per year
Tele2 estimates this to be its annual impact on avoided emissions of carbon and energy consumption that are enabled through our products and services, related to smart buildings, smart working, living and health, and smart transport and cities. The majority of Tele2’s avoided emissions are enabled by audio conferencing and remote working services, as well as electric vehicle connectivity.

Net-zero 2035
Science-Based Targets
Tele2 has set a new target for net-zero emissions by 2035, that has been approved by the Science-Based Targets initiative. This means that the goals are based on the latest climate science and in line with the 1.5°C target. Tele2 was the first company based in Sweden, the first telco in the Nordics and Baltics, and the second telco globally, to achieve this.

Read more on our site
Introduction

The importance of sustainability for our stakeholders has continued to grow during 2022. From customers and investors to employees and regulators the interest and the demands are ever increasing. We are carefully monitoring new regulatory requirements on both operations and reporting, and aim to take action on these requirements as quickly as possible, to ensure that we are not just compliant, but show leadership in our industry. Our stakeholders’ requirements offer reassurance to us that our vision for our sustainability efforts – to lead in sustainability – is aligned with the requirements that will enable us to maximize business opportunities with a win-win perspective for Tele2. We see this report as an important tool to communicate how we meet stakeholder demands, and how we are progressing towards our sustainability leadership ambition for our industry.

During the year, we have focused on implementing the sustainability strategy that we launched in 2021. With a series of ambitious actions and activities, we have engaged large parts of our operations in our sustainability efforts, to make progress towards the long-term ambitions that we have set for the sustainability strategy. We believe that sustainability should be an integrated part of our business for our long-term success as a company, which underlines the importance of involving different parts of our operations in our sustainability efforts.

Climate efforts continue to be a key priority for both Tele2 and our stakeholders, and we have developed a climate strategy that extends to 2035. During the year we managed to secure approval from the Science-Based Targets initiative for our net-zero target of 2035. For the 2022 evaluation, as one of only 297 companies globally out of nearly 15,000 assessed, we were awarded the top rating A from CDP. We also issued the first sustainability-linked bond, and signed a sustainability-linked revolving credit facility. To ensure that we meet stakeholder demands we have during the year updated our reporting to the new GRI Universal Standards, are reporting in line with the EU Taxonomy and the standards of the Sustainability Accounting Standards Board. We also report on our implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures, and information about Principle Adverse Impacts as required by the Sustainable Finance Disclosure Regulation. To ensure the highest possible data quality, as well as in preparation of coming requirements of the EU’s Corporate Sustainability Reporting Directive, Tele2 has sought limited assurance for the sustainability report.

With this report we present our most important achievements for 2022 with regards to the most material topics for our stakeholders. We trust that you will find it useful to understand how our leadership in sustainability matters is meeting increasing stakeholder demands.

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

With a vision to lead in sustainability, our efforts are focused on finding areas where sustainability enables business opportunities and supports our long-term success as a company – it is not about philanthropy or merely limited to compliance. Our investments in sustainability deliver returns, and maximize the creation of shared value for our customers, investors, employees and other stakeholders.

**Sustainability as an integrated part of our business**

To meet increasing stakeholder demands, sustainability must be an integrated part of our core business, from our technical operations to our marketing and sales. All relevant parts of our operations are actively engaged in efforts to ensure that they support the targets set in our sustainability strategy. To engage the broader group of employees, sustainability is a recurring topic at company-wide all-hands meetings held by our CEO, we regularly post sustainability-related news on our intranet, organize deep-dive session with internal and external experts that are recorded and live-streamed on our intranet, and there is a specific section on our intranet dedicated to sustainability.

To ensure that managers of all levels, including senior executives, consider sustainability topics in their daily work. 5% of the annual short-term incentive program is related to sustainability targets. For 2022 these targets were related to the performance of our emissions reduction efforts in scope 1 and 2, as well as our diversity and inclusion efforts. New targets are set for 2023, and they will be included in the short-term incentive program for all managers in Sweden, the Tele2 Group leadership team and the CEOs of our Baltic operations.

**The Tele2 Sustainability Strategy**

We have established a clear priority for our sustainability efforts by focusing on the areas where we have the biggest potential to create impact and business value. The four focus areas of Tele2’s sustainability strategy are:

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

By delivering on the annual activities that we set, we make progress towards the long-term ambitions that we have for each focus area, thereby strengthening our position in each of these areas from year to year. In the chapter “What we did in 2022”, our progress during the past year is described. More information about our focus areas, can be found in the sustainability section of our [website](#).

**ESG targets**

As has been our approach for several years, we set yearly actions and activities for each focus area, to ensure that we make progress towards the long-term goals connected to each of the focus areas. These actions and activities constitute our Environmental, Social and Governance (ESG) targets. For 2022, a majority of these targets have been of a qualitative nature. Having measurable sustainability targets helps our organization to focus on the most important issues and maximize the value that we create. In addition to this, we have set KPIs for the four focus areas that are tied to the long-term goals. Tele2 has set ambitious science-based targets for climate, and our progress towards these targets will be a key ESG target for us going forward. The outcome of our targets for 2022 can be found on the page Tele2 ESG Targets 2022 in this report.

**Executive responsibility for focus areas**

- **“By setting a target of net-zero emissions by 2035 Tele2 leads the way in our industry. Increased circularity in our business is the way to get there.”**
  Charlotte Hansson
  EVP CFO
  Advance circular economy to combat climate change

- **“We create impact through innovative technology using connectivity, as in our partnership with Civil Rights Defenders and the AI4Green research project.”**
  Toral Sigurd
  EVP Corporate Affairs
  Boost innovation for sustainability

- **“Diverse teams perform better, and to be an attractive employer and supplier to current and future employees and customers, we must redouble our efforts.”**
  Yogesh Malik
  EVP CTO
  Maximize our potential through an inclusive and diverse workplace

- **“Tech and strategic partnerships enable us to help protect children online, and to reduce negative impact of a connected society.”**
  Johan Gustafsson
  EVP Communications & Sustainability
  Protect children in a connected society
During 2022, Tele2 has continued to deliver on the sustainability strategy set in 2021. The strategy has four focus areas, where we will take a leading position that will differentiate us from our competitors. This will enable us to win new customers, investors and employees, and help us to retain our current ones. The strategy clearly reflects the very high ambition that Tele2 has for its sustainability efforts. As a sustainable business, our aim is to maximize the creation of shared value for all stakeholders. To make sure the strategy has the highest possible relevance to our stakeholders and to society it is based on a comprehensive materiality analysis, which in turn is based on a broad stakeholder dialogue. More information about this can be found in Note S11 and on the page Stakeholder dialogue.

For more information about the sustainability strategy and our efforts to achieve the long-term goals, click on the link to go to the sustainability section of our website.
Connecting a Circular Society

Humanity has been living as if the world’s resources are limitless when, in fact, they are very limited. The take-make-waste model is at the core of climate change — along with social injustice. We have no reason to keep doing business as usual. But we have all the reasons to enter the age of resourcefulness. This is why we are committed to making the shift to a circular economy. In our own operations, as well as being a driving force of circularity in our industry and in society as a whole. This way we can greatly reduce our own impact and that of our industry, while actively empowering a shift to a society that is truly unlimited.

Tele2 currently offers a take-back program for all customer devices. In 2022 our share of reclaimed mobile phones as a percentage of distributed mobile phones for B2B and B2C in our Swedish operations was 12.7%. For our B2B Public Sector and Large Enterprise customers in Sweden we offer Device as a Service, where mobile phones are leased. The service model is attractive to our clients, since it is advantageous both from a financial and environmental perspective. Over 99% of these devices are collected from the clients, and up to 90% are refurbished and re-used, and the remaining devices are recycled.

Equipment used by our B2C customers for internet and TV access, ie routers and TV-boxes, are offered as a leased product, which we require that customers return to us at the product’s end of life, or if the customer cancels their services from us. This way we are able to ensure that all of these devices are re-used, when possible, or recycled.

In 2022, Tele2 was the first telco in the Nordics and Baltics to adopt a circular economy target for network equipment in our own operations, that had been developed by a working group within our industry association, the GSMA. This target states that Tele2 commits to 100% of its network equipment being responsibly resold, reused, remanufactured or recycled and non-recyclable materials being disposed of securely.

Tele2 has during the year led the GSMA’s working group on circular economy for devices. Together with the GSMA, Tele2 developed a strategy paper, which was published in November. In the strategy paper we outline a vision for the industry, as well as a model to achieve this vision, presented in the figure to the right.
The United Nations’ Sustainable Development Goals (SDG) has established a framework for the most important issues in society that we collectively must address by 2030. With an ambition to lead in sustainability, we have done an analysis of which goals and targets we address, and ensure that we support all 3 dimensions; biosphere, social and economic aspects. In addition to supporting all 3 dimensions we also address SDG 17 – Partnerships for the goals, as this is a goal that all companies should work with. Below you will find a presentation of which goals, and targets within each goal, that Tele2 works with, along with a brief description of how we work with them.

**SDG 5 – Gender equality**
Tele2 has a dedicated anti-discrimination policy, and promotes and monitors gender equality.

**SDG 8 – Decent work and economic growth**
Tele2 has set a goal to be gender-balanced in executive and managerial roles, to ensure full and effective participation for women and equal opportunities for leadership.

**SDG 9 – Industry, innovation and infrastructure**
Tele2 contributes to increasing resource efficiency, among other things by reusing and recycling returned phones and technology hardware.

**SDG 10 – Reduced inequalities**
Tele2 is furthering research in innovative technology based on connectivity, such as IoT. This is likely to create both social and environmental value for various stakeholders.

**SDG 11 – Sustainable cities and communities**
Smart buildings, transports and cities, using IoT solutions, can significantly reduce the environmental impact of cities, creating more sustainable cities and communities.

**SDG 12 – Responsible consumption and production**
Tele2 promotes a more sustainable consumption and minimizing the use of natural resources.

**SDG 13 – Climate action**
Tele2 is committed to reducing the amount of waste generated throughout the value chain.

**SDG 14 – Life below water**
Climate action matters are addressed in policies and the planning processes within Tele2 by promoting sustainable ways of operating through lowering the emissions of greenhouse gases and considering the adverse impacts of climate change.

**SDG 15 – Life on land**
To eradicate violence and abuse against children, Tele2 is an active, co-founding member of ECPAT’s Tech coalition. Tele2 works actively to block access to websites containing child sexual abuse material.

**SDG 17 – Partnerships for the goals**
Tele2 actively supports civil society to foster sustainable development. Tele2 is a founding member, and long-standing partner, of Reach for Change. Other partnerships include Civil Rights Defenders, ECPAT and Prince Carl Philip and Princess Sofia’s Foundation.
What we did in 2022

Showing leadership in an ambitious industry
During 2022 we have continued to deliver on the new sustainability strategy, and continued our efforts to show leadership in the areas where Tele2 is now an actor in the forefront within our industry. By delivering on our sustainability strategy we make progress towards our vision to lead in sustainability, and it should be perceived as a strong signal from Tele2 that sustainability is considered a strategic enabler for us to achieve our ambition of becoming a leading telco in the Nordics and Baltics.

To show leadership in sustainability, Tele2 aimed to be an early adopter of the new science-based net-zero standard set by the Science-Based Targets initiative (SBTi). In July our target to achieve net-zero emission by 2035 was approved by the SBTi. Tele2 was the first company based in Sweden, the first telco in the Nordics and Baltics, and only the second telco globally to get SBTi’s approval for its net-zero targets. Tele2 aims to be a contributor to – and enabler of – the transformation to a net-zero world, creating unlimited possibilities for people, businesses, and societies. Our net-zero target builds on the industry-leading science-based targets that Tele2 set in 2021 which will guide our climate efforts until 2029.

Tele2 is committed to making a shift to a circular economy, in our own operations, but also by being a driving force of circularity in our industry and society at large, thereby showing leadership. Tele2 will play a key role in enabling a circular shift in a society that is truly unlimited – we call it “Connecting a circular society.” Our industry association, the GSMA, estimates that use of mobile technology will be responsible for 8% of all non-recyclable materials being disposed of securely, as the first telco based in Sweden. Tele2 has led the efforts of the customer devices working group, which has published a strategy paper in which a vision for the industry has been developed. More information about our ambition of “Connecting a Circular Society” can be found on page 51.

In our efforts to integrate sustainability throughout our operations we have during the year decided to develop a green and sustainability-linked financing framework, issued the first sustainability-linked bond, as well as to sign the first sustainability-linked revolving credit facility. The bond uses our science-based targets for scope 1, 2 and 3 as the sustainability performance targets. Its issuance followed a successful investor roadshow, where Tele2 saw strong investor support for our ambition to lead in sustainability. The framework used also strengthens the sustainability goals that Tele2 has set by providing additional transparency.

In order to achieve our sustainability goals and contribute to the SDGs, Tele2 is committed to strategic partnerships that are mutually beneficial, within the sustainability area. During the year, Tele2 decided to prolong our partnership with Reach for Change, which Tele2 co-founded in 2010. Their incubator supports social entrepreneurs that work tirelessly to make the world a better place for children and youths. To deepen our partnership Tele2 has provided an opportunity for employees to participate in a volunteering program with social entrepreneurs from Reach for Change, and Tele2 has provided additional support to one of the social entrepreneurs in the incubator. Tele2 has also successfully continued its partnerships with ECPAT and Prince Carl Philip and Princess Sofias Foundation, to ensure progress in our focus area “Protect children in a connected society”.

Partnership will be key to solve the circularity challenges that we face as an industry. Tele2 has participated in two working groups organized by our industry association the GSMA, one focused on network equipment and one on customer devices. As a result of the work done by the network equipment working group, Tele2 has committed to 100% circularity for network equipment used in our own operations by 2025, meaning that all our network equipment will be responsibly resold, reused, remanufactured or recycled and non-recyclable materials being disposed of securely, as the first telco based in Sweden. Tele2 has led the efforts of the customer devices working group, which has published a strategy paper in which a vision for the industry has been developed. More information about our ambition of “Connecting a Circular Society” can be found on page 51.

Our approach to sustainability
Our Sustainability Strategy
Working with the Sustainable Development Goals
What we did in 2022
Tele2 ESG Targets 2022
Stakeholder dialogue
Partnerships and industry collaboration
Sustainability information
GRI content index
SASB index
Principal Adverse Impacts – Sustainable Finance Disclosure Regulation
Auditor’s Limited Assurance Report
Financial statements
Proposed appropriation of profit
Auditor’s report
Definitions

In 2022 we participated in the following ratings:
- MSCI ESG Rating
- S&P Global Corporate Sustainability Assessment & Rating
- ISS ESG Corporate Rating
- FTSE Russell ESG Rating
- Sustainalytics ESG Risk Rating
- Equileap Gender Equality Global Report & Ranking
- CDP Climate Change Rating

During a year where we have shown leadership in our industry, we are content that we have managed to improve our performance in all ratings which were updated during 2022 but one, or maintain our current rating where we already held the highest possible rating. For MSCI, Sustainalytics, FTSE Russell, Equileap and CDP we are rated in the top 10%. All ratings we participate in rate us in the top quartile, which is a result indicating that we are leading in our industry.

We are particularly honored that we received the top ranking A from CDP for the first time, a result which puts us ahead of our competitors in all markets where we are active. Out of nearly 15,000 companies evaluated annually by CDP, only 297 received an A, while Tele2 today has received an A in 2022. CDP particularly highlights Tele2’s strong performance in governance, target-setting, emissions reporting, reduction initiatives and integration of climate issues in business strategy, financial planning and scenario analysis. We are pleased to see that we have maintained our top rating (A+) by MSCI, and that our FTSE Russell result has rebounded to a score in the 97th percentile, following the decrease in our score in the 2021 rating. Our result in the bi-annual rating made by ISS remained at a C+, which is considered prime, and a result in the 2nd decile, compared to the leaders in our industry, that have been awarded a B. As gender equality continues to be a key topic for Tele2, it is rewarding that our Equileap result continues to improve, and that we are now rated as the 3rd best company in Sweden and top 2% globally.
Enabling a net-zero society by 2035

Tele2 wants to be a contributor to – and enabler in – the transformation to a net-zero world, creating unlimited possibilities for people, businesses and societies. With an ambition to be a leading telco in the Nordic and Baltic region, our vision is to lead in sustainability. Climate change is an important issue for us as a company to address. We have historically had a negative climate impact, and our future success as a company is dependent on a globally successful climate mitigation. We take our responsibility in doing our part of this mitigation. Climate change poses a number of risks to our company, and we must therefore do everything we can to try to mitigate these risks. As consumers, businesses and societies are taking steps towards mitigating climate change, there is an opportunity for us to contribute to and enable their transition to a low-carbon economy and a net-zero world.

In May 2021, Tele2 launched its industry-leading Science-Based Targets. Tele2 has developed these targets to reflect our very high level of ambition when it comes to our efforts to reduce the negative climate impact of our business. We have sought and gained the approval of these targets by the Science-Based Targets initiative (SBTi) to ensure that our targets are in line with the latest climate science, and are aligned with the Paris Agreement to limit global warming to 1.5°C compared to pre-industrial levels. Tele2’s targets are to:

• reduce absolute scope 1 and 2 GHG emissions 90% by 2025 and 100% by 2029 from a 2019 base year
• reduce scope 3 GHG emissions 60% per subscription by 2029 from a 2019 base year.

In 2022, Tele2 has further developed its climate targets by setting an ambitious net-zero target for the year 2035. In July 2022, we became the first company in Sweden, the first telco in the Nordics and Baltics, and the second telco globally to attain approval of our net-zero target by the SBTi. This ambitious target, and our ability to attain the SBTi’s approval so early, is a clear testament to the leadership that Tele2 is showing with regards to companies’ climate targets and the actions that companies need to take to reduce their climate impact.

To continue making progress towards these goals we will need to focus on the activities that are required to take us to zero emissions in scope 1 and 2 by 2029, and primarily to focus on reducing our scope 3 emissions. Having seen rapid reductions in scope 1 and 2 since 2019, scope 3 now accounts for over 98% of our total greenhouse gas emissions. In scope 3, the majority of our emissions come from the category purchased goods and services. To reduce our GHG emissions in scope 3, we are actively engaging with our suppliers to communicate our expectations on them, and gather information about the plans that they have in place to reduce their greenhouse gas emissions.

1) Compared to targets approved on SBTi website in May 2021.
Advance circular economy to combat climate change

By 2025, Tele2 will develop winning offerings for relevant customer segments in B2B and B2C, based on a circular business model and reduced climate impact.

Activities for 2022

- Measure and communicate the business value of implemented circular economy initiatives
- Map B2B NaSt product life-cycle and set process for equipment return to enable a circular business model
- Increase rate of re-use and refurbishment on hardware (B2C, B2B and DCT)
- Optimization of warehouse and depots
- Implementation of digital waybill and QR solution for return flow
- Set % re-use/recycle/landfill target for Sunab
- Lead GSMA project on Circular Economy for Mobile Phones
- Communicate new climate strategy
- Engage with top 20-40 suppliers on CO2 reduction targets
- Set Science-based Net Zero emissions target
- Measure and report on avoided emissions

Key Performance Indicators 2022

- % devices sold in a circular business model: 24% of Sweden B2B
- Large Enterprise & Public segment
- % Scope 1 & 2 emissions change from 2019 -95% (<94%)
- % Scope 3 emissions change from 2019 -11% (+17%)

For Tele2, circular economy is at center of our efforts to reduce the climate impact of our operations and value chain. As we have rapidly reduced emissions in our own operations, our focus lies increasingly with our value chain emissions, especially from the manufacturing of electronic hardware. In 2022, we continued the development of new solutions and processes for equipment returns, to enable circular business models and increase the rate of re-use and refurbishment on hardware in all segments. These activities are progressing, and will be further developed during 2023.

In March 2022, Tele2 became the first telco in Sweden to publicly commit to 100% circularity for network equipment by 2025. Going forward, Tele2 will work closely with our suppliers and continue to create opportunities for our customers to improve their reuse and recycling behavior to lead the shift towards a circular economy.

Connecting a circular society

With the ambition to connect the circular society, Tele2 has led an industry-wide project together with our industry association GSMA with the goal to create a common industry vision for the circular economy of mobile devices. A strategy paper was published in November highlighting maximized longevity and zero waste as essential for device circularity, thereby further emphasizing the need for collaboration across our value chain in order to move forward.

Approved net-zero science-based climate targets

Tele2 continues to increase our ambitions for reduced climate impact in our operations and value chain. In July, we announced that Tele2’s target to achieve net-zero emissions in our value chain by 2035 had been approved by the SBTi. This means that Tele2 is committed to reducing emissions in our operations and value chain with at least 90% and offsetting any remaining emissions through carbon removals. To help achieve both near-term and long-term emission reduction targets, Tele2 has also set the goal to become a fossil fuel free business using 100% renewable energy by 2025 for all parts of our own operations.

Continued efforts to reduce climate impact

We are proud to see the near-term results of our continued climate efforts leading towards net-zero. In 2022, after reaching our goal of 90% reduction of our scope 1 & 2 emissions compared to our base year, the emissions in our own operations remain at low levels, while we continue to focus on reducing scope 1 & 2 emissions to zero by 2029. To offset the remaining emissions until we reach this goal, we are supporting the development of carbon removals by using carbon-capture and storage technology for a part of our carbon-offsetting. As our scope 3 emissions now make up the majority of Tele2’s emissions, we are increasingly focusing on the emissions caused in our value chain. During the year, we have continued our engagement with suppliers to inform them of our emission reduction targets – this year focusing on our top 21-40 suppliers. During the year, Tele2 has developed a climate strategy that extends to 2035 to map out required actions for continued rapid emissions reductions and achieving net-zero emissions by 2035.

Top score for climate change efforts

In 2022, Tele2 achieved the score ‘A’ in the climate rating by CDP for our leadership in and commitment to environmental transparency on climate change. Out of the ranking of nearly 15,000 companies, Tele2 is one of only 297 companies included in CDP’s Climate Change A List. The A score places Tele2 above our industry average, and above European and global average.

For more information visit tele2.com/sustainability

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

By 2025, Tele2 will use connectivity combined with innovative technology to create product and service offerings in partnerships that meet a growing demand from B2B and B2C customers, increase internal efficiencies, and create sustainability value.

Activities for 2022
• Map current activities to evaluate sustainability value
• Propose new initiatives, for innovation in product and service offering
• Support “Property of tomorrow” project (Landlord business)
• Evaluate increased internal efficiencies from using AI
• Communicate sustainability impact analysis of IoT customer cases
• Support AI4Green Project

Key Performance Indicators 2022
• Measurable social and environmental impact: N/A for 2022, will be measured for 2023

We believe in the power of innovation to fuel sustainable development in our own operations, for our customers and in society at large – while also creating customer and business value. Connectivity is at center of a growing number of new technologies, such as Internet of Things (IoT) and Artificial Intelligence (AI), that can both improve resource efficiency and enable new sustainable business solutions and models.

In 2022 we have engaged in several activities that truly highlights the sustainability potential in innovation based on connectivity. Examples of this includes leading the research project AI4Green to identify potential energy savings through the use or artificial intelligence, or exploring new opportunities for technical improvement and innovation in the Natalia Project’s alarm system for human rights defenders.

Connecting human rights defenders using IoT

With a growing need to protect the freedom of speech, reliable and secure connectivity could be life-saving for activists fighting for human rights around the world. The Natalia Project is the world’s first community-based security management system for human rights defenders, launched by the international human rights organization Civil Rights Defenders. The system includes a GPS-based alarm device, a security plan and thorough security training, tailored for the needs of each defender.

Tele2 has partnered with Civil Rights defenders since 2020 to provide all units in the Natalia Project’s global security system with connectivity and to assist with technical support. During 2022, the partnership has further grown to include the exchange of expert knowledge from Tele2 IoT to continue the development of the alarm system and ensure the best possible service to the human rights defenders around the world.

Increasing internal efficiencies using AI

Artificial Intelligence has the potential to help manage networks intelligently, and more energy efficiently. In 2022, Tele2 has led the final stage of the European research project AI4Green, that gathers businesses, universities and international institutes from 5 different countries. The purpose of the three-year-long project was to identify and test applications of AI technology with potential to increase the energy efficiency of mobile networks.

Apart from leading the project, Tele2 has provided network data to test AI assisted energy saving algorithms in 5G base stations to better predict customer’s capacity needs and enable more efficient use of energy. Results show potential for substantial energy savings in Tele2’s 5G network, and several energy efficiency initiatives are currently being evaluated as a result.

Connecting human rights defenders using IoT

“Natalia Project gives me a sense of security, to know that someone will help me if anything happens. I really hope I never have to use it, but it makes all the difference to have it.”

Angela Maldonado, Activist in the Amazon using the Natalia Project alarm device powered by Tele2 connectivity.

For more information visit tele2.com/sustainability

This focus area contributes to the SDG targets above. See page “Working with the Sustainable Development Goals” for a description of how Tele2 works with the SDGs.
Maximize potential through an inclusive and diverse workplace

By 2023, Tele2 will build an inclusive environment where diverse talent can perform at their best and at the same time a gender balanced workforce.

Activities for 2022
- Track and communicate progress on D&I activities, KPIs and external ratings
- Complete roll-out of re-wire for inclusion training to all managers and employees
- Continue setting fundamentals for other diversity dimensions beyond gender
- Establish a yearly calendar of D&I events
- Include D&I in Suppliers’ policy
- Continue external collaborations with NGO’s and networks that promote D&I

Key Performance Indicators 2022
- Inclusion score at employees: >82; 89 (87)
- Women as a % of total workforce: 44% (45%)
- Women as a % of total workforce in Sweden: 32% (33%)

At Tele2, we truly believe that a diverse and inclusive workplace is imperative to business success. By bringing together individuals from diverse backgrounds and providing each person with opportunities to develop their skills, we strive to deliver the best customer experience, provide excellent shareholder value and have highly engaged employees. We recognize that a diversified workforce is a long journey and requires ongoing and thorough efforts. Three years ago, Tele2 identified a gender imbalance among employees in Swedish Tele2 stores and decided to set a goal for having as many women as men employed in Tele2’s own stores. Since then, we have worked diligently to improve jargon, attitudes and recruitment processes by adopting Tele2’s recruitment principle called 2+1. This includes always hiring the best person for the job and strive to employ two women for each man in teams with fewer women. This year, the goal was achieved, and we are now continuing our efforts to ensure that we maintain gender-balance going forward.

Employee engagement and training to integrate D&I

We believe that successful work with diversity and inclusion involves both leadership and employee engagement to the diversity agenda. Tele2 has created a diversity and inclusion (D&I) council consisting of a group of employee representatives that aims to provide feedback and insights on the strategy and goals of the roadmap that we have set for D&I, and to spread awareness among Tele2’s employees. In March, the council arranged a gender equality month with seminars and activities to raise awareness on gender balance and the challenges we are facing. Other activities include conducting research on creating inclusive teams at Tele2 and collaborating with other telcos to arrange a global Pride event to increase awareness of diversity and inclusion for LGBTIQA+ employees. During the year we have continued the roll-out of Rewire for inclusion – a workshop-based training focused on unconscious bias and inclusion habits in the workplace. Between 2021 and 2022 around 1000 employees and 300 managers have participated in the sessions. In 2023, we are planning to introduce the workshop as an online training for employees in stores and customers operations.

Continued improvement in external evaluation

External evaluation of our business is an important tool to ensure that we make progress and achieve desired results. A report released by Equileap ranked Tele2 as the third best company in Sweden on gender equality and top 2% globally, based on their assessment of gender equality performance over a wide range of topics. We also improved our score compared to 2021 which shows that we are heading in the right direction, while we recognize that we still have much work to do.

Partnering for a diverse tech industry

Tele2 is a proud co-creating partner of Women in Tech 2022, the largest conference in the Nordics aimed towards women that work within the tech industry. For more information visit tele2.com/sustainability

Supporting Women in Tech

Empowering women to pursue a career in tech is one important step to close the gender gap in the sector. Tele2 is a proud co-creating partner of Women in Tech 2022, the largest conference in the Nordics aimed towards women that work within the tech industry.

For more information visit tele2.com/sustainability

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

SDG 5.1
SDG 5.5
Protect children in a connected society

By 2023 Tele2 will implement technical solutions and drive behavioral change to protect children online and win customers.

Activities for 2022
- Define monitoring process of behavioral change and customer growth based on child protection
- Consolidate Children and the Internet Report together with suitable partner
- Communication of the Health Guide
- Monitor the usage of the Health Guide
- Information to customers about our activities to protect children through digital channels, partner events and Tele2 stores
- Implement improvements to Tele2's child sexual abuse material (CSAM) blocking solutions
- Evaluate need for development of tools directed towards children for internet safety

Key Performance Indicators 2022
- # blocked attempts to access CSAM (avg/month): 214,000
- Change in percent customers using Trygg Surf (child profile) for Tele2 Sweden: +21% (+45%)
- Percent customer availability of Trygg Surf (child profile) for Tele2 Sweden: 100%

We keep fighting for a safer online experience, so that children and youth can enjoy the benefits of a connected everyday life. By working with preventative and proactive tools and guidance for children and their parents, we reduce the risks of life online.

Sharing knowledge on child online safety
Parents play an important role in creating the conditions for a safer life online for children and youth. Through our partnership with the Swedish Prince Carl Philip and Princess Sofia's Foundation we have continued to spread awareness of our parental guide and health guide that help support parents with navigating children's connected everyday life. During the year, we started monitoring the usage of these guides to evaluate its effect and receive input for potential future development. In our partnership with the foundation, have we also mapped potential gaps in existing tools directed towards children.

Collaborating to support children
We believe that collaboration is key to solving many societal issues, and partnering with civil society broadens our social impact, not the least in supporting children and youth. Tele2 is a founding member of the major local telecom operators and ECPAT, a network dedicated to fight online child sexual exploitation (OCSE). With the rise of new technology and digital platforms, the coalition was further developed in 2022 to promote collaboration across telcos and technology companies in the efforts against OCSE. Under the name 'ECPAT Sweden Tech Coalition', the coalition has welcomed new members from the tech industry and focuses on preventive work, market intelligence and technology development in Sweden. Tele2 is also partnering with ECPAT to provide the connectvity solutions that ECPAT needs in order to do its important work. For more information about all of our partnerships, please see the page ‘Partnerships and industry collaboration’.

Improving detection and blocking of CSAM
As an internet provider, we take responsibility to protect children by continuously blocking attempts to access web pages that have been classified as containing child sexual abuse material, in all countries where we operate. In 2022, Tele2 blocked over 214,000 attempts per month on average to access this type of material. This is an increase with 109% compared to 2021, which is likely due to updated lists of domains with confirmed CSAM from the Swedish Police and Project Arachnid. By the end of 2022, Tele2 initiated the implementation of additional lists of domains from Project Arachnid, an initiative by the Canadian Center for Child Protection that uses innovative tools based on hashing technology and artificial intelligence for automated detection of CSAM. Tele2 will continue to follow the results from the project in 2023 when the lists have been fully implemented.
Tele2 ESG Targets 2022

We annually set activities for the coming calendar year, for each of the four focus areas of our sustainability strategy, to ensure progress towards our long-term goals. These Environmental, Social and Governance (ESG) targets, help us focus on the most important issues, as has been our approach for several years. We have also defined KPIs for the four focus areas, that measure progress towards the long-term goals. The outcome of our ESG targets for 2022 can be found in the table below.

<table>
<thead>
<tr>
<th>ESG Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advance circular economy to combat climate change</strong></td>
<td></td>
</tr>
<tr>
<td>• Measure and communicate the business value of implemented circular economy initiatives</td>
<td>Partial</td>
</tr>
<tr>
<td>• Map B2B Nas5 product life-cycle and set process for equipment return to enable a circular business model</td>
<td>Full</td>
</tr>
<tr>
<td>• Increase rate of re-use and refurbishment on hardware (B2C, B2B and DCT)</td>
<td>Partial</td>
</tr>
<tr>
<td>• Optimization of warehouse and depots</td>
<td>Full</td>
</tr>
<tr>
<td>• Implementation of digital waybill and QR solution for return flow</td>
<td>Partial</td>
</tr>
<tr>
<td>• Set % re-use/recycle/landfill target for Sunab</td>
<td>No</td>
</tr>
<tr>
<td>• Lead GSMA project on Circular Economy for Mobile Phones</td>
<td>Full</td>
</tr>
<tr>
<td>• Communicate new climate strategy</td>
<td>Full</td>
</tr>
<tr>
<td>• Engage with top 21-40 suppliers regarding CO2 reduction targets</td>
<td>Full</td>
</tr>
<tr>
<td>• Set Science-based net-zero emissions target</td>
<td>Full</td>
</tr>
<tr>
<td>• Measure and report on avoided emissions</td>
<td>Full</td>
</tr>
<tr>
<td><strong>Boost innovation for sustainability</strong></td>
<td></td>
</tr>
<tr>
<td>• Map current activities to evaluate sustainability value</td>
<td>No</td>
</tr>
<tr>
<td>• Propose new initiatives, for innovation in product and service offering</td>
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<td>• Evaluate increased internal efficiencies from using AI</td>
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<tr>
<td>• Communicate sustainability impact analysis of IoT customer cases</td>
<td>No</td>
</tr>
<tr>
<td>• Support AI4Green Project</td>
<td>Full</td>
</tr>
<tr>
<td><strong>Maximize potential through an inclusive and diverse workplace</strong></td>
<td></td>
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<tr>
<td>• Track and communicate progress on D&amp;I activities, KPIs and external ratings</td>
<td>Full</td>
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<tr>
<td>• Complete roll-out of re-wire for inclusion training to all managers and employees</td>
<td>Full</td>
</tr>
<tr>
<td>• Continue setting fundamentals for other diversity dimensions beyond gender</td>
<td>Full</td>
</tr>
<tr>
<td>• Establish a yearly calendar of D&amp;I events (both internal and external)</td>
<td>Full</td>
</tr>
<tr>
<td>• Include D&amp;I in Suppliers’ policy</td>
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<tr>
<td>• Continue external collaborations with NGO’s and networks that promote D&amp;I</td>
<td>Full</td>
</tr>
<tr>
<td><strong>Protect children in a connected society</strong></td>
<td></td>
</tr>
<tr>
<td>• Define monitoring process of behavioral change and customer growth based on child protection</td>
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<tr>
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<td>• Information to customers about our activities to protect children through digital channels, partner events and Tele2 stores</td>
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<td>• Evaluate need for development of tools directed towards children for internet safety</td>
<td>Full</td>
</tr>
</tbody>
</table>
Stakeholder dialogue

In the most recent major stakeholder dialogue, held in 2020, Tele2 gathered input through surveys and interviews with over 9,000 of our key stakeholders. These included investors, employees, customers, the Board of Directors, suppliers, NGOs and ESG analysts. According to their preference, the stakeholders were asked to rank the importance of the 18 most material sustainability issues for our company and the industry. All 18 issues are presented in Note S11.

Three topics stood out as the most important to stakeholders:
• Privacy, integrity & digital ethics
• Business ethics
• Prevent the distribution of Child Sexual Abuse Material

We used this to inform our materiality analysis, which in turn has informed our sustainability strategy which was launched in 2021.

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

Continuous stakeholder dialogues
To ensure that our strong sustainability agenda meets the demands of our stakeholders, Tele2 conducts continuous stakeholder dialogues with our stakeholders:
• From investors we see a strong interest in our sustainability efforts. Throughout the year we hold meetings and presentations to keep our investors apprised of our performance.
• Our B2B customers give us input on our sustainability efforts both through their evaluation of tenders that we participate in and through regular meeting requests where we discuss sustainability matters.
• We keep our employees informed about our sustainability efforts through meetings and our intranet. We continuously gather input through our employee survey, and directly from our employees.
Partnerships and industry collaboration

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

Tele2 co-founded Reach for Change in 2010 to support social entrepreneurship as a means of tackling societal issues facing children and youths. Other partnerships include Civil Rights Defenders, ECPAT and Prince Carl Philip and Princess Sofia’s Foundation. More information about these partnerships are presented in this section of the sustainability report.

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

The GSM Association

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

Tele2 is actively participating in the dialogue regarding sustainability and climate issues, as a member of the GSMA’s Sustainability Network and the Climate Action Taskforce.

To show leadership in the industry, Tele2 has led the GSMA’s working group on circular economy for devices. The group has during the year drafted a strategy paper in which the industry vision is presented: “Devices with as long a lifetime as possible, made with 100% recyclable and recycled content, 100% renewable energy, and where no device ends up as waste”. The group has also organized a webinar to present the findings of the strategy paper. The efforts of the group will continue in 2023 with the aim of finding a industry enabler that connectivity can be in tackling these issues.

ECPAT Sweden

ECPAT Sweden is a children’s rights organization working to fight sexual exploitation of children, by spreading information and taking measures to prevent children and youths from being sexually abused. They run both the Hotline, that gives the public an opportunity to anonymously report suspected sexual abuse of children, a dedicated helpline for children and young people, and a helpline to support parents in questions regarding sexual abuse.

Tele2 was a founding member of ECPAT’s telecom coalition. It was during 2022 relaunched as the tech coalition, to include more of the actors that directly can have an impact on fighting sexual exploitation of children. The members of the coalition work together to stop online exploitation of children.

During 2022, Tele2 has supported ECPAT’s work by providing the technical solution for the two helplines. In addition to this Tele2 is providing connectivity solutions including telephony for ECPAT’s operations in Sweden.

Civil Rights Defenders

The international human rights organization based in Sweden supports human rights defend- ers who work in some of the most repressive countries. Tele2 provides connectivity to the organization’s Natalia Project, including roaming in more than 450 networks globally. The Natalia Project, named in honor of Natalia Estemirova, a human rights defender who was murdered in Chechnya in 2009, today includes more than 170 human rights defenders. The participants are provided with security training and a security device that they can use to activate an alarm when facing an immediate threat. The alarm sends a distress signal with a GPS location to nearby local contacts, as well as to Civil Rights Defenders’ headquarters in Stockholm enabling instant local and global support.

During 2022, the organization has participated in a deep-dive session that was recorded and live-streamed on our intranet. Together with our IoT department, the organization has also evaluated opportunities for technical improvement and innovation for the alarm system using Tele2’s connectivity.
Tele2’s sustainability information is presented in two sections. The first section includes notes with information on relevant disclosures and material sustainability topics for Tele2, including disclosure of management approach to these topics. The second section include the GRI Content Index, followed by the SASB-Index and the SFDR framework, which either contain or refer to information on the relevant disclosures for Tele2.

Consolidated sustainability notes

NOTE S1  ABOUT THE SUSTAINABILITY REPORT

The sustainability report is prepared in accordance with Global Reporting Initiatives (GRI) Standards, and in accordance with the reporting requirements defined in the Swedish Annual Accounts Act. The sustainability report includes the following pages 46–93. The sustainability report covers Tele2 AB and its subsidiaries. Legal entities are listed in the parent company’s financial statements in Note 19. The reporting period is January 1, 2022 up to and including December 31, 2022.

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

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

Identifying and managing key aspects

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

Organizational changes

No organizational changes that impact our reporting have taken place during 2022.

External initiatives

Note S1 cont.

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


Sustainability report index – Annual Accounts Act
The table below shows where the requirements for sustainability information of the Annual Accounts Act is reported in Tele2 Annual and Sustainability Report 2022.

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<tr>
<th>Area</th>
<th>Disclosure</th>
<th>Page reference</th>
</tr>
</thead>
<tbody>
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<td>General</td>
<td>Business model</td>
<td>p.11</td>
</tr>
<tr>
<td>Environment</td>
<td>Policy, management approach and environmental issues</td>
<td>p.71, 72, 74</td>
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<td></td>
<td>Risks and their management regarding environmental issues</td>
<td>p.27, 29</td>
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<td></td>
<td>Targets and results related to environmental issues</td>
<td>p.59, 71-78</td>
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<tr>
<td>Social conditions &amp; Personnel</td>
<td>Policy, management approach and social issues</td>
<td>p.65, 67, 68</td>
</tr>
<tr>
<td></td>
<td>Risks and their management regarding social issues</td>
<td>p.27–29</td>
</tr>
<tr>
<td></td>
<td>Targets and results related to social issues</td>
<td>p.59, 65-69</td>
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<tr>
<td>Respect for human rights</td>
<td>Policy, management approach and human rights issues</td>
<td>p.70</td>
</tr>
<tr>
<td></td>
<td>Risks and their management regarding human rights issues</td>
<td>p.27–29, 70</td>
</tr>
<tr>
<td></td>
<td>Targets and results related to human rights issues</td>
<td>p.59, 67</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>Policy, management approach and anti-corruption issues</td>
<td>p.63 – 64</td>
</tr>
<tr>
<td></td>
<td>Risks and their management regarding anti-corruption issues</td>
<td>p.27–29</td>
</tr>
<tr>
<td></td>
<td>Targets and results related to anti-corruption issues</td>
<td>p.63-65</td>
</tr>
</tbody>
</table>

NOTE S2 BUSINESS ETHICS & COMPLIANCE

Topic description and materiality
As a profit driven corporation, Tele2 is dependent on profit to remain viable. Tele2’s profits in turn contribute to society through payment of wages, taxes and purchases of services and products. This in turn impacts economic activity, government and society and contributes to economic growth.

Tele2 aims to deliver high quality in its products and services, and efforts to promote fair and ethical business conduct is therefore a key aspect of its daily operations and an integral part of Tele2’s values.

Compliance with local laws and regulations ensures investors that Tele2 is a trustworthy business partner. To mitigate risks and manage impacts, Tele2 uses a Code of Conduct (CoC) and a Business Partner Code of Conduct (BFCoC) based on the United Nations Global Compact. It encompasses labor rights, anti-corruption, environment, freedom of association and collective bargaining, child labor, and forced labor, and other fundamental human rights.

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

Code of conduct
Tele2’s requirement is that sound business practices shall prevail throughout its operations and daily business. Tele2 requests that all employees and business partners sign and comply with the Tele2 Code of Conduct, and does not tolerate deviations. Since 2020, a digital training and re-signing process for the Code of Conduct is conducted annually to ensure that all employees understand and comply with its contents, and underlines the commitment to the business ethics principles that are a foundation for the way Tele2 does business. During the 2022 annual training Tele2 achieved a 99.98% completion rate for the training and re-signing among employees and consultants in active service.

Anti-corruption and anti-competitive behavior
Tele2 has established a common perspective on group level of how to deal with anti-competitive behavior and anti-corruption, and is formalized in the Anti-corruption Policy and the Fair Competition Standards policy. Responsibility lies with each function to put it in practice in each market. The legal teams support the organization in its efforts. Anti-competitive behavior and anti-corruption is included in the training of selected risk functions (for example Procurement and Sales) and the annual Code of Conduct training for all employees. It is the responsibility of each country organization to provide the relevant training. Any potential cases or incidents are reported internally using the Tele2 Incident Report System.
Compliance with laws and regulations
For Tele2, it is important to remain compliant with local laws and regulations in the countries where it operates. In order to manage impacts, Tele2 has established a common perspective on group level on how to deal with compliance. Responsibility lies with each function to ensure compliance in practice in each market. The legal teams support the organization in its compliance efforts. The legal teams make use of an open-door policy for employees seeking advice on ethical and lawful behavior.

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

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

Reporting violations
Tele2 is committed to the highest possible standards of transparency, honesty and accountability. The Tele2 whistleblowing policy is in place to ensure the correct procedures, protection for whistleblowers, and availability of reporting channels in case of wrongdoing. Both employees and external parties can anonymously report violations of Tele2’s policies through Tele2 Incident Reporting System. Employees can also go to their manager with any concerns. The legal teams make use of an open-door policy for employees seeking advice on ethical and lawful behavior. Processes are in place to report or escalate incidents to the relevant group functions or to the highest governing bodies if warranted. Members of the Leadership Team and (Audit Committee of) the Board are informed ad-hoc of ongoing or concluded investigations when their importance requires this. During 2022, four whistleblowing cases were communicated to the Audit Committee, but none of the cases were of critical concern. Furthermore, the Leadership Team and Audit Committee receive regular reports, at least quarterly, on the functioning of Whistleblowing in Tele2.

Results and progress
Significant instances of non-compliance with laws and regulations
Tele2 has had four significant instances of non-compliance with laws and regulations1) that occurred in 2022, out of which two incurred a fine of EUR 20,000 each. As this KPI is part of the newly implemented GRI Universal Standards, no comparable historic data is available.

Incidents of non-compliance concerning marketing communication
Tele2 has had eight (2021: three) incidents of non-compliance with regulations or voluntary codes that occurred in 2022, four of these reported during the year. One of these incidents resulted in a warning.

Legal actions for anti-competitive behavior, anti-trust, or monopoly practices
No legal actions (2021: zero) for anti-competitive behavior, anti-trust, or monopoly practices have been reported during the year.

Incidents of non-compliance concerning marketing communication
Tele2 has had eight (2021: three) incidents of non-compliance with regulations or voluntary codes concerning marketing communication, including advertising, promotions, and sponsorships, during the year. One of these incidents resulted in a fine (2021: zero) and three of these incidents (2021: three) resulted in a warning.

Note S2 cont.
Incidents of non-compliance concerning health and safety of products

Tele2 has had one incident of non-compliance (2021: zero) with regulations and codes concerning the health and safety of products. The case concerns an incident in Lithuania where an inspection by the State Consumer Rights Protection Agency found that a proper user-manual was missing for some products sold in Tele2 shops, and issued a warning.

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

NOTE S3  EMPLOYEE DATA

Topic description and materiality

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

Management and governance

To follow up on employees' satisfaction and well-being, Tele2 conducts employee surveys at least annually to follow up on employees’ satisfaction and well-being. Results are gauged against benchmark scores of other companies to understand changes and trends. Critical points of improvement are communicated to local managers who turn them into local action plans.

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

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

Training and development programs

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

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

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

For more information on employee development, performance and remuneration, please see pages 24–26 of the Board of Director’s report of the Annual and Sustainability Report 2022.

Results and progress

All employee data is presented in head count as per 2022-12-31.
### Employees

<table>
<thead>
<tr>
<th>Country</th>
<th>Full-time employees</th>
<th>Part-time employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Sweden</td>
<td>837</td>
<td>1826</td>
<td>65</td>
</tr>
<tr>
<td>Lithuania</td>
<td>500</td>
<td>239</td>
<td>45</td>
</tr>
<tr>
<td>Latvia</td>
<td>279</td>
<td>205</td>
<td>0</td>
</tr>
<tr>
<td>Estonia</td>
<td>257</td>
<td>122</td>
<td>26</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,853</strong></td>
<td><strong>2,374</strong></td>
<td><strong>134</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Permanent employees</th>
<th>Temporary employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Sweden</td>
<td>854</td>
<td>1854</td>
<td>48</td>
</tr>
<tr>
<td>Lithuania</td>
<td>498</td>
<td>202</td>
<td>45</td>
</tr>
<tr>
<td>Latvia</td>
<td>266</td>
<td>201</td>
<td>15</td>
</tr>
<tr>
<td>Estonia</td>
<td>253</td>
<td>122</td>
<td>10</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,871</strong></td>
<td><strong>2,381</strong></td>
<td><strong>116</strong></td>
</tr>
</tbody>
</table>

### Workers who are not employees

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>4,101</td>
</tr>
<tr>
<td>Lithuania</td>
<td>257</td>
</tr>
<tr>
<td>Latvia</td>
<td>378</td>
</tr>
<tr>
<td>Estonia</td>
<td>68</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,784</strong></td>
</tr>
</tbody>
</table>

Workers who are not employees is presented in head count as per the end of 2022. Workers include consultants and service personnel, where System Developers, Network Engineers, Technicians, Customer Service and Financial system experts are representing the majority of all non-employee workers. Consultants are hired to either fill a competence gap or for capacity needs over a limited period of time. Service personnel are external resources for outsourced work tasks and perform work that has been specified in a service agreement between Tele2 and the vendor.
In Sweden, all employees except the Group Leadership Team employed in Tele2 AB are covered by the collective agreement. For Tele2’s other countries of operations, working conditions and terms of employment is determined according to local labor laws, though Tele2 has a positive view on collective bargaining and supports the right of all employees to form trade unions and sign collective bargaining agreements.

**Non-discrimination**

Zero incidents of discrimination have been reported in 2022 (2021: zero).

**Employee diversity**

<table>
<thead>
<tr>
<th></th>
<th>2022 Total</th>
<th>2022 &lt;30 years</th>
<th>2022 30-50 years</th>
<th>2022 &gt;50 years</th>
<th>2022 Total Average per employee (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>2,789</td>
<td>214</td>
<td>531</td>
<td>157</td>
<td>902</td>
</tr>
<tr>
<td>Lithuania</td>
<td>773</td>
<td>163</td>
<td>348</td>
<td>12</td>
<td>543</td>
</tr>
<tr>
<td>Latvia</td>
<td>484</td>
<td>98</td>
<td>168</td>
<td>13</td>
<td>279</td>
</tr>
<tr>
<td>Estonia</td>
<td>390</td>
<td>86</td>
<td>159</td>
<td>18</td>
<td>263</td>
</tr>
<tr>
<td>Total</td>
<td>4,438</td>
<td>561</td>
<td>1,206</td>
<td>200</td>
<td>1,987</td>
</tr>
</tbody>
</table>

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

**Gender pay gap**

The last gender pay gap analysis was conducted for Sweden as per end of December 2022 and is presented in the table below. The differences in pay is mainly due to gender imbalance in senior level positions rather than unequal pay due to gender for the same kind of position or job. This is something Tele2 actively works on as part of the diversity work to further achieve a gender balanced workforce.

Figures presented below are based on data from Tele2 Sweden, as data from the other markets is not available.

Zero incidents of discrimination have been reported in 2022 (2021: zero).

**Employee diversity**

<table>
<thead>
<tr>
<th></th>
<th>2022 Total</th>
<th>2022 &lt;30 years</th>
<th>2022 30-50 years</th>
<th>2022 &gt;50 years</th>
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<tbody>
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<td>Total</td>
<td>4,438</td>
<td>561</td>
<td>1,206</td>
<td>200</td>
<td>1,987</td>
</tr>
</tbody>
</table>

Current employees 2022 in Tele2 Sweden:

| Store and Customer Operations employees       | 103% | +3% positive to females |
| Other employees                                | 93%  | -7% to achieve equal pay |
| All managers                                   | 95%  | -7% to achieve equal pay |

*Average female salary / Average male salary

**Average hours of training per employee**

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Average per employee (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>27,964</td>
<td>5.6</td>
</tr>
<tr>
<td>2021</td>
<td>20,813</td>
<td>4.7</td>
</tr>
</tbody>
</table>

**NOTE S4 OCCUPATIONAL HEALTH AND SAFETY**

### Topic description and materiality

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

**Management and governance**

Tele2 works systematically, through internal and external commitments, to identify work-related hazards and risks of high-consequence injuries by examining, implementing and following up on the work environment and improvements. The processes for risk assessment are conducted according to local legislation on work environment and occupational health and safety. In Sweden, this work is done in cooperation with the unions associated with the company. In Lithuania, the health and safety requirements are supervised and developed through a third-party organization.

In Estonia, employers have a legal obligation to organize a medical examination for an employee whose health may be affected as a result of assessed risks in the working environment. Such examination is done for every employee and repeated at least every three years.

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

In order to minimize impact from health and safety hazards identified in the workplace, all employees are provided training in occupational health and safety during paid working hours. Employees are also provided the necessary instructions, safety equipment and training depending on their position to ensure that all work can be performed safely in line with local health and safety legislation.
In Sweden and Estonia, Tele2 has work environment representatives to form work environment commit-
tees, in line with local legislation. Regular meetings are held with the committees to discuss and follow-up
on all work-related incidents and work environment conditions.

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

Promotion of worker health and rehabilitation

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

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

Results and progress

Occupational health and safety management system

100% of Tele2’s employees (2022: 4,438 employees) are covered by an occupational health and safety
management system, including the psychosocial and physical work environment. In Sweden, 347 work-
ers that are not employees are covered by an occupational health and safety system. These include
consultants that are covered by the occupational health and safety system through the work that they
perform for Tele2. At the head office in Kista, Sweden, the physical work environment of the health and
safety management system also covers all persons visiting or that are situated at the office, such as
consultants. At Tele2 Latvia, two workers that are not employees are covered by Tele2’s occupational
health and safety management system.

Injuries

Two (2021: zero) work-related injuries were reported during 2022, none of which have caused or contrib-
uted to high-consequence injuries. The types of injuries reported both relate to accidents that occurred
at work, but not related to employees’ performance of work or to identified work-related hazards.

Note S5 cont.

NOTE S5  RESPONSIBLE MANAGEMENT OF SUPPLIERS

Topic description and materiality

In order to uphold the same standards in our entire value chain, Tele2 wants to ensure the same high
level of awareness and engagement in environmental and social issues with its suppliers and business
partners as in its own operations. Tele2 therefore include sustainability requirements in both the selec-
tion and contracting of suppliers.

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

Management and governance

Tele2’s suppliers

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

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

In order to manage the sustainability risks, Tele2’s central procurement function is engaged in
supplier evaluation in preparation of selection and contracting of suppliers. At the country and local
level, Tele2’s procurement function is engaged in supplier evaluation in preparation of selection and
contracting of suppliers. Tele2’s central procurement function is engaged in supplier evaluation in
preparation of selection and contracting of suppliers.
Note S5 cont.

Responsible business and sustainable procurement

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

In 2022, suppliers representing over 90% of addressable spend had signed the Business Partner Code of Conduct, or equivalent. In case of breaches of the Business Partner Code of Conduct, Tele2 primarily conducts dialogues with business partners to establish remediation plans. If this would not produce the desired changes, Tele2 can terminate the relationship with the specific business partner. Tele2 also has a Conflict Minerals Policy to specifically target one of the most material topics of its suppliers.

Supplier social and environmental assessment

Tele2’s framework for sustainable procurement defines routines for sourcing new business partners, and how Tele2 follows up on strategic and critical suppliers. These procedures include sustainability as a part of the Request for Proposals process, the use of EcoVadis Business Sustainability Ratings scores, an annual risk assessment, and a process for selecting suppliers for on-site audits. In 2022, 80% of new suppliers were screened using social and environmental criteria. Tele2’s suppliers on the EcoVadis platform covered around 45% of addressable spend. Each year a risk assessment of the total supplier stock will be performed, and the following criteria will be taken into account for selection of suppliers for on-site audits:

1. The suppliers’ score on the EcoVadis platform
2. Suppliers from the different high-risk categories
3. Suppliers with strong exposure to countries with high sustainability risks
4. Top 20 vendors (highest spend)

Based on these 4 criteria, 5 suppliers will be appointed to be audited the following year.

Audits are arranged by the sustainability department and focus on the suppliers’ compliance with the Tele2 BPCoC and Tele2’s requirements imposed on their supply chain. Tele2 uses EcoVadis Business Sustainability Ratings to screen and monitor business partners.

On-site audits

The 2022 supplier risk assessment identified five suppliers for on-site audits. Three out of five planned on-site audits were conducted in 2022.

The first audit was of a supplier with production in Slovakia, identified as operating within a high-risk industry (building materials) and with operations in high-risk countries. Non-conformities where identified through the audit and resulted in a Corrective Action Plan with deadline for actions throughout 2023 which will be followed-up.

The second audit was of a supplier in Sweden, identified as operating within a high-risk industry (real estate, mainly environmental and energy-related risks). Non-conformities where identified through the audit and resulted in a Corrective Action Plan with deadline for actions by 2023, which will be followed-up.

The third audit was of a supplier in Tunisia, selected based on being one of Tele2’s top 20 suppliers by spend and operating in a high-risk industry (technology hardware and semiconductor). Non-conformities where identified through the audit and resulted in a Corrective Action Plan with deadline for actions by 2023, which will be followed-up.

One of the suppliers selected for on-site audit, identified as operating within a high-risk industry (technology hardware and semiconductor) as well as one of Tele2’s top 20 suppliers by spend, has refused Tele2’s request to conduct an on-site audit, and instead offered a desktop audit and for Tele2 to take part of previous audit reports. With one of the selected suppliers, Tele2 is still in a discussion on the possibility to conduct an audit, and no on-site audit has been conducted in 2022. Tele2 intends to complete this audit in 2023.

Tele2 aims to publish all audit reports at [Tele2.com](http://Tele2.com).

### Risk assessment and audits

<table>
<thead>
<tr>
<th>Supplier assessment</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of suppliers assessed for social and environmental impacts through EcoVadis</td>
<td>67</td>
</tr>
<tr>
<td>Number of suppliers audited on site</td>
<td>3</td>
</tr>
<tr>
<td>Number of suppliers where social or environmental non-conformities were identified</td>
<td>1</td>
</tr>
<tr>
<td>Percentage of the suppliers assessed or audited where non-conformities were identified where a Corrective Action Plan was established</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of the suppliers assessed or audited where non-conformities were related to IPs were terminated</td>
<td></td>
</tr>
</tbody>
</table>

*Addressable spend is defined as the total spend in scope for Group Procurement.*
NOTE 56  HUMAN RIGHTS

Topic description and materiality
Tele2 aims to conduct its business with the highest degree of ethics while also being compliant with local laws and regulations and respecting human rights. Tele2’s different markets are all different in this aspect. Tele2 believes that all people are entitled to basic human rights and recognizes its responsibility to respect and support human rights in all its business operations, including in the supply chain and communities in which we operate. This means that Tele2 avoids causing or contributing to negative human rights impact through the business operations, as well as through activities to which Tele2 are directly linked via a business relationship. Tele2’s human rights policy further emphasizes its human rights commitments.

Management and governance
To mitigate risks, Tele2 uses a Code of Conduct applicable to its own operations and a Business Partner Code of Conduct applicable to its business partners, based on the UN Global Compact. It encompasses labor rights, anti-corruption, environment, freedom of association and collective bargaining, child labor and forced labor, and other basic human rights. The Code of Conduct was updated last in May 2022 and the Business Partner Code of Conduct was last updated in June 2021.

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

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

Results and progress
In 2022, Tele2 carried out a human rights impact assessment (HRIA) to identify actual and potential negative impacts on human rights that Tele2 may be involved in through its activities and business relations. The HRIA complements existing procedures that cover human rights, such as Tele2’s supply chain process and whistleblower procedure. The HRIA was carried out in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR) and the OECD Guidelines for Multinational Enterprises. The HRIA is part of Tele2’s human rights due diligence (HRDD) process which ensures fulfillment of the EU Taxonomy regulations on Minimum Safeguards. The following salient human rights impacts were identified for Tele2:

- Right to privacy
- Freedom of expression
- Non-discrimination
- Child rights
- Labor rights
- Forced labor

Tele2 offers training for its employees on human rights issues through the annual Code of Conduct training, which gives Tele2 the ability to meet new human rights expectations and mitigate and address negative human rights impacts identified in its processes. In 2023, Tele2 will strengthen the HRDD process by acting on negative human rights impacts, measure and follow-up on actions, provide remedy where needed, and continue to communicate on human rights in annual sustainability reports. To ensure that Tele2 continuously identifies and manages actual and potential negative impacts on human rights, further human rights consideration will also be incorporated into existing company processes and supplement the HRIA with additional parts of Tele2’s business and value chain. Tele2 will review human rights impact assessments on an annual basis.
NOTE S7 WASTE AND WATER

Topic description and materiality

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

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

Management and governance

Materials and waste

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

Water and effluents

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

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

The withdrawal and discharge of water in Tele2’s operations originate from and go to third-party water distributors (i.e. municipal water solutions). For Tele2, water abstraction impacts and dependencies are primarily present within the supply chain rather than in the own operations, while water abstraction impact still indicates a potential risk for Tele2 in terms of shortages of products or longer delivery times.

Since 2021, Tele2 measures the water consumption from operations as a first step towards identifying potential measures to reduce water usage and limiting the negative impact on water critical locations. Tele2 is committed to annually monitor and report on the water use in offices and data centers, and is committed to set a target for water consumption in Tele2’s own operations once enough data is available.

Results and progress

Waste generated at operational units by disposal method (1)(2)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Consumer</td>
<td>Network</td>
</tr>
<tr>
<td>Total hazardous waste</td>
<td>272.16</td>
<td>16.84</td>
<td>246.08</td>
</tr>
<tr>
<td>for reuse</td>
<td>15.43</td>
<td>14.69</td>
<td>0.75</td>
</tr>
<tr>
<td>for recycling</td>
<td>204.24</td>
<td>1.91</td>
<td>202.09</td>
</tr>
<tr>
<td>for incineration</td>
<td>32.82</td>
<td>-</td>
<td>32.82</td>
</tr>
<tr>
<td>sent to disposal</td>
<td>18.66</td>
<td>0.24</td>
<td>18.42</td>
</tr>
<tr>
<td>Total non-hazardous waste</td>
<td>631.79</td>
<td>69.65</td>
<td>526.19</td>
</tr>
<tr>
<td>for reuse</td>
<td>11.75</td>
<td>10.01</td>
<td>1.75</td>
</tr>
<tr>
<td>for recycling</td>
<td>512.39</td>
<td>58.80</td>
<td>453.27</td>
</tr>
<tr>
<td>for incineration</td>
<td>914.9</td>
<td>-</td>
<td>914.9</td>
</tr>
<tr>
<td>sent to disposal</td>
<td>8.64</td>
<td>0.04</td>
<td>7.62</td>
</tr>
<tr>
<td>Total amount of waste</td>
<td>902.95</td>
<td>86.48</td>
<td>772.27</td>
</tr>
</tbody>
</table>

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

2) Calculations are based on data from waste disposal suppliers and their classification of hazardous and non-hazardous waste. In cases of unavailable information on disposal method for the Baltics, the waste disposal method is based on data from Eurostat, the European Environment Agency and the European Commission.

There has been an increase in the reported generated network waste compared to 2021 due to improved data quality, resulting in an overall increase in waste from around 650 tonnes in 2021 to around 900 tonnes in 2022.

Reclaimed products (1)

<table>
<thead>
<tr>
<th>Product category</th>
<th>Waste of reclaimed products</th>
<th>Reclaimed value of materials used</th>
<th>Materials used</th>
<th>Total amount of materials used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phones</td>
<td>78.0%</td>
<td>93.5%</td>
<td>80.5%</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

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

The scope for 2022 includes the take-back and processing of mobile phones from Swedish operations. Other product categories are omitted as data is not reported.
Water consumption from operations

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>5.17</td>
<td>8.95</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1.13</td>
<td>1.49</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.87</td>
<td>1.35</td>
</tr>
<tr>
<td>Estonia</td>
<td>0.6</td>
<td>2.01</td>
</tr>
<tr>
<td>Total</td>
<td>7.98</td>
<td>12.30</td>
</tr>
</tbody>
</table>

Figures for water consumption in 2021 have been updated due to a miscalculation in previously reported data, resulting in increased water consumption for 2021. Additionally, one office that accounted for around 20% of total water consumption has closed in 2022, resulting in lower water consumption in 2022 compared to previous year. Tele2 had planned to implement a water management system during 2022. Due to resource constraints, Tele2 was unable to implement such a system, but aims to do so during 2023.

**NOTE S8 ENERGY, TRAVEL AND TRANSPORT**

**Topic description and materiality**

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

**Management and governance**

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

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

**Results and progress**

**Energy consumption**

<table>
<thead>
<tr>
<th>Fuel type (MWh)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>350</td>
<td>345</td>
<td>345</td>
</tr>
<tr>
<td>Diesel</td>
<td>105</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>Total</td>
<td>455</td>
<td>455</td>
<td>455</td>
</tr>
</tbody>
</table>

While the consumption of district heating, natural gas and petrol has increased, all markets used 100% renewable electricity during 2022, resulting in a total increase in the percentage of green energy. Fuel from E85 in cars decreased to zero, due to the leased car in Sweden using that fuel in 2021 no longer being in use. Energy consumption from private cars is on a similar level as in 2021. The energy consumption from leased cars has increased significantly for electric fuel, and decreased significantly for diesel. Although fuel from cars represent only 2.5% of the total energy consumption, the impact from cars makes up 75% of Tele2’s total scope 1 and 2 emissions and primarily comes from petrol and diesel consumption. To reduce these emissions, Tele2 can further transition to electric cars or increase the share of cars operated on E85, gas or other biofuels.

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**Note S7 cont.**
Share of green energy and electricity

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of green energy total</td>
<td>95.86%</td>
<td>94.87%</td>
</tr>
<tr>
<td>Percentage of green electricity total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Energy and emissions intensity per RGU

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumed per RGU1) (Excl. fuel) kWh</td>
<td>30.78</td>
<td>29.15</td>
</tr>
<tr>
<td>Emissions (Scope 1 and 2) emitted per RGU1) kg CO2-eq</td>
<td>0.25</td>
<td>0.31</td>
</tr>
</tbody>
</table>

1) Revenue Generating Unit

Reduction of energy consumption

In 2022, Tele2 has engaged in several initiatives to reduce the energy consumption of its operations. With increasing demand for data from customers, activities to increase energy efficiency are mainly targeted towards Tele2’s networks.

In Estonia, eNodeB power saving features have been activated in Tele2’s modernized base stations, switching off the cell’s power amplifier during unused orthogonal frequency-division multiplexing (OFDM). This function is estimated to reduce energy consumption in modernized base stations, which can be calculated once more consumption data is available. Additionally, solar panels and wind turbines have been installed in 2022 at a pilot site in Estonia to generate off-grid energy combined with current energy from the grid. Between Q2 and Q4 in 2022, generated off-grid energy was measured at 1,843 kWh.

Following an energy audit conducted in Latvia in 2021, Tele2 continues to implement identified measures to improve energy efficiency. In 2022, Tele2 Latvia have continued to replace cooling equipment with free cooling solutions and installed solar panels in selected base stations.

In Lithuania, there have been several initiatives to reduce energy consumption from Radio Access Network (RAN) in both 4G and 5G networks, by implementing functions for reduced site capacity and switching off hardware during low traffic or when no traffic is transmitted. These functions are expected to result in reductions of energy consumption of around 1,275,000 kWh between the years 2022 - 2024 in total.

In Sweden, Tele2 has initiated parameter optimization in the N4M network, with potential energy savings of 4.25 GWh per year for Tele2’s share throughout the network. Additional initiatives include hard shutoffs and removal of legacy equipment following the Remote-Phy rollout, with estimated energy reductions of around 300,000 kWh per year. Furthermore, Tele2 has provided network data to test AI assisted energy saving algorithms for deep sleep functionality in 5G base stations in the Tele2-led research project AI4Green. Results show substantial potential energy savings, and several energy efficiency initiatives are currently being evaluated as a result of the project. Additionally, Tele2 continually modernizes the fixed network by replacing and upgrading technical equipment to more energy efficient alternatives.
### NOTE 59 GHG AND OTHER EMISSIONS

#### Topic description and materiality

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

#### Management and governance

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

#### Results and progress

**Total direct and indirect emissions (Scope 1 and 2)**

<table>
<thead>
<tr>
<th>Emissions (Tons CO2-eq)</th>
<th>2022</th>
<th>2021</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Total (Scope 1 and 2)</td>
<td>Total Direct and Indirect</td>
<td>Share of Total (Scope 1 and 2)</td>
<td>Total Direct and Indirect</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
<td>1,915</td>
<td>10.0%</td>
<td>2,490</td>
</tr>
<tr>
<td>Gross Scope 1 GHG emissions (Scope 1)</td>
<td>45,414</td>
<td>-</td>
<td>44,600</td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
<td>159</td>
<td>0.1%</td>
<td>148</td>
</tr>
<tr>
<td>Gross Scope 2 GHG emissions (Scope 2)</td>
<td>188,112</td>
<td>98.9%</td>
<td>214,711</td>
</tr>
<tr>
<td>Total GHG emissions</td>
<td>200,025</td>
<td>100.0%</td>
<td>239,311</td>
</tr>
</tbody>
</table>

**Scope 1 emissions**

Tele2’s scope 3 emissions have decreased by 10.9%. The emissions of direct and indirect GHG emissions in Scope 1, 2 and 3 (market-based) totaled to 190,186 tonnes CO2-eq. When looking at the scope 1 and 2 emissions using the location-based method, the emissions are 47,329 tonnes CO2-eq in 2022, compared to 46,894 tonnes CO2-eq in 2021, an increase of 0.9% for the continuing operations. During the last few years, Tele2’s scope 1 and 2 emissions have decreased greatly due to increased sourcing of renewable electricity with Guarantees of Origin certificates. In 2022, Tele2 continued its sourcing of 100% renewable electricity which means that the emissions from purchased electricity using the market-based method are zero, i.e., the same as in 2021. Since Tele2 started sourcing 100% renewable electricity, the climate impact from cars is the largest source of emissions in Tele2’s scopes 1 and 2. The impact from cars corresponds to 81% of Tele2’s total scope 1 and 2 emissions and primarily comes from petrol and diesel consumption. Emissions from diesel consumption in cars stand for 44% of total scope 1 and 2 emissions while petrol cars represent 36%. The emissions from cars have decreased by 18% since 2021. This is a result of using less diesel and increasing the number of electric cars. However, the use of petrol has increased since 2021. To reduce these emissions, Tele2 can further transition to electric cars and increase the share of cars operated on E85, biogas or other biofuels. In 2022, Tele2 has maintained more than 90% emission reductions in scope 1 and 2 compared to the 2019 base year, and is on path for its science based target of 100% reduced emissions by 2029.

**Indirect emissions Scope 3**

Scope 3 emissions increased in the transportation and distribution category, mainly owing to improved data quality. Emissions from Purchased goods and services decreased in part due to improved data quality and purchasing variations between the years. Capital goods is a new category for this year’s Scope 3 reporting, and emissions previously reported under Purchased goods and services is now in part separated for emissions related to capital goods. In Business travel and Employee commuting there are also increases, mainly associated with increased travel after the Covid-19 pandemic. Compared to the base year (2019), Tele2’s scope 3 emissions have decreased by 10.9%.

**Total GHG emissions and intensity**

The emissions of direct and indirect GHG emissions in Scope 1, 2 and 3 (market-based) totaled to 190,186 tonnes CO2-eq.

The total GHG intensity in 2022 was: 6.77 tonnes CO2-eq/MSEK revenue. Calculations are based on a total 28,102 MSEK revenue.
EU Emission Trading System

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

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

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

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total scope 1 &amp; 2 GHG emissions (market-based) Tons CO2-eq</td>
<td>2,074</td>
<td>2,444</td>
</tr>
<tr>
<td>Cost per ton, EUR</td>
<td>81</td>
<td>54</td>
</tr>
<tr>
<td>Total ETS cost, EUR</td>
<td>1,687,077</td>
<td>1,361,119</td>
</tr>
<tr>
<td>Change in ETS cost, (%)</td>
<td>28%</td>
<td>-40%</td>
</tr>
<tr>
<td>Rate of renewable energy certificates</td>
<td>92%</td>
<td>75%</td>
</tr>
</tbody>
</table>

If Tele2 was part of the EU ETS (the European Emission Trading System), their total climate impact in scopes 1 and 2 would mean a cost of 168,077 EUR (market-based) of allowances. Compared to 2019, the annual average cost of allowances has more than tripled (increased by 287%). During this time Tele2 reduced the scope 1 and 2 GHG emissions by -95% (market-based method) in the continuing operations and at the same time divested the operations in the Croatian and German markets. Rate of renewable energy certificates refers to cost in Sweden.

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

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total scope 1 &amp; 2 GHG emissions (location-based) Tons CO2-eq</td>
<td>47,329</td>
<td>46,898</td>
</tr>
<tr>
<td>Cost per ton, EUR</td>
<td>81</td>
<td>54</td>
</tr>
<tr>
<td>Total ETS cost, EUR</td>
<td>3,835,559</td>
<td>2,516,175</td>
</tr>
<tr>
<td>Change in ETS cost, (%)</td>
<td>52%</td>
<td>158%</td>
</tr>
</tbody>
</table>

As the location-based emissions only increased slightly during this period of time (+0.9%), the overall cost of allowances would instead have increased by 52.4% due to the increased allowance cost per ton CO2-eq.

Carbon offsetting

To offset Tele2’s scope 1 and 2 emissions and emissions from business travel in scope 3 for 2022, Tele2 has purchased credits for 3,156 tons of CO2-eq.

Tele2 has used 3 types of projects for carbon offsetting: 1) Gold Standard certified projects to provide access to clean water in Kenya to reduce the need to boil water using firewood which causes carbon emissions, and to provide household with small-scale biogas plants to reduce the need for wood-burning stoves which causes carbon emissions (these two projects account for a majority of credits), 2) Biochar from three different projects in Europe, that have either European Biochar Certificate or are Puro Earth certified with an estimated permanence of over 1,000 years, 3) Carbon removal using a Direct Air Capture project, verified according to ISO 14064-2 by DNV, with an estimated permanence of over 1,000 years.

Avoided emissions

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

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

Smart working, living and health:
- Audio conferencing
- Working from home

Smart transport and cities:
- Smart logistics efficient routing and fleet management
- Bike sharing

In total, Tele2 enables the avoidance of around 120,000 tonnes of CO2 equivalents through the products and services included in the analysis. Compared to Tele2’s total gross emissions in scope 1, 2 and 3 in 2022, the avoided emissions represent almost two thirds of the gross emissions across the supply chain. The majority of Tele2’s avoided emissions are enabled by audio conferencing and remote working services, as well as electric vehicle connectivity. These three categories represent 92% of the avoided emissions.

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

<table>
<thead>
<tr>
<th>Enablement Category</th>
<th>Enablement Sub-Category</th>
<th>Enablement Mechanism</th>
<th>Unit of Measurement</th>
<th>Range of Tele2’s avoided emissions (best estimate)</th>
<th>CO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart buildings</td>
<td>Building Energy Management Systems (electricity commercial)</td>
<td>Energy management systems lead to optimized energy and heating demand, resulting in energy savings</td>
<td>Number of connected BEMS systems</td>
<td>2017 – 711242360</td>
<td>2017 – 711242360</td>
</tr>
<tr>
<td>Smart buildings</td>
<td>Building Energy Management Systems (gas commercial)</td>
<td>Energy management systems lead to optimized energy and heating demand, resulting in energy savings</td>
<td>Number of connected BEMS systems</td>
<td>164 – 584 (56)</td>
<td>164 – 584 (56)</td>
</tr>
<tr>
<td>Smart buildings</td>
<td>HVAC Control (commercial building)</td>
<td>Monitoring and control of HVAC systems, including automatic reaction based on occupants’ needs to reduce demand for energy and keep the demand on energy consumption</td>
<td>Number of offices with connected HVAC</td>
<td>3622 – 6180(1793)</td>
<td>3622 – 6180(1793)</td>
</tr>
<tr>
<td>Smart working, living and health</td>
<td>Audio conferencing</td>
<td>Use of smartphones to join conference calls reduces the need for business travel, thus reducing carbon emissions</td>
<td>Audioconferencing minutes</td>
<td>15303 – 132791 (53765)</td>
<td>15303 – 132791 (53765)</td>
</tr>
<tr>
<td>Smart working, living and health</td>
<td>Working from home</td>
<td>Use of smartphone technology allowing people to work from home, reducing the need for business travel and thus reducing carbon emissions</td>
<td>Home office days</td>
<td>12747 – 1649145522</td>
<td>12747 – 1649145522</td>
</tr>
<tr>
<td>Smart transports and cities</td>
<td>Smart logistics, efficient routing and fleet management</td>
<td>Better routing and coordination of vehicle fleets, enabled through telematics systems connected via mobile networks or in-vehicle systems, results in optimization of total distance traveled, avoiding areas of high congestion, optimizing fuel usage and ultimately reducing emissions</td>
<td>Number of connected HGV/cars/buses</td>
<td>658 – 1200 (917)</td>
<td>658 – 1200 (917)</td>
</tr>
<tr>
<td>Smart energy</td>
<td>Electric vehicle connection</td>
<td>Smarter use of electric vehicle technologies, therefore increasing shift from petrol and diesel cars to electric cars</td>
<td>Number of charging points</td>
<td>10772 – 40280 (10328)</td>
<td>10772 – 40280 (10328)</td>
</tr>
</tbody>
</table>
Note S9 cont.

Reduction of GHG emissions

Tele2 continuously engages in activities to reduce greenhouse gas emissions from its operations and value chain. To combat the significant contribution from car fuel on scope 1 and 2 emissions, Tele2 has introduced a company car policy that promotes the use of electric company cars. All new company cars (excluding service vehicles) should be chargeable, and the company car fleet should be all electric by 2024.

In efforts to increase the generation of renewable energy, Tele2 has during 2022 conducted pilots related to solar panels at base stations in Latvia and wind turbines and solar panels in Estonia. Tele2 has also continued its implementation of free-cooling systems, to decrease its dependency on air conditioning systems using refrigerants.

Tele2 has previously identified the category ‘purchased goods and services’ to be the main source of Scope 3 emissions. In 2022, Tele2 has engaged in dialogue with their 21–40 largest suppliers by spend to inform them of Tele2’s Science-Based Targets. This is one important initial step towards lowering Scope 3 emissions, where engaging with suppliers will be key to achieve Tele2’s long-term targets.

Calculation of emissions Scope 1, 2 and 3

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

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

Scope 3: Purchased goods and services: Where possible Tele2 collected data through supplier surveys from 2019 to 2022. If hardware suppliers could not report emissions for all products purchased by Tele2 the hybrid method was used to fill any data gaps. Using average emissions per reported product. New for Tele2’s disclosure for 2022 was that surveys were also sent to some of Tele2’s largest service suppliers by spend, asking for emissions related to Tele2’s activities. Most suppliers reported emissions per product, but some reported material use in their products in which case emission factors from e.g. the ICE database was applied to calculate the product emissions.

Capital goods: This category was added to Tele2’s disclosure after review during the SBTi validation process. Calculations follow the same methodology as described in the Purchased goods and services section above since these emissions also relate to purchases from Tele2’s suppliers.

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

Upstream and downstream transportation and distribution: Emissions data from suppliers representing 99% of the total outbound transports was used to calculate the outbound emissions from Tele2 to customers. It was assumed that the remaining suppliers had the same emission intensity. New for 2022 was that Tele2 collected data from suppliers on their transport emissions from the supplier gate to the Tele2 facility. This was done by asking for actual transport emissions (fuel-based method) or transported weights and distances (distance-based method). Emissions from inbound transports of remaining suppliers were estimated using purchased product volumes together with assumptions on travel distances and travel modes.

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

Business travel: Calculations primarily based on data from travel agencies used by Tele2 and covers flights, hotel nights, taxis and train travel. As some travels were booked outside the travel agencies, these emissions were estimated using the same emission intensity per EUR as for the travels booked within the travel agency.
Employee commuting: Calculation based on the number of employees travelling to and from work in large and small cities and accounts for employees working from home or stores being closed due to Covid-19 restrictions. Distances and travel modes used in the daily commute are estimated using a Swedish survey on travel habits made by Trafia which differentiates travel patterns for larger and smaller cities. The Swedish travel patterns were assumed to be an appropriate estimate for commuting in the Baltics as well.

Upstream leased assets: Since Tele2 applies the operational control approach there are no emissions from upstream leased assets. In previous years Tele2 have reported emissions in this category but based on feedback from SBTi these emissions have now been moved to the Purchased goods and services category. Emissions have been updated accordingly for 2019 and 2021.

Use of sold products and end-of-life treatment of products: Calculations based on the number of RGUs/revenue generating units per country. Mobile RGUs were assumed to represent smartphones and fixed RGUs were assumed to represent e.g. routers. For use of sold products, the energy use from these devices were then calculated and the resulting emissions were calculated by applying the respective country grid mix emission factor. For end-of-life treatment of sold products, the weight of these devices was estimated in order to calculate the total weight of waste in the EOL treatment process. Emissions from the waste were then calculated using the same emission factors as for the waste generated in operations category. Based on feedback from the SBTi, the end-of-life emissions from the packaging of sold products were added to the calculations this year. The average-data method was applied for these calculations, where the share of waste to recycling, combustion and landfill was estimated based on national statistics. The waste transport emissions are included here too.

Changes in data compared to previous years:

- Estonia previously reported a total of 230 euros spent on trains for FY2021 due to a miscategorization. The correct number is 622 euros for FY2021. This is considered a minor change since FY2021.
- Latvia previously reported 30,149 kWh as district heating due to a miscategorization that has been updated to natural gas for FY2021.
- Refrigerant leakage for shops in Lithuania was estimated for FY2021. In FY2022 actual data for refrigerant leakage was reported for these shops.
- The packaging weight reported in the end-of-life of sold products FY2019 and FY2021 was assumed to equal 30% of the product weight as no data on this was available. For FY2022 data on actual packaging weight was used for the Swedish operations which was extrapolated to the Baltics.

Notes on changes and altered calculation methods

Scope 3 emissions:

- Emissions previously reported in the scope 3 category Upstream leased assets have been moved to the scope 3 Purchased goods and services since Tele2 uses the operational control approach. This update was done for fiscal year ( FY) 2019, FY2021 and FY2022.
- Emissions previously reported in the scope 3 category Purchased goods and services have now partly been moved to the scope 3 category Capital goods as Tele2 capitalizes on e.g. purchased network equipment. This update was done for FY2019, FY2021 and FY2022.
- Emissions from sold product packaging has been added to the calculations. This update was done for FY2019, FY2021 and FY2022. The inclusion of packaging material led to an addition of 15 tonnes CO₂-eq in 2022, 155 tonnes CO₂-eq in 2021 and 165 tonnes CO₂-eq in 2019. Emissions are higher in 2019 as a higher number of products were sold that year compared to 2021. However, emissions from packaging materials are substantially lower in 2022 because of the change in method, as described above.

- For FY2019 and FY2021 it was assumed that all packaging waste was recycled but for FY2022 this was updated based on each country’s national statistics on the share of waste going to recycling, combustion and landfill.
- Data from some of Tele2’s largest service suppliers were collected on corporate level using surveys for FY2022. Note that collected and analyzed data relates to these suppliers’ scope 1 and 2 emissions only. Previously these suppliers’ emissions were estimated using a spend-based analysis. This has led to improved data quality and a significant decrease in emissions from these suppliers.
- Emissions from inbound transports were previously estimated using a spend analysis. This year, additional transport data was collected through surveys sent to hardware suppliers.
- All train travel emissions were previously based on an emission factor for Swedish conditions. This year, the Baltic countries are based on an average emission factor for trains in Europe.

Note S9 cont.
NOTE S10 INFORMATION SECURITY AND PRIVACY

**Topic description and materiality**

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

**Management and governance**

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

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

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

**Results and progress**

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

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

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total number of substantiated complaints received concerning breaches of customer privacy</td>
<td>Breaches of customer privacy discovered by Tele2</td>
</tr>
<tr>
<td></td>
<td>From outside parties and substantiated by Tele2</td>
<td>From regulatory bodies</td>
</tr>
<tr>
<td>Sweden</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Latvia</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Estonia</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

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**Definitions**

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In 2020, Tele2 conducted a materiality analysis following six steps: Trend analysis, Industry analysis, Competitor analysis, Stakeholder dialogue, Impact analysis and Materiality analysis. In 2022, Tele2 reviewed its materiality analysis, and found that no material changes had occurred. Therefore it was not deemed necessary to make any changes to the materiality analysis.

In the trend analysis Tele2 considered the importance of sustainability to key stakeholders; customers, employees and investors. The analysis was conducted using secondary data and research findings.

In the industry analysis Tele2 conducted a mapping of risks and opportunities within the telco industry value chain as a basis to identify material aspects.

In the competitor analysis Tele2 benchmarked the sustainability governance and performance of both competitors in local markets, as well as international peers.

In the latest major stakeholder dialogue that included direct dialogue with key stakeholders, Tele2 surveyed and interviewed over 9,000 employees, customers, the Board of Directors, suppliers, investors, and ESG analysts, to determine most important sustainability topics for Tele2 to address from the various stakeholders’ perspective, out of 18 topics that were defined as the most material to Tele2’s industry and business. Tele2 continuously engages with stakeholders to follow up on material topics and a new materiality analysis covering all stakeholder groups should be conducted every third or fourth years.

The impact analysis was done using an alignment with the GRI Standards usage of the term impact from a dual materiality perspective. The effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. In addition to this external impact, internal impact in the form of financial, legal, reputational or operational impact, as well as the level of Tele2’s possibility in affecting value with regard to the specific sustainability topics, has also been considered. The 18 topics were mapped from N/A to high potential impact. The scoring was aggregated, and used to inform the materiality analysis.

Identified material topics for Tele2’s industry and business:

1. Attract and retain talent
2. Business ethics
3. Child protection
4. Circular economy
5. Community engagement
6. Digital consumption
7. Diversity and inclusion
8. Equal and reliable access of ICT for all
9. Health and safety
10. Innovation for sustainability
11. Sourcing of products and services
12. Prevent distribution of child sexual abuse material
13. Privacy, integrity & digital ethics
14. Renewable energy and energy efficiency
15. Responsible marketing and sales
16. Responsible supply chain
17. Taking action against climate change

Employees
Customers
Governments and Governmental Agencies
NGOs
Shoholders
Business Partners & Suppliers
Analytits & Investors
Materiality analysis
By combining the results from the stakeholder dialogue and the impact analysis, as well as aligning with business priorities and competitors’ positions, the 16 topics were reduced to 13, and segmented into 3 different levels that determine Tele2’s approach to them:

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

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

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

NOTE S12 CLIMATE-RELATED SCENARIO ANALYSIS, RISKS, AND OPPORTUNITIES
Understanding climate change and the associated climate risks is fundamental to future-proofing Tele2’s business. In 2021, Tele2 implemented the Task Force on Climate-related Financial Disclosure (TCFD) reporting recommendations to disclose current knowledge about the climate risks and opportunities most material to Tele2. The TCFD recommendations includes disclosures within four categories: Governance, Strategy, Risk Management, and Metrics and Targets. Tele2 published its TCFD report in 2021, and can be found in full on Tele2’s website.

Governance
The Tele2 Board of Directors holds the responsibility to approve the sustainability strategy, which supports the Tele2 business strategy. The Board is also responsible for the ongoing evaluation of the quality of the company’s internal control functions and risk management, ensuring that the company is adequately equipped to mitigate and manage all kinds of risk. The Board reviews and approves the sustainability strategy and strategic risk registry once a year, whilst the mandate to execute on the strategy has been delegated to the Head of Sustainability and for the strategic risk registry to the Head of Internal Audit, who reports to the EVP Corporate Affairs. The Audit Committee reviews the sustainability strategy and the progress made on a quarterly basis. As part of the advancement of Tele2’s sustainability strategy and its deepened understanding of how climate risks can affect the company, Tele2 will assess how the proactive approach to climate change and climate risks should best be strengthened.

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

<table>
<thead>
<tr>
<th>Risk category</th>
<th>Tangible assets</th>
<th>Intangible assets</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acute</td>
<td>X</td>
<td></td>
<td>Mid term</td>
</tr>
<tr>
<td>Chronic</td>
<td></td>
<td></td>
<td>Long term</td>
</tr>
<tr>
<td>Transitional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>X</td>
<td></td>
<td>Mid term</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
<td>Short term</td>
</tr>
<tr>
<td>Policy and legal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Short term - mid term</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* For full disclosure of climate risks, please refer to Tele2 TCFD Report 2020.

Short term: 0–5 years
Mid term: 6–10 years
Long term: 11–50 years

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

Overview of climate-related opportunities

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Tangible assets</th>
<th>Intangible assets</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>X</td>
<td></td>
<td>Mid term</td>
</tr>
<tr>
<td>Market</td>
<td></td>
<td></td>
<td>Long term</td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
<td>Short term</td>
</tr>
</tbody>
</table>

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

Identified specific climate-related risks

Physical risks

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

Tele2 has laid the groundwork for assessing the climate risks and opportunities material to Tele2, considering the kind of impact a risk can have on business. The progress on Scope 1, 2, and 3 GHG emissions can
be found in Note S9. To demonstrate the commitment to fighting climate change, Tele2 has developed science-based targets, that have been approved by the Science-Based Target initiative. Tele2 AB commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2029 from a 2019 base year. Tele2 AB commits to reduce scope 3 GHG emissions by 60% per subscription by 2029 from a 2019 base year. Tele2 AB commits to achieve net-zero emissions in its value chain by 2035.

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

Climate scenarios and business resilience

The Paris Agreement commits the world to limit the global temperature rise to 2°C by 2100, and aims to limit it to 1.5°C. The Tele2 scenario analysis has been conducted using two emission reduction pathways as defined by the Intergovernmental Panel on Climate Change (IPCC), the RCP2.6 and the RCP8.5.

RCP2.6:

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

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

RCP8.5:

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

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

NOTE S13 REPORTING ACCORDING TO ARTICLE 8 OF THE EU TAXONOMY REGULATION

The EU Taxonomy is a part of the EU Action Plan on Sustainable Finance, which provides a common classification system for green, sustainable economic activities. The taxonomy consists of six environmental objectives:

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

At the time of writing, the EU taxonomy is still under development and the technical screening criteria has only been released for the first two out of the six environmental objectives: Climate change mitigation and Climate change adaptation.

Tele2’s taxonomy reporting for 2022 covers one eligible economic activity: Data centers services. The assessment determine that the majority of Tele2’s economic activities are not directly covered by the delegated acts. However, Tele2 has identified the need to develop such criteria in the future. This year, Tele2 has...
not had any material taxonomy-related Capex plans and has not identified any material purchase of taxonomy-aligned products and services.

Two economic activities that apply directly to Tele2’s operations have been identified:

The waste heat produced in data centers sold to district heating (4.25)

Tele2 has identified the waste heat produced in data centers and sold to district heating as a taxonomy-eligible activity. However, the waste heat is invoiced to Tele2’s electrical provider and its value is deducted from the electrical costs. This is therefore not included as revenue in the group and as such is not included in the taxonomy-eligible revenue. This is not a core business activity for Tele2.

Data centers services (8.1)

This includes data center services that Tele2 has direct revenue from but does not include Tele2’s services that require data centers to function. This is not a core business activity for Tele2. The activity is eligible but not aligned to the technical screening criteria for substantial contribution as the threshold for this activity relies upon usage of cooling liquids, which the Tele2 data centers do not yet support.

Minimum safeguards

Human rights

Tele2’s new and strengthened human rights due diligence (HRDD) process was developed during 2022 and is being continuously implemented throughout the company. The responsibility for the HRDD-process will be assigned to Head of Sustainability. The HRDD-process will include taking actions against negative impact on human rights, measure and follow-up on actions, provide remedy where needed, and continuously involve vulnerable groups. Tele2 will communicate its progress in next year’s annual report after the first HRDD-cycle has been completed. The HRDD-process will include actions against human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company cause, contribute, or is directly linked to the impact; the severity of the human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company cause, contribute, or is directly linked to the impact; the severity of the human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company cause, contribute, or is directly linked to the impact; the severity of the human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company cause, contribute, or is directly linked to the impact; the severity of the human rights impacts through its activities and business relations.

Tele2 carried out a Human Rights Impact Assessment (HRIA) which identified negative human rights impacts through its activities and business relations. For each human rights impact, Tele2 assessed whether the company cause, contribute, or is directly linked to the impact; the severity of the impact; the extent to which Tele2 is responsible; the level of engagement; how the impact should be managed based on company connection. A review of the human rights impact assessment will be carried out annually.

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

Taxation

Tax compliance is essential to Tele2, and governance and tax compliance are treated as important elements of oversight. Tele2 strives to comply with tax regulations in every jurisdiction in which it operates and ensures tax compliance through adequate tax risk management processes and strategies. Tele2’s tax risk management strategies and processes are described in Tele2’s Tax Process Narrative, which is continuously developed to ensure compliance with market developments. Furthermore, Tele2 holds a Tax Policy, approved by the Audit Committee of the Board, that applies to all group companies in which Tele2 has a decisive control. Tax risks are managed within Tele2’s financial risk management system, which is centralized within the Corporate Affairs Function. Tele2 should always endeavor to seek tax advice from large and reputable accounting or law firms. Neither Tele2, nor its senior management, has been found in violations of tax laws.

Fair competition

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

Anti-corruption

Tele2 is committed to conducting its business at the highest ethical levels and therefore has anti-corruption processes in place. Tele2 has developed and adopted adequate internal controls, ethics and compliance programs, and measures for preventing and detecting corruption bribery. Tele2 governs corruption and business ethics through various internal control programs, Anti-corruption policies (i.e. Code of Conduct, Case Management, and Business Partner Code of Conduct) and policies for detecting and responding to complaints. Tele2 holds a Tax Policy, approved by the Audit Committee of the Board, that applies to all company’s subsidiaries. Tele2 holds a Tax Policy, approved by the Audit Committee of the Board, that applies to all company’s subsidiaries. Tele2 holds a Tax Policy, approved by the Audit Committee of the Board, that applies to all company’s subsidiaries.
Accounting policy
In accordance with the taxonomy regulation, Tele2 reports the three key performance indicators of taxonomy-eligible economic activities outlined above. How the key performance indicators have been determined is described in each respective table below.

Contextual information
For the reporting year 2022, zero (0) taxonomy-aligned economic activities have been identified. While the majority of Tele2’s business activities are not currently covered in the taxonomy, continued mitigation of GHG emissions and increased energy efficiency are still highly prioritized topics. Read more about Tele2’s goals and current climate initiatives on pages 54–55, and 59. Tele2 continuously monitor the development of the EU taxonomy and classification updates.

### Turnover

The denominator for turnover is defined as the total group revenue excluding internal sales, and can be found in Note 3 on page 115 of the Annual and Sustainability Report 2022. The numerator is based on financial and customer data and includes revenue from provided services to customers (data centers services).

#### Accounting policy

**Taxonomy eligible activities**

The turnover of environmentally sustainable activities (Taxonomy-aligned) is presented in Table A.1.

**Taxonomy-Eligible but not environmentally sustainable activities**

Data processing, hosting and related activities (8.1) have a turnover of 104 MSEK, representing 0.4% of the total turnover.

**Taxonomy non-eligible activities**

The turnover of non-eligible activities is 27,998 MSEK, representing 99.6% of the total turnover.

### Contextual information

For the reporting year 2022, zero (0) taxonomy-aligned economic activities have been identified. While the majority of Tele2’s business activities are not currently covered in the taxonomy, continued mitigation of GHG emissions and increased energy efficiency are still highly prioritized topics. Read more about Tele2’s goals and current climate initiatives on pages 54–55, and 59. Tele2 continuously monitor the development of the EU taxonomy and classification updates.

#### Turnover

The denominator for turnover is defined as the total group revenue excluding internal sales, and can be found in Note 3 on page 115 of the Annual and Sustainability Report 2022. The numerator is based on financial and customer data and includes revenue from provided services to customers (data centers services).
### Capital expenditure (CapEx)

The denominator for Capex is defined as the direct investments related to property assets and includes additions to intangible assets excluding goodwill, tangible assets and rights-of-use before amortization and impairment, and can be found in Note 11, 12 and 13 on pages 121, 123, 124 of the Annual and Sustainability Report 2022. The numerator includes investments related to data centers services.

<table>
<thead>
<tr>
<th>A1. Taxonomy eligible activities</th>
<th>MSEK</th>
<th>%</th>
<th>%</th>
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<tbody>
<tr>
<td>1. Environmentally sustainable activities (Taxonomy-aligned)</td>
<td></td>
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<tr>
<td>CapEx of environmentally sustainable activities (Taxonomy-aligned)</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
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<td>NA</td>
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<tr>
<td>B1. Taxonomy eligible activities (non-Taxonomy-aligned)</td>
<td></td>
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<tr>
<td>Data processing, hosting and related activities (B.1)</td>
<td>8.1</td>
<td>17 MSEK</td>
<td>0.4%</td>
<td></td>
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<tr>
<td>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</td>
<td>17 MSEK</td>
<td>0.4%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total (A.1 + A.2)</td>
<td>17 MSEK</td>
<td>0.4%</td>
<td></td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>B2. Taxonomy non-eligible activities</th>
<th>MSEK</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
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<th>%</th>
<th>%</th>
<th>%</th>
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<tbody>
<tr>
<td>CapEx of taxonomy non-eligible activities</td>
<td>4,693 MSEK</td>
<td>99.6%</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total (A+B)</td>
<td>4,711 MSEK</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Notes:**
- **CapEx**
  - The denominator for CapEx is defined as the direct investments related to property assets and includes additions to intangible assets excluding goodwill, tangible assets and rights-of-use before amortization and impairment, and can be found in Note 11, 12 and 13 on pages 121, 123, 124 of the Annual and Sustainability Report 2022. The numerator includes investments related to data centers services.

---

**Introduction**
- Board of Directors' report
- Remuneration report
- Sustainability report
- Highlights from 2022
- Introduction
- Our approach to sustainability
- Our Sustainability Strategy
- Working with the Sustainable Development Goals
- What we did in 2022
- Tele2 ESG Targets 2022
- Stakeholder dialogue
- Partnerships and industry collaboration
- Sustainability information
- GRI content index
- SASB index
- Principal Adverse Impacts – Sustainable Finance Disclosure Regulation
- Auditor’s Limited Assurance Report

**Financial statements**
- Proposed appropriation of profit
- Auditor’s report
- Definitions
<table>
<thead>
<tr>
<th>OpEx</th>
<th>Substantial contribution</th>
<th>Do no significant harm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Codes</td>
<td>Absolute OpEx</td>
<td>Proportion of OpEx</td>
</tr>
<tr>
<td>(A) Taxonomy-eligible activities</td>
<td>MSEK</td>
<td>%</td>
</tr>
<tr>
<td>OpEx of environmentally sustainable activities (Taxonomy-aligned)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Data processing, hosting and related activities (8.1)</td>
<td>8.1</td>
<td>33 MSEK</td>
</tr>
<tr>
<td>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</td>
<td>33 MSEK</td>
<td>1.9%</td>
</tr>
<tr>
<td>Total (A.1+A.2)</td>
<td>33 MSEK</td>
<td>1.9%</td>
</tr>
<tr>
<td>(B) Taxonomy-eligible activities</td>
<td>MSEK</td>
<td>%</td>
</tr>
<tr>
<td>OpEx of taxonomy non-eligible activities</td>
<td>1,712 MSEK</td>
<td>98.1%</td>
</tr>
<tr>
<td>Total (A+B)</td>
<td>1,745 MSEK</td>
<td>100%</td>
</tr>
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</table>

### Operating expenditure (OpEx)

The denominator for Opex is defined as the direct costs related to the maintenance of property assets that are necessary for the continued and correct functioning of these assets, including short-termed leases, and maintenance and repairs. The numerator includes the direct production costs related to data center services.
## GRI content index

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Reference</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 2: General Disclosures 2021</td>
<td></td>
<td></td>
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<tr>
<td>The organization and its reporting practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-1 Organizational details</td>
<td>Board of directors report (p. 10), p. 110</td>
<td>Annual and Sustainability Report 2022</td>
</tr>
<tr>
<td>2-2 Entities included in the organization’s sustainability reporting</td>
<td>Note S1</td>
<td></td>
</tr>
<tr>
<td>2-3 Reporting period, frequency and contact point</td>
<td>Note S1, p. 161, Tele2.com</td>
<td>Financial calendar on Tele2.com</td>
</tr>
<tr>
<td>2-4 Restatements of information</td>
<td>Sustainability information (p. 62–79)</td>
<td>Included in each respective material topic results</td>
</tr>
<tr>
<td>2-5 External assurance</td>
<td>Note S1, p. 93</td>
<td></td>
</tr>
</tbody>
</table>

**Activities and workers**

| 2-6 Activities, value chain and other business relationships | Board of directors report (p. 12), Note S1, Note S5 | |
| 2-7 Employees | Note S3 | |
| 2-8 Workers who are not employees | Note S3 | |

**Governance**

| 2-9 Governance structure and composition | Corporate governance report, Board of directors, Our approach to sustainability | |
| 2-10 Nomination and selection of the highest governance body | Corporate governance report (p. 11) | |
| 2-11 Chair of the highest governance body | Board of directors report (p. 12) | |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Our approach to sustainability, Note S12 | |
| 2-13 Delegation of responsibility for managing impacts | Our approach to sustainability, Note S12 | |
| 2-14 Role of the highest governance body in sustainability reporting | Note S1 | |
| 2-15 Conflicts of interest | Corporate governance report (p. 32) | The Board |

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Reference</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-16 Communication of critical concerns</td>
<td>Corporate governance report (p. 35), Note S2</td>
<td></td>
</tr>
<tr>
<td>2-17 Collective knowledge of the highest governance body</td>
<td>Our approach to sustainability</td>
<td></td>
</tr>
<tr>
<td>2-18 Evaluation of the performance of the highest governance body</td>
<td>Corporate governance report (p. 32), The Board</td>
<td></td>
</tr>
<tr>
<td>2-19 Remuneration policies</td>
<td>Note S1</td>
<td></td>
</tr>
<tr>
<td>2-20 Process to determine remuneration</td>
<td>Note S1</td>
<td></td>
</tr>
<tr>
<td>2-21 Annual total compensation ratio</td>
<td>Remuneration report (p. 45)</td>
<td></td>
</tr>
</tbody>
</table>

**Strategy, policies and practices**

| 2-22 Statements on sustainable development strategy | CEO Letter | |
| 2-23 Policy commitments | Note S2 | |
| 2-24 Embedding policy commitments | Note S2 | |
| 2-25 Process to remediate negative impacts | Note S2 | |
| 2-26 Mechanisms for seeking advice and raising concerns | Note S2 | |
| 2-27 Compliance with laws and regulations | Note S2 | |
| 2-28 Membership associations | Partnerships and industry collaborations | |

**Stakeholder engagement**

| 2-29 Approach to stakeholder engagement | Note S11 | |
| 2-30 Collective bargaining agreements | Note S3 | |

**GRI 3: Material Topics 2021**

| Disclosures on material topics | | |
| 3-1 Process to determine material topics | Note S11 | |
| 3-2 List of material topics | Note S11 | |
| 3-3 Management of material topics | Sustainability information (p. 62–79) | Included in each respective material topic |
GRI Standard   Reference Comment
SPECIFIC DISCLOSURES - GRI 200: Economic
GRI 201: Economic performance 2016
201-1 Direct economic value generated and distributed Board of director’s report (p. 12) Telco does not track data for taxes paid on a country-by-country level
GRI 205: Anti-corruption 2016
205-3 Confirmed incidents of corruption and actions taken Note S2
GRI 206: Anti-competitive Behavior 2016
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices Note S2
GRI Standard   Reference Comment
SPECIFIC DISCLOSURES - GRI 300: Environmental
GRI 301: Materials 2016
301-3 Reclaimed products and their packaging materials Note S7
GRI 302: Energy 2016
302-1 Energy consumption within the organization Note S8
302-3 Energy intensity Note S8
302-4 Reduction of energy consumption Note S8
GRI 303: Water and Effluents 2018
303-1 Interactions with water as a shared resource Note S7
303-2 Management of water discharge-related impacts Note S7
303-5 Water consumption Note S7
GRI 305: Emissions 2016
305-1 Direct (Scope 1) GHG emissions Note S9
305-2 Indirect (Scope 2) GHG emissions Note S9
305-3 Other indirect (Scope 3) GHG emissions Note S9
305-4 GHG emissions intensity Note S9
305-5 Reduction of GHG emissions Note S9
GRI Standard   Reference Comment
GRI 306: Waste 2020
306-3 Waste generated Note S7
306-4 Waste diverted from disposal Note S7
306-5 Waste directed to disposal Note S7
GRI 308: Supplier environmental assessment 2016
308-1 New suppliers that were screened using environmental criteria Note S5
308-2 Negative environmental impacts in the supply chain and actions taken Note S5
SPECIFIC DISCLOSURES - 400: Social
GRI 401: Employment 2016
401-1 New employee hires and employee turnover Note S3
GRI 403: Occupational Health and Safety 2018
403-1 Occupational health and safety management system Note S4
403-2 Hazard identification, risk assessment, and incident investigation Note S4
403-3 Occupational health services Note S4
403-4 Worker participation, consultation, and communication on occupational health and safety Note S4
403-5 Worker training on occupational health and safety Note S4
403-6 Promotion of worker health Note S4
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships Note S4
403-8 Workers covered by an occupational health and safety management system Note S4
403-9 Work-related injuries Note S4
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Reference Comment</th>
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<tbody>
<tr>
<td><strong>GRI 404: Training and education 2016</strong></td>
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</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee Note S3</td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs Note S3</td>
</tr>
<tr>
<td><strong>GRI 405: Diversity and equal opportunity 2016</strong></td>
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<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees Note S3, Note 31</td>
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<tr>
<td><strong>GRI 406 Incidents and discrimination and corrective actions taken 2016</strong></td>
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<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken Note S3</td>
</tr>
<tr>
<td><strong>GRI 407: Freedom of association and collective bargaining 2016</strong></td>
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<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Note S6</td>
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<tr>
<td><strong>GRI 408: Child Labor 2016</strong></td>
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<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor Note S6</td>
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<tr>
<td><strong>GRI 409: Forced and compulsory labor 2016</strong></td>
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<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor Note S6</td>
</tr>
<tr>
<td><strong>GRI 414: Supplier Social Assessment 2016</strong></td>
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<tr>
<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
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<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken Note S5</td>
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<tr>
<td><strong>GRI 416: Customer Health and Safety 2016</strong></td>
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<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services Note S2</td>
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<tr>
<td><strong>GRI 417: Marketing and labeling 2016</strong></td>
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<tr>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications Note S2</td>
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<td><strong>GRI 418: Customer Privacy 2016</strong></td>
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<tr>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data Note S10</td>
</tr>
</tbody>
</table>


## Accounting Metrics References

### Environmental Footprint of Operations

1. **Total energy consumed**
   - 265,981 MWh

2. **Percentage grid electricity**
   - 100%

3. **Percentage renewable**
   - 95.9%

### Data privacy

Description of policies and practices relating to behavioral advertising and customer privacy

- [Annual Report Note S2, Note S10](#)
- Web: Privacy and Integrity

Number of customers whose information is used for secondary purposes

- Telco complies with the General Data Protection Regulation (GDPR). Thus, personal data is collected based on legitimate interest, or a contract is sometimes used for secondary purposes, but only after establishing that the new purpose is compatible with the original purpose.

Total amount of monetary losses as a result of legal proceedings associated with customer privacy

- [Annual Report Note S10](#)
- In 2022, no significant fines have been reported as a result of legal proceedings associated with privacy.

### Number of law enforcement requests for customer information

1. **Number of law enforcement requests for customer information**
   - Not disclosed due to legal confidentiality requirements.

2. **Number of customers whose information was requested**
   - Not disclosed.

3. **Percentage resulting in disclosure**
   - Not disclosed.

### Data Security

1. **Number of data breaches**
   - Annual Report Note S10
   - Only data breaches involving PI are disclosed
   - Annual Report Note S10
   - 100% of disclosed data breaches as per (1)
   - Not disclosed due to legal confidentiality requirements.

2. **Percentage involving personally identifiable information (PI)**
   - Not disclosed.

3. **Number of customers affected**
   - Not disclosed.

### Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards

- [Annual Report “Enterprise Risk Management”](#)
- [Annual Report Note S10](#)

### Product End-of-life Management

1. **Materials recovered through take-back programs**
   - Not disclosed

2. **Percentage of recovered materials that were recycled**
   - 80% recovered

3. **Percentage of recovered materials that were landfilled**
   - 0% landfilled

---

## Competitive Behavior & Open Internet

- **Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations**
  - In 2022, no significant fines have been reported as a result of legal proceedings associated with anticompetitive behavior regulations.

- **Average actual sustained download speed of (1) owned and commercially associated content**
  - Download speed mobile: > 30 Mbit/s
  - Download speed fixed: 260 Mbit/s
  - For Telco, there is no difference between (1) and (2).

- **Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices**
  - [Annual Report “Enterprise Risk Management”](#)
  - [Web: Privacy and Integrity](#)
  - All network traffic is treated equally, no difference between Telco or third-party. Peering settlement is free within Telco.

### Managing Systemic Risks from Technology Disruptions

1. **System average interruption frequency**
   - Not disclosed.

2. **Customer average interruption duration**
   - Not disclosed.

### Discussion of systems to provide unimpeded service during service interruptions

- Telco continuously discusses systems to provide unimpeded service during service interruptions.

### Number of Subscribers and Network Traffic

- **Number of wireless subscribers**
  - Annual Report p. 18–23

- **Number of wireline subscribers**
  - Annual Report p. 18–23

- **Number of broadband subscribers**
  - Annual Report p. 18–23

- **Network traffic**
  - Mobile: 60 PB/month
  - Fixed: 500 PB/month

---

## Definitions

- **SASB index**
- **TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022**
- **SUSTAINABILITY REPORT**
- **Introduction**
- **Board of Directors’ report**
- **Remuneration report**
- **Sustainability report**
- **Highlights from 2022**
- **Introduction**
- **Our approach to sustainability**
- **Our Sustainability Strategy**
- **Working with the Sustainable Development Goals**
- **What we did in 2022**
- **Tele2 ESG Targets 2022**
- **Stakeholder dialogue**
- **Partnerships and industry collaboration**
- **Sustainability information**
- **GRI content index**
- **SASB index**
- **Principal Adverse Impacts – Sustainable Finance Disclosure Regulation**
- **Auditor’s Limited Assurance Report**
- **Financial statements**
- **Proposed appropriation of profit**
- **Auditor’s report**
- **Definitions**
The EU’s Sustainable Finance Disclosure Regulation (SFDR) aims to harmonize, simplify, and increase clarity regarding the sustainability-related information of investments. The disclosures range from carbon emissions, fossil fuel exposure, gender diversity, due diligence on human rights issues, and exposure to corruption and bribery. SFDR sets out regulation for financial market participants such as fund managers and investors to report on a set of mandatory and additional indicators on principal adverse impact indicators (PAIs).

### Principal Adverse Impacts – Mandatory indicators

<table>
<thead>
<tr>
<th>Adverse sustainability impact and indicator</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions</td>
<td>Note S9</td>
</tr>
<tr>
<td>Scope 1 emissions (tonnes CO2-eq)</td>
<td>Note S9</td>
</tr>
<tr>
<td>Scope 2 emissions (tonnes CO2-eq)</td>
<td>Note S9</td>
</tr>
<tr>
<td>Scope 3 emissions (tonnes CO2-eq)</td>
<td>Note S9</td>
</tr>
<tr>
<td>Total GHG emissions (tonnes CO2-eq)</td>
<td>Note S9</td>
</tr>
<tr>
<td>Carbon footprint</td>
<td>N/A</td>
</tr>
<tr>
<td>GHG intensity</td>
<td>Note S9</td>
</tr>
<tr>
<td>GHG intensity (Scope 1+2+3)/(€M revenue)</td>
<td>Note S9</td>
</tr>
<tr>
<td>Exposure to companies active in the fossil fuel sector</td>
<td>N/A</td>
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<tr>
<td>Active in the fossil fuel sector</td>
<td>No</td>
</tr>
<tr>
<td>Share of non-renewable energy consumption and production</td>
<td>Note S6, Energy production data unavailable</td>
</tr>
<tr>
<td>Energy consumption intensity per high impact climate sector</td>
<td>N/A</td>
</tr>
<tr>
<td>Energy consumption in GWh per million EUR of revenue, per high impact climate sector</td>
<td>N/A</td>
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<tr>
<td>Activities negatively affecting biodiversity sensitive areas</td>
<td>Yes</td>
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<tr>
<td>Emission to water</td>
<td>Data unavailable</td>
</tr>
<tr>
<td>Tonnes of emissions to water</td>
<td>Data unavailable</td>
</tr>
<tr>
<td>Hazardous waste ratio</td>
<td>Note S7</td>
</tr>
<tr>
<td>Tonnes of hazardous waste generated</td>
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<tr>
<td>Hazardous waste ratio</td>
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</table>

### Principal Adverse Impacts – Additional indicators

<table>
<thead>
<tr>
<th>Adverse sustainability impact and indicator</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violation of UN Global Compact &amp; OECD Guidelines for Multinational Enterprises</td>
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<tr>
<td>Involvement in violation of the UNGC principles or OECD Guidelines for Multinational Enterprises</td>
<td>No</td>
</tr>
<tr>
<td>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Guidelines for Multinational Enterprises</td>
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<tr>
<td>Company without policy to monitor compliance with UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations</td>
<td>No</td>
</tr>
<tr>
<td>Unadjusted gender pay gap</td>
<td>Note S3</td>
</tr>
<tr>
<td>Average unadjusted gender pay gap</td>
<td>Note S3</td>
</tr>
<tr>
<td>Board gender diversity</td>
<td>Note S3</td>
</tr>
<tr>
<td>Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</td>
<td>No</td>
</tr>
<tr>
<td>Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</td>
<td>No</td>
</tr>
</tbody>
</table>

### Principal Adverse Impacts – Sustainable Finance Disclosure Regulation

The disclosures range from carbon emissions, fossil fuel exposure, gender diversity, due diligence on human rights issues, and exposure to corruption and bribery. SFDR sets out regulation for financial market participants such as fund managers and investors to report on a set of mandatory and additional indicators on principal adverse impact indicators (PAIs).
Auditor’s Limited Assurance Report on Sustainability Report and Statement regarding the Statutory Sustainability Report

To Tele2 AB (publ), corporate identity number 556410–8917.

Introduction
We have been engaged by the Board of Directors and Executive Management of Tele2 AB (publ) to undertake a limited assurance engagement of the Tele2 Sustainability Report for the year 2022. The Company has defined the scope of the Sustainability Report on page 62 in the Annual and Sustainability Report and the Statutory Sustainability Report on page 63.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 62 in the Sustainability Report, and are part of the Sustainability Reporting Standards published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-orientated information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR’s accounting standard RevR 12. The auditor’s opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Tele2 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management. A Statutory Sustainability Report has been prepared.

Stockholm, March 30, 2023
Deloitte AB

Didrik Roos
Authorized Public Accountant
Adrian Fintling
Expert Member of FAR
**Consolidated income statement**

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3, 4</td>
<td>28,102</td>
<td>26,789</td>
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<tr>
<td>Cost of services provided and equipment sold</td>
<td>5</td>
<td>-16,887</td>
<td>-15,870</td>
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<tr>
<td>Gross profit</td>
<td>11,215</td>
<td>10,919</td>
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<tr>
<td>Selling expenses</td>
<td>5</td>
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<td>-4,332</td>
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<tr>
<td>Administrative expenses</td>
<td>5</td>
<td>-2,183</td>
<td>-2,112</td>
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<tr>
<td>Result from shares in associated companies and joint ventures</td>
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<td>1,672</td>
<td>2,211</td>
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<tr>
<td>Other operating income</td>
<td>6</td>
<td>283</td>
<td>221</td>
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<tr>
<td>Operating profit</td>
<td>6,596</td>
<td>4,787</td>
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<td>Interest income</td>
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<tr>
<td>Interest expenses</td>
<td>9</td>
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<td>-458</td>
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<tr>
<td>Other financial items</td>
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<tr>
<td>Profit after financial items</td>
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<tr>
<td>Income tax</td>
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<td>-347</td>
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<tr>
<td>Net profit, continuing operations</td>
<td>5,213</td>
<td>3,960</td>
<td></td>
</tr>
<tr>
<td>Net profit, discontinued operations</td>
<td>33</td>
<td>361</td>
<td>346</td>
</tr>
<tr>
<td>Net profit, total operations</td>
<td>5,574</td>
<td>4,306</td>
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Continuing operations

<table>
<thead>
<tr>
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<th>Attrutable to:</th>
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<th>2021</th>
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<tbody>
<tr>
<td>Equity holders of the parent company</td>
<td>5,213</td>
<td>3,960</td>
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<tr>
<td>Net profit, continuing operations</td>
<td>5,213</td>
<td>3,960</td>
<td></td>
</tr>
</tbody>
</table>

Earnings per share (SEK)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (SEK)</td>
<td>7.56</td>
<td>5.74</td>
</tr>
<tr>
<td>Earnings per share, after dilution (SEK)</td>
<td>7.61</td>
<td>5.71</td>
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Total operations

<table>
<thead>
<tr>
<th></th>
<th>Attrutable to:</th>
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<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the parent company</td>
<td>5,574</td>
<td>4,306</td>
<td></td>
</tr>
<tr>
<td>Net profit, total operations</td>
<td>5,574</td>
<td>4,306</td>
<td></td>
</tr>
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Earnings per share (SEK)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (SEK)</td>
<td>8.07</td>
<td>6.25</td>
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<tr>
<td>Earnings per share, after dilution (SEK)</td>
<td>8.08</td>
<td>6.21</td>
</tr>
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</table>

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**Consolidated comprehensive income**

<table>
<thead>
<tr>
<th>Total operations SEK million</th>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET PROFIT</td>
<td>5,574</td>
<td>4,306</td>
<td></td>
</tr>
<tr>
<td>Components not to be reclassified to net profit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pensions, actuarial gains/losses</td>
<td>31</td>
<td>189</td>
<td>116</td>
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<tr>
<td>Components not to be reclassified to net profit</td>
<td>150</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>Components that may be reclassified to net profit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Translation differences in foreign operations</td>
<td>-144</td>
<td>-96</td>
<td></td>
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<tr>
<td>Translation differences in associated companies</td>
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<td>-134</td>
<td></td>
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<tr>
<td>Translation differences</td>
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<td>26</td>
<td></td>
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<tr>
<td>Hedge of net investments in foreign operations</td>
<td>-199</td>
<td>-155</td>
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<tr>
<td>Tax effect on above</td>
<td>10</td>
<td>41</td>
<td>32</td>
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<tr>
<td>Hedge of net investments</td>
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<td>-123</td>
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<tr>
<td>Exchange rate differences</td>
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<td>107</td>
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<tr>
<td>Profit arising on changes in fair value of hedging instruments</td>
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<td>130</td>
<td>61</td>
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<td>Reclassified cumulative profit/loss to income statement</td>
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<td>-30</td>
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<tr>
<td>Tax effect on cash flow hedges</td>
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<td>-21</td>
<td>-6</td>
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<tr>
<td>Cash flow hedges</td>
<td>82</td>
<td>25</td>
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</table>

Components that may be reclassified to net profit

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</td>
<td>530</td>
<td>224</td>
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</table>

TOTAL COMPREHENSIVE INCOME FOR THE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,084</td>
<td>4,530</td>
<td></td>
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Attributable to:

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<thead>
<tr>
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<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the parent company</td>
<td>6,084</td>
<td>4,530</td>
</tr>
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</table>

TOTAL COMPREHENSIVE INCOME FOR THE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,084</td>
<td>4,530</td>
<td></td>
</tr>
</tbody>
</table>
## Consolidated balance sheet

### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>11</td>
<td>29,905</td>
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<tr>
<td>Other intangible assets</td>
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<td>13,835</td>
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<tr>
<td>Machinery and technical plant</td>
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<tr>
<td>Other tangible assets</td>
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<tr>
<td>Tangible assets</td>
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<td>8,220</td>
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<tr>
<td>Right-of-use assets</td>
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<td>5,422</td>
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<tr>
<td>Shares in associated companies and joint ventures</td>
<td>15</td>
<td>957</td>
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<tr>
<td>Other financial assets</td>
<td>16</td>
<td>631</td>
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<tr>
<td>Deferred tax assets</td>
<td>10</td>
<td>81</td>
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<tr>
<td>Non-current assets</td>
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<tr>
<td>Inventories</td>
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<td>1,254</td>
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<td>Account receivable</td>
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<td>1,986</td>
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<td>Other current receivables</td>
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<td>Prepaid expenses and accrued income</td>
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<td>1,607</td>
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<tr>
<td>Current receivables</td>
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<tr>
<td>Current investments</td>
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<td>—</td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>1,116</td>
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<tr>
<td>Current assets</td>
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<td>8,542</td>
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<tr>
<td>Assets classified as held for sale</td>
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<td>54</td>
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<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>67,656</td>
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</table>

### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>23</td>
<td>869</td>
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<tr>
<td>Other paid-in capital</td>
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<td></td>
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<tr>
<td>Reserves</td>
<td>27,378</td>
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<tr>
<td>Retained earnings</td>
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<tr>
<td>Attributable to equity holders of the parent company</td>
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<tr>
<td>Equity</td>
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<td>23,683</td>
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<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
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<td>24,080</td>
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<tr>
<td>Lease liabilities</td>
<td>29</td>
<td>4,289</td>
</tr>
<tr>
<td>Provisions</td>
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<td>1,286</td>
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<tr>
<td>Other interest-bearing liabilities</td>
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<td>193</td>
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<tr>
<td>Interest-bearing liabilities</td>
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<tr>
<td>Deferred tax liability</td>
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<tr>
<td>Non-interest-bearing liabilities</td>
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<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
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<td>2,550</td>
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<tr>
<td>Lease liabilities</td>
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<td>1,172</td>
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<td>Provisions</td>
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<td>76</td>
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<td>Other interest-bearing liabilities</td>
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<td>498</td>
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<tr>
<td>Interest-bearing liabilities</td>
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<td>Accounts payable</td>
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<td>2,165</td>
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<tr>
<td>Current tax liabilities</td>
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<td>27</td>
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<tr>
<td>Other current liabilities</td>
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<td>592</td>
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<tr>
<td>Accrued expenses and deferred income</td>
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<td>3,148</td>
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<tr>
<td>Non-interest-bearing liabilities</td>
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<td>5,931</td>
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<tr>
<td>Current liabilities</td>
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<tr>
<td>Liabilities directly associated with assets classified as held for sale</td>
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<td>91</td>
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<tr>
<td>TOTAL EQUITY AND LIABILITIES</td>
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<td>67,656</td>
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### Consolidated cash flow statement

<table>
<thead>
<tr>
<th>Total operations</th>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td>5,574</td>
<td>4,306</td>
</tr>
<tr>
<td>Adjustments for non-cash items in net profit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>- Depreciation/amortization and impairment</td>
<td>5</td>
<td>6,191</td>
<td>5,952</td>
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<tr>
<td>- Result from shares in associated companies and joint ventures</td>
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</tr>
<tr>
<td>- Gain/loss on sale of tangible assets</td>
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<td>41</td>
</tr>
<tr>
<td>- Gain/loss on sale of operations</td>
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<td>-351</td>
</tr>
<tr>
<td>- Incentive program</td>
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<td>60</td>
</tr>
<tr>
<td>- Financial items</td>
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<td>265</td>
<td>108</td>
</tr>
<tr>
<td>- Income tax</td>
<td>30</td>
<td>-597</td>
<td>-219</td>
</tr>
<tr>
<td>- Deferred tax expense</td>
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<td>-138</td>
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<tr>
<td><strong>Changes in working capital</strong></td>
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</tr>
<tr>
<td>- Inventories</td>
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</tr>
<tr>
<td>- Accounts receivable</td>
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<td>- Other current receivables</td>
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</tr>
<tr>
<td>- Other financial assets</td>
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<td>223</td>
</tr>
<tr>
<td>- Capitalized contract costs</td>
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<td>-11</td>
</tr>
<tr>
<td>- Prepaid expenses and accrued income</td>
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<td>-8</td>
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<tr>
<td>- Accounts payable</td>
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<td>74</td>
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<tr>
<td>- Accrued expenses and deferred income</td>
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<td>248</td>
</tr>
<tr>
<td>- Other current liabilities</td>
<td></td>
<td>-34</td>
<td>268</td>
</tr>
<tr>
<td>- Provisions</td>
<td></td>
<td>-67</td>
<td>48</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td>8,260</td>
<td>10,297</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total operations</th>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing activities</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
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<tr>
<td>Acquisition of tangible assets</td>
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<td>1</td>
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<tr>
<td>Acquisition of shares in group companies</td>
<td>14</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Sale of shares in group companies</td>
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<td>26</td>
<td>302</td>
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<tr>
<td>Sale of shares in associated companies</td>
<td>14</td>
<td>8,956</td>
<td>—</td>
</tr>
<tr>
<td>Other minor acquisitions</td>
<td>14</td>
<td>-6</td>
<td>—</td>
</tr>
<tr>
<td>Other financial assets, made payments</td>
<td></td>
<td>-156</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td>5,299</td>
<td>3,025</td>
</tr>
</tbody>
</table>

| Financing activities | | | |
| Proceeds from credit institutions and similar liabilities | 24 | 5,010 | 5,202 |
| Repayment of loans from credit institutions and similar liabilities | 24 | -3,878 | -4,851 |
| Amortization of lease liabilities | 29 | -1,226 | -1,185 |
| Proceeds from other interest-bearing lending | 24 | 201 | 110 |
| Repayment of other interest-bearing lending | 24 | -15 | -331 |
| Dividends paid | 21 | -13,629 | -6,205 |
| **Cash flow from financing activities** | | -13,638 | -7,260 |

| Net change in cash and cash equivalents | | -129 | 12 |
| Cash and cash equivalents at beginning of the year | 22 | 880 | 970 |
| Exchange rate differences in cash and cash equivalents | 22 | 366 | -102 |
| Cash and cash equivalents at end of the year | 22 | 1,116 | 880 |
### Consolidated statements of changes in equity

#### Equity at January 1

<table>
<thead>
<tr>
<th>Equity at January 1</th>
<th>866</th>
<th>27,378</th>
<th>-301</th>
<th>152</th>
<th>3,047</th>
<th>31,142</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
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<td></td>
<td>-77</td>
<td>437</td>
<td>152</td>
<td>610</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td>-77</td>
<td>437</td>
<td>5,724</td>
<td>6,084</td>
</tr>
</tbody>
</table>

#### Other changes in equity

<table>
<thead>
<tr>
<th>Other changes in equity</th>
<th>Share-based payments</th>
<th>Share-based payments, tax effect</th>
<th>New share issue</th>
<th>Repurchase of own shares</th>
<th>Dividends</th>
<th>Equity at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31</td>
<td>60</td>
<td>7</td>
<td>-13,629</td>
<td>-3</td>
<td>869 27,378 -378 589 -4,775</td>
</tr>
</tbody>
</table>

#### Total operations

<table>
<thead>
<tr>
<th>Total operations</th>
<th>SEK million</th>
<th>Note</th>
<th>Dec 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity at January 1</td>
<td>866</td>
<td>27,378</td>
<td>-301</td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td></td>
<td></td>
<td>-99</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td>-99</td>
</tr>
</tbody>
</table>

#### Equity at end of the year

<table>
<thead>
<tr>
<th>Equity at end of the year</th>
<th>869</th>
<th>27,378</th>
<th>-378</th>
<th>589</th>
<th>-4,775</th>
<th>23,683</th>
</tr>
</thead>
</table>
Notes

NOTE 1  ACCOUNTING PRINCIPLES AND OTHER INFORMATION

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

The consolidated financial statements are prepared on the basis of historical cost, with the exception of some financial instruments in form of other non-current holding of securities, contingent considerations and derivatives which are carried at fair value. A defined benefit pension liability/asset is recognized at the net fair value of plan assets and the present value of the defined benefit liability, adjusted for any asset constraints. Unless otherwise specified, all amounts are in millions of Swedish kronor (SEK) or other currency specified and are based on the twelve-month period January 1 to December 31 for items related to comprehensive income and cash flows, and as of December 31 for items related to financial position. Rounding differences occur.

New and revised IFRS applied from January 1, 2022
There are no new or revised standards and interpretations adopted as of January 1, 2022 that have had a material impact on the Tel2’s financial statements.

New and revised IFRS not yet adopted
There are no new or revised standards and interpretations that will have a significant impact on Tel2’s financial statements in 2023. No newly issued IFRS or interpretations have been adopted in advance.

Consolidation
Subsidiaries
The consolidated financial statements include the parent company and companies in which the parent company has control. All intercompany balances and transactions have been eliminated. Control is achieved when Tel2 is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The consolidated financial statements are prepared in accordance with the acquisition method. This means that consolidated equity only includes the subsidiary’s equity that has arisen after the acquisition and the consolidated income statements only include earnings from the date of acquisition until the date of divestment, if the subsidiary is sold. The Group’s acquisition value of the shares in subsidiaries, transferred consideration, consists of the total of the fair value at the time of the acquisition of what was paid in cash, incurred liabilities to former owners, fair value of emitted shares, the value of the non-controlling interests in the acquired subsidiary and the fair value of the previously owned shares. Contingent consideration is included in the transferred consideration and is reported at fair value at the time of the acquisition. Subsequent effects from the revaluation of contingent consideration are reported in the income statement. Acquired identifiable assets and assumed liabilities are reported initially at fair value at the time of the acquisition. Exemptions from this principle are made for acquired tax assets/liabilities, employee benefits, share-based payment awards and assets held for sale which are measured according to the principles described below for each item. Exemptions are also made for indemnity assets, reacquired rights and leasing arrangements. Indemnity rights are valued according to the same principle as indemnity liabilities. Reacquired rights are valued based on the remaining contractual period even if other market participants would consider the possibilities for contract renewal when doing the valuation. Lease liabilities are measured at the present value of the remaining lease payments as if the acquired leases were new leases at the acquisition date. The right-of-use assets are measured at the same amount as the lease liabilities, adjusted to reflect favorable or unfavorable terms of the leases when compared with market terms. Reported goodwill is measured as the difference between (1) the transferred consideration for the shares in the subsidiary, the value of the non-controlling interests in the acquired subsidiary and the fair value of the previously owned share compared to (2) the fair value of acquired assets and assumed liabilities. Acquisition related expenses (transaction expenses) are recognized as cost in the period in which they arise.

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

- the aggregate of the fair value of the consideration received and the fair value of any retained interests
- the previous carrying amount of the assets (including goodwill), non-controlling interests in the acquired subsidiary and the fair value of the previously owned shares.

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

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

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

Joint arrangements
Joint arrangements are arrangements of which two or more parties have a joint control. Joint arrangements are classified as either joint operation or joint venture. Joint operations, usually structured through separate vehicles, are joint arrangements in which Tel2 and one or more parties have rights to substantially all of the economic benefits from the assets of the arrangement. In addition, the liabilities incurred by the arrangement are satisfied by the cash flows received from the parties through their purchases of the output or capital contributions. Joint operations are reported according to the proportional method at which Tel2 reports its part of assets, liabilities, revenues and expenses and its share of joint assets, liabilities, revenues and expenses line by line in the consolidated financial statements. Sales and other
transactions with joint operations are eliminated in the consolidated financial statements. For Tele2, joint operations consist of jointly owned companies, please refer to section Estimates and judgements.

Joint ventures are arrangements where Tele2 has right to the net assets of the other entity and are accounted for under the equity method. This means that the Group’s carrying amount of the shares in the joint venture corresponds to the Group’s share of equity after application of the Group’s accounting principles as well as any residual value of consolidated surplus values. The Group’s share of the joint venture’s profit or loss after tax is reported under “Operating profit”, along with depreciation of the acquired surplus value.

At the acquisition of a share in a joint arrangement, a purchase price allocation is prepared at the acquisition date. The acquisition date is the date when the Group becomes a part to and jointly shares the control of the joint arrangement. The starting-point for the purchase price allocation consists of the acquisition value of the share in the joint arrangement. The acquisition value is allocated on the Group’s share of the acquisition date fair values of acquired assets and assumed liabilities including related deferred taxes and any implied goodwill.

Associated companies
Associated companies are companies in which Tele2 has a voting power of between 20 percent and 50 percent or has significant influence in some other way. Associated companies are accounted for in accordance with the equity method. This means that the Group’s carrying amount of the shares in the company corresponds to the Group’s share of equity after application of the Group’s accounting principles as well as any residual value of consolidated surplus values. The share of the company’s profit or loss after tax is reported under “Operating profit”, along with depreciation of the Group surplus values.

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

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

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

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

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

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

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

For subscription and periodic charges for mobile and fixed telephony services, TV, ADSL, leased capacity and internet connection for direct access customers, Tele2 transfer the control of the service over time and the revenue is recognized on a straight-line basis over the period. The fees are invoiced in advance or monthly after the service has been transferred to the customer, the payment term is typically up to 30 days. Periodic charges for basic television services to landlords are invoiced largely quarterly. When the fees are invoiced in advance and Tele2 has received the consideration or has an unconditional right to the consideration, Tele2 account for a contract liability which is recognized as revenue as the customer obtains the control of the service.

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

Revenue from the sale of prepaid cards and similar prepayments are recognized based on the actual use of the card up until the expiry date. The timing of revenue recognition related to the portion expected not to be exercised by the customer will be recognized as revenue in proportion to the customer use pattern. The timing difference between the payment and the revenue recognized is accounted for as a contract liability.
Revenue from sale of equipment is recognized when control of the equipment has been transferred to the customer and the group has the right to payment. The payment is made through monthly instalments or at the time of delivery. When there is a significant difference in timing between the payment and the revenue recognized for the equipment, the group adjusts the transaction prices allocated to the equipment, for the time value of money.

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

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

Services to B2B customers, including functional based solutions for complete telecom and network services that may include switchboard services, fixed and mobile telephony, data communication and other customized services as well as system installations, are recognized over time using the percentage of completion method. The revenues are recognized gradually during the contract as the services are performed as the customer simultaneously receives and consumes the benefits provided. The stage of completion is determined by services performed to date as a percentage of total services to be performed, based on cost incurred in relation to estimated total cost.

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

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

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

A change in the price plan will result in a new recognized revenue going forward. The value added services are distinct and priced at fair value and recognized as a new contract.

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

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

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

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

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

Other operating income and other operating expenses
Other operating income and other operating expenses include secondary activities, exchange rate differences in operating activities and gain/loss on the sale of tangible and intangible assets.
Employee benefits
Share-based payments
Tele2 grants share-based payments to certain employees. Share-based payments are mainly settled with the company's own shares, so called equity-settled payments. Certain share-based payments are settled in cash, so called cash-settled payments.

The costs for equity-settled payments are based on the fair value of the share rights calculated by an independent party at the date of grant. These payments are reported as employee costs during the vesting period with a corresponding increase in equity. To the extent the vesting conditions in the program are linked to market conditions (TSR), these factors are taken into consideration when determining the fair value of the share rights and is not adjusted for performance. Non-market performance conditions (e.g. operating cashflow) and service conditions (employment period) are taken into account in employee cost during the vesting period by the change in the number of shares that are expected to finally vest.

Cash-settled share-based incentive programs are measured in the same way as equity-settled share-based payments with the difference that the share-based payment is remeasured at the end of each reporting period to fair value. Instead of recognizing an increase in equity the vested fair value is recognized as a liability in the balance sheet up until settlement.

Tele2 records a liability for social security expenses, at each reporting period, for all outstanding share-based payments. Social security expenses attributable to equity-based instruments to employees as compensation for purchased services are expensed in the periods during which the services are performed. The provision for social security expenses is based on the fair value of the share rights at each reporting period.

Post-employment benefits
The Group has a number of pension schemes. The main part of Tele2's pension plans consist of defined-contribution plans (Note 31) for which the Group make payments to public and private pension institutions. Amounts paid or payable to defined-contribution pension plans are reported as an expense during the period in which the employees perform the services to which the contribution relates. The defined-contribution plans ensure a certain predefined payment of premiums and negative changes during the period in which the employees perform the services to which the contribution relates. The calculation of the cost for the defined-benefit plans is calculated by application of the Projected Unit Credit Method, which means that the cost is distributed over the employee’s period of service. The calculation is performed annually by an independent actuary. The obligation is valued at the net present value of the expected future payments, taking into account assumptions such as expected future increases in salaries, inflation, health expenses and life span. Expected future payments are discounted with an interest rate that is effective on the closing day for first class corporate bonds, if available, considering the estimated remaining tenor for each obligation. In Sweden, in line with prior years, mortgage bonds are used for determining the discount rate. The effects from revaluation are reported in other comprehensive income. For a number of the Group’s employees in Sweden, the retirement pension and family pension are secured by a pension plan in Alecta. According to an announcement from the Swedish Financial Reporting Board, UFR 10, this is a defined-benefit multi-employer plan. In situations when Alecta cannot provide sufficient information to determine an individual company’s share of the total obligation and its plan assets, these pensions plans are being reported as defined-contribution plans.

The plans are financed by pension insurances.

Termination benefits
An expense for employee redundancy benefits is recognized at the earliest time when the entity is no longer able to withdraw the offer to employees or when the entity recognizes restructuring costs. The benefits that are expected to be settled after twelve months are reported at its present value. Benefits that are not expected to be fully settled within twelve months are recognized as long-term benefits.

Income tax
Income taxes consist of current and deferred tax. Income tax is reported in the income statement except when the underlying transaction is reported in other comprehensive income or in equity. In those cases, the related tax effect is also reported in other comprehensive income or in equity.

Current tax is tax that is to be paid or received in respect of the taxable profit (tax loss) for the year including any adjustment of current tax related to previous periods and tax on dividends from subsidiaries.

When accounting for deferred taxes, the balance sheet method is applied. The method implies that deferred tax liabilities and assets are recognized for all temporary differences between the carrying amount of an asset or liability and its tax base, as well as other tax-related deductions or deficits. An item which alters the time when an item is taxable or deductible is considered a temporary difference. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

The recognition of deferred tax assets takes into account tax loss carry-forwards and temporary differences where it is probable that losses and temporary differences will be utilized against future
taxable profits. In cases where a company reports losses, an assessment is made of whether there is any
convincing evidence that there will be sufficient future profits.

Valuation and accounting of deferred taxes in connection with business combinations is made as part of the measurement of assets and liabilities at the time of acquisition. In these circumstances, the deferred tax assets are assessed at a value corresponding to what the Group expects to utilize. Temporary differences are not taken into account for group goodwill or for any difference arising from the initial recognition of non-business combination assets and liabilities which at the time of the transaction do not affect neither recognized or taxable profit or loss. Furthermore, temporary differences attributable to shares in subsidiaries and associates that are not expected to be reversed in the foreseeable future are also not taken into account. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realized or settled.

If a deferred tax liability exists and tax loss carryforwards exist for which a deferred tax asset previously hasn’t been recognized, a deferred tax asset is recognized for at least the extent it can be netted against the deferred tax liability. Current and deferred tax assets and liabilities are netted only among group companies within the same tax jurisdiction. This form of reporting is only applied when Tele2 intends to offset tax assets and liabilities.

Non-current assets

Intangible assets (Note 11) and tangible assets (Note 12) owned by Tele2 with a finite useful life are reported at acquisition value with deductions for accumulated depreciation and amortization. Depreciation and amortization are based on the acquisition value of the assets less estimated residual value at the end of the useful life and are recognized on a straight-line basis throughout the asset’s estimated useful life. Generally, the estimated residual value for intangible asset is nil. Useful lives and residual values are subject to annual assessments. Useful lives for intangible and tangible assets are presented below.

Intangible assets

| License, utilization rights and software | 3–25 years |
| Trademarks | 5–10 years |
| Customer agreements | 5–15 years |

Tangible assets

| Buildings | 7–20 years |
| Modems | 2–5 years |
| Machinery and technical plant | 2–30 years |
| Equipment and installations | 2–10 years |

At the end of each reporting period, an assessment is made of whether there is any indication of impair-
ment of any of the Group’s assets. If there is any indication that a non-current asset has declined in value, a calculation of its recoverable amount is made.

The recoverable amount is the higher of the asset’s value in use and its fair value less costs to sell. The value in use consists of the present value of all cash flows from the asset during the utilization period as well as the addition of the present value of the fair value less costs to sell at the end of the utilization period. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount.

Impairments are reported in the income statement. Impairments that have been recorded are reversed if changes are made in the assumptions that led to the original impairment. The impairment reversal is limited to the carrying amount, net of depreciation according to plan, had the original impair-
ment not occurred. A reversal of impairment is reported in the income statement. Impairment of goodwill is not reversed.

Intangible assets

Tele2 holds a number of licenses entitling it to conduct telecom operations. The expenses related to the acquisition of these licenses are recognized as an asset and amortized on a straight-line basis through the duration of the license agreements.

Goodwill is measured as the difference between the transferred consideration for the shares in the subsidiary alternatively the acquired assets and liabilities, the value of the non-controlling interest in the acquired subsidiary and the fair value of the previously owned share, and the Group’s reported value of acquired assets and assumed liabilities less any write-downs.

Goodwill is allocated to the cash generating units that are expected to obtain benefits as a result of the acquisition and is, along with the intangible assets with indefinite lives and intangible assets that are not yet ready to use, subject to at least an annual impairment testing even if there is no indication of a decline in value. Impairment testing of goodwill is at the lowest level at which goodwill is monitored for internal management purposes and for which there are separately identifiable cash flows (cash generating units). The recoverable value of the respective cash generating unit is based on the higher of estimated value in use and fair value less costs to sell. The most important factors that have influenced this year’s impairment testing are presented in Note 11.

In the case of reorganization or divestment involving a change in the composition of cash generating units to which goodwill has been allocated, the goodwill is allocated to the relevant units. The allocation is based on the relative value of the part of the cash generating unit to which the reorganization or divestment relates, and the part that remains after the reorganization or the divestment.

Existing trademarks have previously been reassessed to have a definite useful life and are reported at book value at the date of reassessment less accumulated amortization.

Note 1 cont.
Customer agreements are valued at fair value in conjunction with business combinations. Tele2 applies a model where the average historical customer acquisition cost or, alternatively, the present value of expected future cash flows, is applied to value customer agreements.

Tele2 capitalizes direct development expenses for software which are specific to its operations if the recognition criteria are fulfilled. The capitalized development expenses that are not yet finalized are subject to at least annually impairment testing. The expenses are amortized over the utilization period, which begins when the asset is ready for use. Expenses relating to the planning phase of the projects as well as expenses of maintenance and training are expensed as incurred. Other expenses relating to development work are expensed as they arise, since they do not meet the criteria for being reported as an asset. Tele2 doesn’t conduct own research activities.

**Tangible assets**

Buildings relate to assets intended for use in operations. The acquisition value includes the direct costs attributable to the construction and installation of networks.

Machinery and technical plant include equipment and machinery intended for use in operations, such as network installations. The acquisition value includes the direct costs attributable to the construction and installation of networks.

Additional costs for extension and value-increasing improvements are reported as an asset, while additional expenses are added to cost only if it is likely that the future economic benefits associated with the asset will come to Tele2 and the cost can be reliably calculated. All other additional costs are recognized as an expense in the period in which they incur, e.g., repair and maintenance.

Equipment and installations comprise assets used in administration, sales and operations. Costs for equipment that are rented to or used for free by customers are capitalized.

**Borrowing costs**

Borrowing costs which are directly attributable to the acquisition, construction or production of an asset which requires considerable time to complete for its intended use are included in the acquisition value of the asset. Other borrowing costs are expensed in the period in which they arise.

**Leases**

The assessment whether a contract is or contains a lease is made at the inception of a contract. A lease is a contract (or part of a contract) that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To be a lease, a contract must convey the right to control the use of an identified asset.

Tele2 as lessee

For all lease agreements in which Tele2 is the lessee, a right-of-use asset (Note 13) and a corresponding lease liability (Note 29) is recognized, except for short-term leases (defined as leases with a lease term of 12 months or less at commencement date) and leases for which the underlying asset is of low value (with a value as new below EUR 5,000). All lease agreements are reported from the date the leased assets are available for use of the Group. For short-term leases and low value leases, the lease payments are recognized as current operating expenses in the income statement. In addition, the practical expeditor in IFRS 16 for not separate lease and non-lease components in a lease contract is applied for the lease categories Sites and base stations (typically non-lease component is electricity) and Leased lines (typically non-lease component is repair and maintenance). For all other lease categories, the Group separate the lease components and exclude the service component at calculation of the lease liability. The lease term corresponds to the non-cancellable duration of the signed contracts except in cases where Tele2 is reasonably certain of exercising either an extension option or an early termination option that is included in the contract. IFRS 16 is not applied for intangible assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. When determining the incremental borrowing rate considerations take into account the currency in which the asset is leased, the tenor of the contract and the underlying cashflows which the lease generates. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an operating expense in the period in which the event or condition that triggers those payments occurs. The lease liability subsequently increases with the interest on the lease liability (using the effective interest method) and reduces as the lease payments are made. The lease liability is remeasured (with a corresponding adjustment to the related right-of-use asset) whenever the previously determined lease term has changed, the lease payments change due to changes in an index or rate, there is a change in the assessment of exercise of a purchase option, a change in expected payment under a guaranteed residual value, or a lease contract is modified and the lease modification is not accounted for as a separate lease.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs and are subsequently measured at cost less accumulated depreciation and any impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is measured and recognized. The costs are included in the related right-of-use asset, unless those costs are already included in a tangible asset. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.
In the cash flow statement the amortization of the lease liability is presented in the financing activities while the interest component is presented in the operating cash flow. Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability is presented within operating cash flow.

Teleg2 lessor
Leases for which Teleg2 is a lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the economic risks and rewards of ownership of an asset to the lessee. All other leases are classified as operating leases. When Teleg2 acts as finance lessor the assets in a financial lease contract are reported in the balance sheet as a financial receivable to an amount equal to the net investment in the lease contract corresponding to the discounted net present value applying a market based discount rate and a sales revenue in accordance with the principles for customary sales. The financial income arising from a finance lease is accounted for in accordance with a constant remuneration (fixed interest rate) applying the effective interest method.

Rental revenues from operating leases are recognized on a straight-line basis over the term of the relevant lease, including the effect of provided benefits, which normally are accrued over the term. The leased asset is kept on the balance sheet and depreciated over its estimated useful life.

Dismantling costs
When there is a legal or constructive obligation to a third party, the estimated cost of dismantling and removing the asset and restoring the site/area is included in the acquisition value of owned and leased assets. Any change to the estimated cost of dismantling and removing an asset and restoring the site is added to or subtracted from the carrying amount of the particular asset.

Inventories
Inventories of materials and supplies are valued in accordance with the first-in, first-out principle at the lower of acquisition value and net realizable value. Teleg2’s inventories essentially consist of mobile phones, fixed broadband routers, digital TV boxes and IT & Network hardware.

Contract assets and contract liabilities
A contract asset is Teleg2’s right to payment for goods and services already transferred to the customer if that right to payment is conditional on something other than the passage of time. For example, in bundled contracts that include both equipment such as handset and telecom services, Teleg2 will recognize a contract asset when it has fulfilled the contract obligation to deliver the handset but must perform the telecom service obligations before being entitled to payment. This is in contrast to a receivable, which is the right to payment that is unconditional, except for the passage of time. A contract liability is Teleg2’s obligation to transfer goods or services to a customer at the earlier of when the customer prepays consideration or the time that the customer’s consideration is due for goods and services. Teleg2 will yet provide Contract assets are included in the balance sheet items Receivable from sold equipment Note 16 and Note 20 and accrued income Note 21. Contract liabilities are included in the balance sheet item Deferred income Note 26.

Financial assets and liabilities
Financial assets in the balance sheet include other financial assets, accounts receivable, other current receivables, cash and cash equivalents. Financial liabilities in the balance sheet include liabilities to credit institutions and similar liabilities, lease liabilities (valued according to the section regarding leases above), other interest-bearing liabilities, accounts payable, and other current liabilities. Financial assets and liabilities due for payment more than one year after the end of the reporting period are reported as non-current. Other financial assets and liabilities are reported as current.

Acquisitions and sales of financial assets are recognized on the trade date which is the date that the Group has an undertaking to acquire or sell the asset. Financial liabilities are recognized in the balance sheet when Teleg2 becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when the rights to receive benefits have been realized, expired or the company loses control over the asset. The same applies to components of a financial asset. In instances where Teleg2 retains the contractual rights to the cash flows from a financial asset but assumes a contractual obligation to pass on those cash flows to a third party (a pass through obligation), the financial asset is only derecognized when substantially all risks and rewards of ownership of the financial asset has been transferred and the following conditions exist:

• Teleg2 has no obligation to pay amounts to the third party unless Teleg2 collects equivalent amounts from the original asset,
• Teleg2 is prohibited by the terms of the transfer arrangement from selling or pledging the original asset other than as security to the third party for the obligation to pay cash flows, and
• Teleg2 has an obligation to pass on or remit the cash flows that it has collected on behalf of the third party without material delay.

A financial liability is derecognized when the contractual obligation is discharged or extinguished in some other way. The same applies to components of a financial liability.

Financial instruments are initially recognized at the acquisition date fair value and subsequently to either fair value or amortized cost based on the initial categorization. The categorization reflects both the Group’s business model for managing the assets and the contractual cash flow characteristics of the financial assets and is determined on initial recognition.

Measurement of the fair value of financial instruments
Various measurement methods are used to estimate the fair value of financial instruments not traded on an active market. When determining the fair value of interest swaps and currency derivatives official...
market listings are used as input in calculations of discounted cash flows. The fair value of loan liabilities is measured using generally accepted methods, such as discounting expected future cash flows at prevailing interest rates.

Calculation of amortized cost of financial instruments
Amortized cost is calculated by using the effective interest method, which means that any premiums or discounts and directly attributable costs or income are recognized on an accrual basis over the life of the contract using the calculated effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when a legal right to set-off exists and the Group intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets
Tele2's other non-current holdings of securities mainly consist of holdings of unlisted shares, and these are classified as ‘Assets at fair value through profit or loss’. Assets in this category are initially reported at acquisition value, i.e. fair value at the time of acquisition, and valued thereafter on a continuous basis at fair value. Transaction costs are recognized in the income statement. The fair value change is reported in the income statement among other financial items.

Tele2's accounts receivables and other receivables are categorized as “Assets at amortized cost” initially reported at fair value and subsequently at amortized cost. An allowance for expected credit losses has to be calculated according to IFRS 9, no matter if a loss event has occurred or not, please refer to Note 19. Tele2 applies the simplified approach to recognize expected credit losses for trade receivables and contract assets that result from transactions within the scope of IFRS 15 (Revenues from contracts with customers) and for finance lease receivables. For finance lease receivables this is a policy choice. The simplified approach applies a matrix model and is always based on lifetime expected credit losses considering information about historical data adjusted for current conditions and forecasts of future events and economic conditions.

To measure the expected credit losses, accounts receivable and receivable from sold equipment are grouped by credit risk characteristics and past due status. Tele2 has chosen to report the expected credit losses based on customer type since the risk is considered to be diverse. Business customers are defined as customer that uses Tele2’s services primarily for business purposes, including public sector and non-profit organizations. A consumer is a customer who is not defined as a business customer.

The expected credit losses are based on customers’ payment history during a period of between 6 to 24 months together with the historical credit losses during the same period. The historical losses are adjusted to reflect macroeconomic and forward-looking information that can affect the customers’ ability to pay, such as changed market expectations and the ability to sell outstanding account receivables. Tele2 has identified and made specific reservations for customers whose ability to pay are considered to be differentiated from other receivables. Account receivables and receivable from sold equipment are written off when a payment no longer is considered to be likely. An indication is that the payment is more than 90 days overdue. Any impairment loss is reported as an operating expense.

Cash and cash equivalents are categorized as “Assets at amortized cost” initially reported at fair value and subsequently at amortized cost. Cash and cash equivalents consist of cash and bank balances, as well as current investments with a maturity of less than three months from the time of acquisition. The general impairment model in IFRS 9 is applied to cash and cash equivalents and the identified impairment loss was immaterial.

Restricted cash and cash equivalents are reported as current investments if they may be released within 12 months and as non-current financial assets if they are to be restricted for more than 12 months.

Financial liabilities
Financial liabilities are categorized as “Financial liabilities at amortized cost”. These are initially measured at fair value and then at amortized cost using the effective interest method. Direct costs related to the origination of loans are included in the acquisition value. For accounts payables and other financial debts, with a short maturity, the subsequent valuation is done at the nominal amount.

Derivatives and hedge accounting
The Group designates certain derivatives as hedging instruments in respect of cash flow hedges, interest rate risk in fair value hedges, and hedges of net investments in foreign operations. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows or fair values of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.
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If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss. Note 2 describes the details of the fair values of the derivative instruments used for hedging purposes as well as the changes in the hedging reserve in equity.

Exchange rate fluctuations on loans in foreign currency and changes in value of other financial instruments (currency derivatives) that meet the hedge accounting requirements of net investment in foreign operations are reported on a continuous basis in other comprehensive income. The Group designates only the intrinsic value of currency swap contracts, designated for hedging of net investments in foreign operations, as a hedged item, i.e. excluding the time value of the swap. The changes in the fair value of the aligned time value of the swap are recognized in the income statement. The ineffective portion of the exchange rate fluctuation and the change in value are reported in the income statement under other financial items. When divesting foreign operations, the previously recognized accumulated exchange rate difference attributable to the divested operation is recycled to the income statement.

For cash flow hedges, the effective and ineffective portions of the change in fair value of the derivative are recognized in profit or loss within financial items. When cash flows relating to the hedged item are reported in profit or loss, amounts are transferred from equity to offset them. For more information regarding cash flow hedges, please refer to Note 2 and Note 24.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable) When a hedging instrument related to future cash flows is due, sold, divested or settled or the Group discontinues the hedge relation before the hedged transaction has occurred and the forecasted transaction is still expected to occur, the accumulated reported gain or loss remains in the hedge reserve in equity and is reported in the income statement when the transaction occurs. If the hedged transaction is no longer expected to occur, the hedging instrument’s accumulated gain or loss is immediately reported in the income statement.

For fair value hedges, the effective and ineffective portions of the change in fair value of the derivative, along with the gain or loss on the hedged item attributable to the risk being hedged, are recognized in the income statement in the same line.

Other derivatives, for which hedge accounting is not applied, are measured at their fair value through profit or loss.

Receivables and liabilities in foreign currency

Receivables and liabilities of the Group denominated in foreign currencies are translated into Swedish krona by applying the period-end rates.

Gains or losses on foreign exchanges relating to regular operations are included in the income statement under Other operating income/expenses. Gains or losses on foreign exchanges in financial assets and liabilities are reported within profit/loss from financial items.

When long-term lending to/borrowing from Tele2’s foreign operations is regarded as a permanent part of the parent company’s financing of/borrowing from foreign operations, and thus as an expansion/reduction of the parent company’s investment in the foreign operations, the exchange rate changes of these intra-group balances are reported in Other comprehensive income.

A summary of the exchange rate differences reported in other comprehensive income is presented in the statement of comprehensive income and the differences which affected profit or loss for the year are presented in Note 2.

Capitalized contract costs

Costs to obtain a contract are capitalized as contract costs assets. These costs are incremental costs incurred when obtaining a contract with a customer and are typically internal and external sales provisions. When businesses are acquired, customer agreements acquired as part of the acquisition are fair valued and capitalized as intangible assets.

The asset is amortized on a straight-line basis over the average customer life period if the cost is assessed as recoverable at portfolio level. Amortization is recognized as an operating cost, in order for this cost to be reflected in the operational business.

Amortization periods:
- Consumer contracts 3–24 months
- Business contracts 3–36 months

The contract asset is impaired in accordance with IFRS 16. An impairment exists if the carrying amount exceeds the amount of consideration Tele2 expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those goods and services.

Equity

Equity consists of registered share capital, other paid-in capital, hedge reserve, translation reserve, retained earnings, profit/loss for the year and non-controlling interests.

Other paid-in capital relates to share premiums from the issues of new shares. Additional direct costs attributable to the issue of new shares are reported directly against equity as a reduction, net after taxes, of proceeds from the share issue.
The hedge reserve includes translation differences on external loans in foreign currencies and changes in values of financial instruments (currency derivatives) which are used to hedge net investments in foreign operations and the effective portion of gains or losses on interest swaps used to hedge future interest payments.

Translation reserve includes translation differences attributable to the translation of foreign operations into Tele2’s reporting currency as well as translation differences on intra-group balances which are considered an expansion/reduction of the parent company’s net investment in foreign operations.

Non-controlling interests represent the value of minority shares in subsidiaries included in the consolidated accounts. The accounting policies relating to non-controlling interests are described in the section regarding consolidation above.

Number of shares and earnings per share

Basic earnings per share are calculated by dividing the profit or loss of the year attributable to the parent company’s owners by the weighted average number of outstanding shares during the period. To calculate diluted earnings per share the weighted average number of outstanding shares are adjusted for the dilutive effect of the total potential number of shares consisting of share-based instruments settled with shares. In calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares, which in reported periods derive from share rights issued to employees. Furthermore, the number of share rights, and hence shares, that would be vested if the level of fulfilment of the vesting conditions at the end of the current period would also exist at the end of the vesting period are included (Note 23).

Provisions

Provisions are reported when a company within the Group has a legal or constructive obligation as a result of past events, and it is probable that payments, which can be reliably estimated, will be required in order to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense, or as interest income when appropriate.

Contingent liabilities

A contingent liability exists if there is a possible obligation related to a past event and whose existence is confirmed only by one or several uncertain future events, and when there is an obligation that is not reported as a liability or a provision because it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be calculated with sufficient reliability. Disclosure is presented unless the probability of an outflow of resources is remote.

Segment reporting

Segment

Since the risks in Tele2’s operations are mainly linked to the various markets in which the company operates, Tele2 follows up and analyses its business on country level. Hence each country represents Tele2’s operating segments. Tele2 has chosen Underlying EBITDAaL as the profit or loss measure for the reportable segments, please refer to the section Non-IFRS measures for the definition. The segment reporting is inline with the internal reporting to the chief operating decision maker, which is Tele2’s Group Leadership Team.

Tele2 AB and other minor operations are included in segment for Sweden. Segment information is presented in Note 4. The same accounting principles are applied to the segments and the Group.

Services

Services that are offered within the segments are mobile telephony, digital-TV, fixed broadband, fixed telephony and DSL, business solutions and other operations.

The mobile service comprises various types of subscriptions for residential and business customers as well as prepaid cards. Mobile also includes mobile broadband, fixed telephony via mobile network (FVM), IoT (internet-of-things), and mobile carrier. Tele2 either owns the networks or rents them from other operators a set-up called MVNO.

Digital TV includes digital TV delivered via fixed infrastructure, digital terrestrial television and OTT services.

Fixed broadband includes any fixed Internet service for end-customer that is not xDSL-based (copper telephone cables) for the “last mile” connection. For Tele2 this mostly means either Vertical Fibre Coax, Fibre-to-the-Home (FTTH), or Fibre-to-the-Building (FTTB). Connection to customer can be direct access, local-loop unbundling (if not xDSL), or Open network (where Tele2 is Communication service provider).

Landlord as well as communication provider services are also offered as an integrated part of the fixed consumer operation.

Fixed telephony and DSL include resold products within fixed telephony and xDSL-based subscriber services via copper telephone cables and Internet via dial-up modem.

Business solutions consists of services to business customers that are complex, and custom made, such as managed hardware, hosting, PBX services, consultancy and business LAN networks.
Estimates and judgement of accounting principles
As part of preparing the consolidated financial statements management is required to make certain
estimates and judgments. The estimates and judgments are based on historical experience and a num-
ber of other assumptions aimed at providing a decision regarding the value of the assets or liabilities
which cannot be determined in any other way. The actual outcome may vary from these estimates and
judgments.

The most crucial assessments and estimates used in preparing the Group's consolidated financial
statements see below.

Climate related – risks and opportunities
Tele2 works proactively to mitigate the risks associated with climate change. The company assesses
that there are no material effects on the company’s balance sheet as per December 31, 2022. For more
information on the long term implications, see S12 in sustainability report.

Goodwill – level for goodwill impairment testing
Goodwill arising from business combinations is allocated to the cash-generating units which are
expected to receive future economic benefits, in the form of synergies, for example, from the acquired
operation. If separate cash-generating units cannot be identified, goodwill is allocated to the lowest
level at which the operation and its assets are monitored for internal management purposes, which is
the operating segment.

Impairment test goodwill
When estimating the recoverable amount of cash generating units for goodwill impairment purposes,
the Group makes assumptions regarding future events and key parameters. The assumptions made and
sensitivity analyses are disclosed in Note 11. These kinds of assessments, by nature, include some uncer-
tainty related to projected growth rates, profit margins, investment levels and discount rates. Should the
actual outcome for a specific period differ from the expected outcome, the expected future cash flows
may need to be reconsidered, which could lead to a write-down.

Joint arrangements
Tele2 is part of two joint arrangements in Sweden. The arrangements concern mobile networks that are
classified as joint operations and consists of Svenska UMTS-nät AB (together with Telia Company) and
Net4Mobility HB (together with Telenor) in Sweden. Tele2 has chosen to classify these joint arrange-
ments as joint operations as Tele2 considered that, through the agreements between the parties, they
have the rights to the assets and obligations for the liabilities as well as corresponding revenues and
expenses related to each arrangement. As basis for the classification, additional decisive factors are that
the parties in each arrangement have the rights to substantially all of the economic benefits from the
assets in each operation and that the jointly owned companies are dependent on its owners for settling
its liabilities on a continuous basis.

Revenue recognition
Revenue recognition in Tele2 requires management to make judgments and estimates in a number of
cases, mainly to determine fair values and the period in which the revenue should be recognized. Many
agreements bundle products and services into one customer offering which for accounting purposes
requires allocating revenue to each part based on its relative fair value using accounting estimates.

Determining whether revenues should be recognized immediately or be deferred require management
to make judgments as to when the services and equipment have been provided, the fair value of each
part as well as estimates regarding the remaining contract period. Please refer to Note 16 and 20 con-
cerning receivables for sold equipment and Note 21 for other accrued revenues.

Valuation of acquired intangible assets
When acquiring businesses, intangible assets are measured at fair value. If there is an active market for
the acquired assets, the fair value is measured based on the prices on this market. Since there are often
no active markets for these assets, valuation models have been developed to estimate the fair value.
Examples of valuation models are discounted cash flows models and estimates of Tele2's historical costs
of acquiring equivalent assets. Please refer to Note 14 for acquisitions.

Valuation of non-current assets with a finite useful life
If the recoverable amount falls below the book value, an impairment loss is recognized. At each balance-
sheet date, a number of factors are analyzed in order to assess whether there is any indication of impair-
ment. If such indication exists, an impairment test is prepared based on management’s estimate of future
cash flows including the applied discount rate. Please refer to Note 11 and Note 12.

Useful lives of non-current assets
When determining the useful life of groups of assets, historical experience and assumptions about future
technical development are taken into account. Depreciation rates are based on the acquisition value
of the non-current assets and the estimated utilization period less the estimated residual value at the
end of the utilization period. If technology develops faster than expected or competition, regulatory or
market conditions develop differently than expected, the Group's evaluation of utilization periods and
residual values will be influenced.
Leases
The main judgements for leases concern determination of whether a contract (or part of a contract) contains a lease, the lease terms and the discount rate. Regarding the lease terms, a majority of the lease contracts in Tele2 includes options either to extend or to terminate the contract. When determining the lease term, Tele2 considers all relevant facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Economic incentive includes for example strategic plans, assessment of future technology changes, original capital invested and consideration of cost of finding and moving to a new location, any consideration of penalties Tele2 may be charged to terminate the contract and past practice regarding the period over which Tele2 has typically used particular types of assets (whether leased or owned), and economic reasons for doing so. The discount rate is determined on the basis of an estimate of the incremental borrowing rate for the current lease period and the currency. Please refer to Note 29.

Valuation of deferred income tax receivables and uncertain tax positions
Recognition of deferred income tax takes into consideration temporary differences and unutilized loss carryforwards. Deferred tax assets are reported for deductible temporary differences and loss carryforwards only to the extent that it is considered probable that they can be utilized to offset future taxable profits. Management updates its assessments on items related to deferred income taxes and uncertain tax positions at regular intervals. The valuation of deferred tax assets is based on expectations of future results and market conditions, which are naturally subjective. The actual outcome may differ from the assessments, partly as a result of future changes in business circumstances, which were not known at the time of the assessments, changes in tax laws or interpretations or the result of the taxation authorities’ or courts’ final examination of submitted tax returns. Please refer to Note 10.

Provisions for disputes and damages
Tele2 is party to a number of disputes. For each separate dispute, an assessment of the most likely outcome is made, and reported in the consolidated financial statements, accordingly, see Note 25 and Note 28.
**NOTE 2  FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

Tele2’s financing and financial risks are managed under the control and supervision of the Board of Directors. Financial risk management is centralized within the Treasury function. This function is responsible for the various financial risks that the Group is exposed to such as currency risk, interest risk, liquidity risk and credit risk. The aim is to analyze and control the risks as set out under the current policy and guidelines as well as manage the cost of financial risk management. The risks are monitored, managed and reported on a continuous basis.

Tele2’s financial assets consist mainly of receivables from end customers, other operators and resellers and cash and cash equivalents. Tele2’s financial liabilities consist mainly of loans, bonds, lease liabilities and accounts payables. Classification of financial assets and liabilities including their fair value is presented below.

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets at amortized cost</strong></td>
<td>5,939</td>
<td>5,051</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>1,750</td>
<td>2,007</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,986</td>
<td>1,796</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>1,156</td>
<td>1,357</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,116</td>
<td>1,631</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>401</td>
<td>101</td>
</tr>
<tr>
<td><strong>Liabilities at amortized cost</strong></td>
<td>6,395</td>
<td>35,539</td>
</tr>
<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
<td>26,630</td>
<td>25,173</td>
</tr>
<tr>
<td>Other interest-bearing liabilities</td>
<td>5,650</td>
<td>5,684</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,165</td>
<td>2,007</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>616</td>
<td>616</td>
</tr>
<tr>
<td>Liabilities directly associated with assets classified as held for sale</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>275</td>
<td>101</td>
</tr>
<tr>
<td><strong>Total reported value</strong></td>
<td>6,395</td>
<td>35,539</td>
</tr>
<tr>
<td><strong>Fair value</strong></td>
<td>5,051</td>
<td>25,352</td>
</tr>
</tbody>
</table>

For the determination of fair values on financial assets and liabilities the following levels, according to IFRS 13, and inputs have been used:

1) Level 3: measured at fair value through profit/loss, which on initial recognition were designated for this type of measurement. Discounted future cash flow models are used to estimate the fair value.
2) Level 3: assets classified as held for sale is earn out related to the divestment of Tele2 Germany. The fair value was based on discounted future cash flows on the assumptions further described in Note 33.
3) Level 2: observable market data of interest- and foreign exchange rates are used in discounted cash flow models based on contractual cash flows to estimate the fair value of interest- fair value- and foreign exchange rate derivatives, loans with fixed interest rate and other non-current interest bearing liabilities valued at fair value at initial recognition with subsequent measurement at amortized cost.
Changes in financial assets and liabilities valued at fair value through profit/loss in level 3 is presented below.

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>Liabilities</td>
<td>Assets</td>
</tr>
<tr>
<td>As of January 1</td>
<td>101</td>
<td>-16</td>
</tr>
<tr>
<td>Earn-out Tele2 Germany1)</td>
<td>-37</td>
<td>-</td>
</tr>
<tr>
<td>Other changes</td>
<td>-8</td>
<td>16</td>
</tr>
<tr>
<td>As of December 31</td>
<td>55</td>
<td>-</td>
</tr>
</tbody>
</table>

1) Reported as discontinued operations, please refer to Note 33.

Since accounts receivables, accounts payables and other current liabilities are short-term, discounting of cash flows does not cause any material differences between the fair value and carrying value.

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

Net gains/losses on financial instruments, including assets and liabilities directly associated with assets classified as held for sale, amounted to SEK 773 (–138) million, of which loan and trade receivables amounted to SEK -121 (–161) million, derivatives to SEK 894 ( 23) million.

The Group has derivative contracts which are covered by master netting agreements, with the right to set off assets and liabilities with the same party. This is not reflected in the accounting where gross accounting is applied. The value of reported derivatives on December 31, 2022 amounted on the asset side to SEK 401 (–275) million, of which 134 (143) million is designated for hedge accounting, and on the liability side to SEK 331 (21) million, of which 331 (-) million is designated for hedge accounting.

### Capital structure management

The Tele2 Group’s view on capital structure management (equity and net debt) incorporates several inputs, of which the main items are listed below.

The Board of Directors of Tele2 have set the following policies for financial leverage and shareholder remuneration:

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

On a continuous basis, Tele2 will diversify its financing both in terms of maturities and funding sources. A stable financial position is important in order to minimize refinancing risk. The Board of Directors reviews the capital structure annually and as needed.

### Currency risk

Currency risk is the risk of changes in exchange rates having a negative impact on the Group’s result and equity. Currency exposure is associated with payment flows in foreign currency (transaction exposure) and the translation of foreign subsidiaries’ balance sheets and income statements to SEK (translation exposure).

The Group does not generally hedge transaction exposure. Translation exposure related to certain investments in foreign operations is hedged by issuing debt or entering into derivative transactions in the currencies involved if assessed as needed. The hedges of net investments in foreign operations were 100 percentage effective in 2021 and 2022 and hence no ineffectiveness was recognized in the income statement. In the hedge reserve in equity the total amount related to net investment hedges amounts to SEK –484 (-326) million. On December 31, 2022 the Group had outstanding currency derivatives as economic hedges of loans in EUR amounting to EUR 1,184 (1,197) million. The derivatives hedge monetary items thus hedge accounting is not applied. The reported fair value on the derivatives amounted to SEK 265 (85) million net.

After taking into account currency derivatives, the borrowings in SEK million are carried in the following currencies (equivalent SEK amounts).

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK1) 24,331</td>
<td>22,803</td>
<td></td>
</tr>
<tr>
<td>EUR1) 2,290</td>
<td>2,370</td>
<td></td>
</tr>
<tr>
<td>Total loans</td>
<td>26,630</td>
<td>25,173</td>
</tr>
</tbody>
</table>

1) Including adjustment for currency derivatives designated to minimize the exposure EUR to SEK of SEK 13,741 (17,242) million.
The consolidated balance sheet and income statement are affected by a translation exposure when subsidiaries' currencies fluctuate against the Swedish krona. Revenues and operating profit/loss are distributed among the following currencies.

<table>
<thead>
<tr>
<th>Currency</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>22,103</td>
<td>21,513</td>
</tr>
<tr>
<td>EUR</td>
<td>5,999</td>
<td>5,277</td>
</tr>
<tr>
<td>Total</td>
<td>28,102</td>
<td>26,790</td>
</tr>
</tbody>
</table>

A five percent currency fluctuation of the Euro against the Swedish krona would have a translation effect on the Group's revenues and operating profit/loss by SEK 635 million, respectively.

Exchange rate differences which arise in operations are reported in the income statement and totals to the following amounts.

<table>
<thead>
<tr>
<th>Item</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Tele2 is exposed to interest rate risk because of the Group's borrowings in fixed and floating interest rates. The risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of interest rate swaps. The risk is monitored and evaluated regularly to align with the interest duration strategy, ensuring the most cost-effective strategy is applied.

The Group's total net assets on December 31, 2022 of SEK 23,683 (31,142) million were distributed by currency in SEK million as follows (including loan and currency derivatives).

<table>
<thead>
<tr>
<th>Currency</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
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<tr>
<td>Total</td>
<td>28,102</td>
<td>26,790</td>
</tr>
</tbody>
</table>

A five percent currency fluctuation against the Swedish krona would affect the Group's total net assets by SEK 635 million. A strengthening of the SEK towards other currencies would impact net assets negligibly.

Interest rate risk
Tele2 is exposed to interest rate risk because of the Group's borrowings in fixed and floating interest rates. The risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of interest rate swaps. The risk is monitored and evaluated regularly to align with the interest duration strategy, ensuring the most cost-effective strategy is applied.

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<table>
<thead>
<tr>
<th>Currency</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>22,103</td>
<td>21,513</td>
</tr>
<tr>
<td>EUR</td>
<td>5,999</td>
<td>5,277</td>
</tr>
<tr>
<td>Total</td>
<td>28,102</td>
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</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Currency</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>22,103</td>
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</tr>
<tr>
<td>EUR</td>
<td>5,999</td>
<td>5,277</td>
</tr>
<tr>
<td>Total</td>
<td>28,102</td>
<td>26,790</td>
</tr>
</tbody>
</table>

A five percent currency fluctuation against the Swedish krona would affect the Group's total net assets by SEK 635 million. A strengthening of the SEK towards other currencies would impact net assets negligibly.
## Hedging instruments

<table>
<thead>
<tr>
<th>Hedging instruments</th>
<th>Average contracted fixed interest rate (%)</th>
<th>Notional principal value currency million</th>
<th>Change in fair value for recognising hedge ineffectiveness SEK million</th>
<th>Fair value assets (liabilities) SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outbonding interest rate swaps Tele2 receives floating and pays fixed interest</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Within 1 year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Within 1 to 2 years</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Within 2 to 5 years</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Summary of cash flow hedges</td>
<td>0.21</td>
<td>0.21</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Outstanding interest rate swaps Tele2 receives fixed and pays floating interest</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>After 5 years</td>
<td>2.13</td>
<td>2.13</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Summary of fair value hedges</td>
<td>250</td>
<td>250</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total outstanding interest rate derivatives</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

### Liquidity risk

The Group's excess liquidity is invested on a short-term basis or used for loan repayments. Liquidity reserves consist of available cash, undrawn committed credit facilities and committed overdraft facilities. At the end of 2022, the Group had available liquidity reserves of SEK 9.7 (9.5) billion. For additional information please refer to Note 22.

Tele2 transfers the right for payment of certain operating receivables to financial institutions. During 2022 the right of payment transferred to third parties without recourse or remaining credit exposure for Tele2 corresponded to SEK 2.549 (2.568) million and resulted in a positive effect on cash flow.

A new sustainability linked Revolving Credit Facility of EUR 700 million was signed in December 2022 with a group of eight relationship banks. The Facility has an initial tenor of 5 years and includes two extension options of one year each. The Facility was unutilized on December 31, 2022.

Tele2 AB's EUR 5 billion Euro Medium-Term Note (EMTN) Program forms the basis for Tele2's medium- and long-term debt issuance in both international and domestic bond markets. On December 31, 2022 issued bonds under the Program amounted to SEK 22,475 (21,326) million. For additional information please refer to Note 24.

Undiscounted contractual commitments are presented below. The contractual maturity is based on the earliest date on which the Group may be required to pay.

<table>
<thead>
<tr>
<th>SEK million</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2022</td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td>1–3 years</td>
</tr>
<tr>
<td>Financial liabilities1</td>
<td>24,29</td>
</tr>
<tr>
<td>Commitments, other</td>
<td>28</td>
</tr>
<tr>
<td>Total contractual commitments</td>
<td>24,57</td>
</tr>
<tr>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities1</td>
<td>24,29</td>
</tr>
<tr>
<td>Commitments, other</td>
<td>28</td>
</tr>
<tr>
<td>Total contractual commitments</td>
<td>24,57</td>
</tr>
<tr>
<td>1 Including future interest payments. Within 1 year includes derivatives of SEK 331 (22) million.</td>
<td></td>
</tr>
</tbody>
</table>
Credit risk

Tele2's credit risk is mainly associated with accounts receivables, receivables related to sold equipment (handsets), cash and cash equivalents and financial derivatives with a positive mark-to-market value not included under CSA agreements. The Group regularly assesses its credit risk arising from accounts receivables and receivables related to sold equipment. As the customer base is highly diversified and includes individuals and companies, the exposure and associated overall credit risk is limited. Companies within the Group are entitled to sell overdue receivables to debt collection agencies either as a one-time occasion or on ongoing basis if favourable. The Group makes provisions for expected credit losses, please refer to Note 19.

Maximum credit exposure for accounts receivables amounts to SEK 1,986 (1,796) million and receivables related to sold equipment to SEK 1,790 (1,502) million.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credible international credit-rating agencies. The Group has entered into ISDA agreements for derivative contracts with all counterpart banks that have derivatives with the Group. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As Tele2 presently does not have legally enforceable right to set off, these amounts have not been offset in the balance sheet. Under CSA agreements the parties agree to exchange collateral corresponding to the market value of outstanding derivatives. Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2022 to SEK 156 (-183) million. Maximum credit exposure for liquid funds amounted to SEK 1,116 (880) million and derivatives to SEK 0 (1) million.

Revenue per segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>22,112</td>
<td>21,522</td>
</tr>
<tr>
<td>Lithuania</td>
<td>3,483</td>
<td>3,028</td>
</tr>
<tr>
<td>Latvia</td>
<td>1,713</td>
<td>1,508</td>
</tr>
<tr>
<td>Estonia</td>
<td>911</td>
<td>850</td>
</tr>
<tr>
<td>Including internal sales</td>
<td>26,102</td>
<td>26,789</td>
</tr>
</tbody>
</table>

Revenue by currency is presented in Note 2.
Revenue split per category

Tele2 divides revenue in the following key categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>SEK million 2022</th>
<th>SEK million 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden Consumer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>12,252</td>
<td>12,229</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>762</td>
<td>733</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>1,880</td>
<td>1,901</td>
</tr>
<tr>
<td>Internal sales</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,895</td>
<td>14,864</td>
</tr>
<tr>
<td><strong>Sweden Business</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>3,977</td>
<td>3,836</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>100</td>
<td>97</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>2,016</td>
<td>1,664</td>
</tr>
<tr>
<td>Internal sales</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,096</td>
<td>5,600</td>
</tr>
<tr>
<td><strong>Sweden Wholesale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operator revenue</td>
<td>1,136</td>
<td>1,052</td>
</tr>
<tr>
<td>Internal sales</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,251</td>
<td>1,057</td>
</tr>
<tr>
<td><strong>Lithuania</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>2,113</td>
<td>1,779</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>205</td>
<td>220</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>1,104</td>
<td>968</td>
</tr>
<tr>
<td>Internal sales</td>
<td>61</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,483</td>
<td>3,326</td>
</tr>
<tr>
<td><strong>Latvia</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>1,142</td>
<td>959</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>143</td>
<td>166</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>391</td>
<td>344</td>
</tr>
<tr>
<td>Internal sales</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,713</td>
<td>1,508</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>612</td>
<td>546</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>90</td>
<td>99</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>205</td>
<td>194</td>
</tr>
<tr>
<td>Internal sales</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>915</td>
<td>850</td>
</tr>
<tr>
<td>Internal sales, elimination</td>
<td>–116</td>
<td>–119</td>
</tr>
<tr>
<td><strong>CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End-user service revenue</td>
<td>20,097</td>
<td>19,349</td>
</tr>
<tr>
<td>Operator revenue</td>
<td>2,416</td>
<td>2,358</td>
</tr>
<tr>
<td>Equipment revenue</td>
<td>5,190</td>
<td>5,072</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,102</td>
<td>26,789</td>
</tr>
</tbody>
</table>

Unsatisfied long-term outstanding customer contracts

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding amount of non-cancellable customer contracts that are (partly) unsatisfied</td>
<td>4,306</td>
<td>4,226</td>
</tr>
</tbody>
</table>

As of December 31, 2022, Tele2 had non-cancellable customer contracts with a duration up to 120 (120) months, which resulted in partly unsatisfied performance obligations at year end. 49 (50) percent of the transaction price allocated to the partly unsatisfied contracts as of December 31, 2022 is expected to be recognized as revenue during the year 2023 (2022). 32 (34) percent is expected to be recognized during 2024 (2023) and 19 (16) percent during 2025–2033 (2024–2032).

All usage-based revenue is excluded from this disclosure as that revenue is not fixed in a contract. Tele2 does not include binding revenue with an outstanding contract period of 12 months or less. Since Tele2 does not include all contracts and has primarily cancellable subscriptions, the amount of outstanding unsatisfied performance obligation does not amount to expected revenue for future periods.
NOTE 4 SEGMENT REPORTING

Since the risks in Tele2’s operations are mainly linked to the various markets in which the company operates, Tele2 follows up and analyses its business on country level. The segment reporting is in line with the internal reporting to the chief operating decision maker, which is Tele2’s Group Leadership Team. For additional information please refer to section Segment reporting in Note 1.

### Income statement

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sweden</td>
<td>Lithuania</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>22,103</td>
<td>3,422</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>22,112</td>
<td>3,483</td>
</tr>
<tr>
<td><strong>Internal</strong></td>
<td>9</td>
<td>61</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>22,122</td>
<td>3,544</td>
</tr>
<tr>
<td><strong>Underlying EBITDA</strong></td>
<td>7,890</td>
<td>1,307</td>
</tr>
<tr>
<td><strong>Reversal lease depreciation and interest</strong></td>
<td>1,137</td>
<td>80</td>
</tr>
<tr>
<td><strong>Underlying EBITDA</strong></td>
<td>9,026</td>
<td>1,386</td>
</tr>
</tbody>
</table>

**Operating profit**

- **Depreciation/amortization**: -6,176
- **Result from shares in associated companies and joint ventures**: 1,672

**Operating profit**: 6,596

**Interest income**: 33
**Interest expense**: -431
**Other financial items**: -131
**Income tax**: -694

**Net profit, continuing operations**: 5,335

**Other information**

- **Additions to intangible and tangible assets**: 2,689
- **Additions to right-of-use assets**: 1,237
- **Additions to intangible and tangible assets**: 3,106
- **Additions to right-of-use assets**: 1,073

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisition costs</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Restructuring cost</strong></td>
<td>-198</td>
<td>-251</td>
</tr>
<tr>
<td><strong>Disposal of non-current assets</strong></td>
<td>-59</td>
<td>-40</td>
</tr>
<tr>
<td><strong>Other items affecting comparability</strong></td>
<td>-41</td>
<td>-80</td>
</tr>
<tr>
<td><strong>Items affecting comparability</strong></td>
<td>-294</td>
<td>-367</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>11,101</td>
<td>10,317</td>
</tr>
<tr>
<td><strong>Depreciation/amortization</strong></td>
<td>-5,952</td>
<td>-5,952</td>
</tr>
<tr>
<td><strong>Result from shares in associated companies and joint ventures</strong>:</td>
<td>1,672</td>
<td>221</td>
</tr>
<tr>
<td><strong>Operating profit</strong>:</td>
<td>4,787</td>
<td>4,787</td>
</tr>
<tr>
<td><strong>Interest income</strong>:</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Interest expense</strong>:</td>
<td>-458</td>
<td>-458</td>
</tr>
<tr>
<td><strong>Other financial items</strong>:</td>
<td>-40</td>
<td>-40</td>
</tr>
<tr>
<td><strong>Income tax</strong>:</td>
<td>-347</td>
<td>-347</td>
</tr>
<tr>
<td><strong>Net profit, continuing operations</strong>:</td>
<td>1,343</td>
<td>1,343</td>
</tr>
</tbody>
</table>

### Notes – Group

- **Financial statements**
  - **Financial statements – Group**: Page 95
  - **Financial statements – Parent company**: Page 147
- **Other information**
  - **Additions to intangible and tangible assets**: 3,513
  - **Additions to right-of-use assets**: 1,106
### Acquisition costs

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network JO’s, Baltics</td>
<td>-11</td>
<td>-11</td>
</tr>
<tr>
<td>Other</td>
<td>-0</td>
<td>-0</td>
</tr>
<tr>
<td>Acquisition costs</td>
<td></td>
<td>-11</td>
</tr>
</tbody>
</table>

1) Reported as other operating expenses.

### Restructuring costs

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redundancy costs</td>
<td>-58</td>
<td>-114</td>
</tr>
<tr>
<td>Other employee and consultancy costs</td>
<td>-35</td>
<td>-81</td>
</tr>
<tr>
<td>Exit of contracts and other costs</td>
<td>-105</td>
<td>-57</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-198</td>
<td>-251</td>
</tr>
</tbody>
</table>

The restructuring costs are solely related to the ongoing business transformation program in Sweden.

### Disposal of non-current assets

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closure of projects and systems</td>
<td>-36</td>
<td>-42</td>
</tr>
<tr>
<td>Network equipment scrapping</td>
<td>-36</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>-1</td>
<td>1</td>
</tr>
<tr>
<td>Disposal of non-current assets</td>
<td>-56</td>
<td>-40</td>
</tr>
</tbody>
</table>

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

For further information on the recycled translation differences, please refer to Note 6.

### Disposal of non-current assets

In 2022, other items affecting comparability refer primarily to two one-off items affecting the income statement negatively: a one-off cost for a settlement with one of our suppliers related to disputed network equipment received in 2020 leading to a non-recurring cost of SEK 18 million, and reconciliation of international roaming discounts from 2018 leading to a non-recurring expense of SEK 20 million.

### Non-current assets

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>53,219</td>
<td>54,923</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2,375</td>
<td>2,011</td>
</tr>
<tr>
<td>Latvia</td>
<td>2,186</td>
<td>2,131</td>
</tr>
<tr>
<td>Estonia</td>
<td>1,196</td>
<td>1,101</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>59,990</td>
<td>60,167</td>
</tr>
</tbody>
</table>
### NOTE 5  DEPRECIATION/AMORTIZATION AND IMPAIRMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>By function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of services provided and equipment sold</td>
<td>-4,872</td>
<td>-4,496</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>-322</td>
<td>-313</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-982</td>
<td>-924</td>
</tr>
<tr>
<td>Total depreciation/amortization</td>
<td>-6,176</td>
<td>-5,952</td>
</tr>
<tr>
<td>Cost of services provided and equipment sold</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total impairment</td>
<td>-6,176</td>
<td>-5,952</td>
</tr>
</tbody>
</table>

### NOTE 6  OTHER OPERATING INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale to joint operations</td>
<td>105</td>
<td>70</td>
</tr>
<tr>
<td>Recycled translation differences</td>
<td>-9</td>
<td>-</td>
</tr>
<tr>
<td>Exchange rate gain from operations</td>
<td>62</td>
<td>31</td>
</tr>
<tr>
<td>Sale of non-current assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Service level agreements for sold operations</td>
<td>100</td>
<td>115</td>
</tr>
<tr>
<td>Other income</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Total other operating income</td>
<td>289</td>
<td>222</td>
</tr>
</tbody>
</table>

### NOTE 7  OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate loss from operations</td>
<td>-80</td>
<td>-54</td>
</tr>
<tr>
<td>Acquisition costs (Note 4)</td>
<td>-</td>
<td>-11</td>
</tr>
<tr>
<td>Sale/scrapping of non-current assets (Note 4)</td>
<td>-55</td>
<td>-41</td>
</tr>
<tr>
<td>Service level agreements, for sold operations</td>
<td>-25</td>
<td>-4</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-3</td>
<td>-0</td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>-163</td>
<td>-130</td>
</tr>
</tbody>
</table>

### NOTE 8  INTEREST INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, penalty interest</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Interest, other receivables</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Total interest income</td>
<td>34</td>
<td>18</td>
</tr>
</tbody>
</table>

All interest income is for financial assets reported at amortized cost. Interest income related to impaired financial assets, such as accounts receivable, are not significant.

### NOTE 9  INTEREST EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, financial institutions and similar liabilities</td>
<td>-850</td>
<td>-402</td>
</tr>
<tr>
<td>Interest, leases (Note 29)</td>
<td>-94</td>
<td>-6.5</td>
</tr>
<tr>
<td>Interest, other interest – hedges/derivatives</td>
<td>-24</td>
<td>-1</td>
</tr>
<tr>
<td>Interest, penalty interest</td>
<td>-13</td>
<td>6</td>
</tr>
<tr>
<td>Total interest costs</td>
<td>-611</td>
<td>-458</td>
</tr>
</tbody>
</table>

All interest costs refer to financial instruments not valued at fair value through the income statement, except for interest costs related to derivatives amounting to SEK 27.50 million.
NOTE 10 TAXES

Tax expense/income

<table>
<thead>
<tr>
<th>Description</th>
<th>SEK million 2022</th>
<th>SEK million 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense, on profit/loss current year</td>
<td>-946</td>
<td>-910</td>
</tr>
<tr>
<td>Current tax expense, on profit prior periods</td>
<td>-9</td>
<td>425</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>-955</td>
<td>-465</td>
</tr>
<tr>
<td>Deferred tax expense/income</td>
<td>284</td>
<td>118</td>
</tr>
<tr>
<td>Total tax on profit for the year</td>
<td>-694</td>
<td>-347</td>
</tr>
</tbody>
</table>

Theoretical tax expense

The difference between recorded tax expense for the Group and the tax expense based on weighted prevailing tax rates in each country consists of the below listed components.

<table>
<thead>
<tr>
<th>Description</th>
<th>SEK million 2022</th>
<th>SEK million 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>5,907</td>
<td>4,307</td>
</tr>
<tr>
<td>Theoretical tax expense/income</td>
<td>-1,152</td>
<td>-838</td>
</tr>
<tr>
<td>Tax effect of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result from associated companies</td>
<td>21</td>
<td>56</td>
</tr>
<tr>
<td>Result from sale of shares</td>
<td>346</td>
<td>59</td>
</tr>
<tr>
<td>Adjustment of tax liabilities from previous years</td>
<td>10</td>
<td>425</td>
</tr>
<tr>
<td>Tax relief on investments in capex</td>
<td>94</td>
<td>23</td>
</tr>
<tr>
<td>Other items</td>
<td>-13</td>
<td>-12</td>
</tr>
<tr>
<td>Tax expense/income and effective tax rate for the year</td>
<td>-694</td>
<td>-347</td>
</tr>
</tbody>
</table>

Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items.

<table>
<thead>
<tr>
<th>Description</th>
<th>SEK million Dec 31, 2022</th>
<th>SEK million Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unutilized loss carry-forwards</td>
<td>49</td>
<td>59</td>
</tr>
<tr>
<td>Tangible and intangible assets</td>
<td>55</td>
<td>49</td>
</tr>
<tr>
<td>Receivables</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Liabilities</td>
<td>42</td>
<td>43</td>
</tr>
<tr>
<td>Pensions</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>150</td>
<td>110</td>
</tr>
<tr>
<td>Natted against deferred liabilities</td>
<td>-72</td>
<td>-47</td>
</tr>
<tr>
<td>Total deferred tax assets according to the balance sheet</td>
<td>81</td>
<td>164</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-2,074</td>
<td>-2,418</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>-483</td>
<td>-567</td>
</tr>
<tr>
<td>Tax allocation reserve</td>
<td>-1,035</td>
<td>-916</td>
</tr>
<tr>
<td>Liabilities</td>
<td>-985</td>
<td>-916</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>-3,879</td>
<td>-4,120</td>
</tr>
<tr>
<td>Natted against deferred assets</td>
<td>-72</td>
<td>-47</td>
</tr>
<tr>
<td>Total deferred tax liabilities according to the balance sheet</td>
<td>-3,807</td>
<td>-3,125</td>
</tr>
</tbody>
</table>

SEK -2,203.1-2,578 million of the deferred tax liabilities are related to fair value adjustments from acquisitions. The movement in deferred income tax assets and liabilities during the year is as follows.
Note 10 cont.

<table>
<thead>
<tr>
<th>Note 11</th>
<th>INTANGIBLE ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEK million</strong></td>
<td><strong>Dec 31, 2022</strong></td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td>13,167</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>57,893</td>
</tr>
<tr>
<td><strong>Cost at January 1</strong></td>
<td>13,167</td>
</tr>
<tr>
<td><strong>Total tax loss carry forwards</strong></td>
<td>91</td>
</tr>
<tr>
<td><strong>Deferred tax assets/-liabilities as of January 1</strong></td>
<td>29</td>
</tr>
<tr>
<td>Netted against deferred liabilities, opening balance</td>
<td>47</td>
</tr>
<tr>
<td>Reported in income statement</td>
<td>-10</td>
</tr>
<tr>
<td>Reported in other comprehensive income</td>
<td>-39</td>
</tr>
<tr>
<td>Reported in equity</td>
<td>8</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>0</td>
</tr>
<tr>
<td>Netted against deferred liabilities</td>
<td>72</td>
</tr>
<tr>
<td>Deferred tax assets/-liabilities as of December 31</td>
<td>19</td>
</tr>
</tbody>
</table>

**Tax disputes**

In March 2019, the Swedish Tax Agency rejected Tele2's claim for a deduction of an exchange loss related to a conversion of a shareholder loan from USD to Kazakh Tenge in connection with the establishment of Tele2's previous joint venture in Kazakhstan. Tele2 appealed the decision and the Administrative Court of Appeal has finally in November 2022 ruled completely in favour of Tele2. The judgment has become final and Tele2 has decided to release the provision of in total SEK 363 million.

Of the total 2022 additions in intangible assets, SEK 468 (602) million consist of internally generated intangibles. Internally generated intangible assets and construction in progress mainly consists of internal IT development and software projects.
Goodwill
In connection with the acquisition of operations, goodwill is allocated to the cash generating units that are expected to receive future financial benefits, such as synergies, as a result of the acquired operations. In the event that separate cash generating units cannot be identified, goodwill is allocated to the lowest level at which the operation and its assets are controlled and monitored internally, which is on operating segment level.

Goodwill impairment test
Tele2 tests goodwill (and if applicable other intangible assets with indefinite useful lives) for impairment annually, by comparing the carrying amount with the recoverable value for the cash generating units to which these assets are allocated. The recoverable value of the respective cash generating unit is based on the higher of estimated value in use and fair value less costs of disposal. For all cash generating units the recoverable values have been determined based on value in use. The key assumptions used in the calculations of value in use are growth rates, profit margins, investment levels and discount rates. The expected revenue growth rates, profit margins and investment levels are based on sector data as well as management’s assessment of market-specific risks and opportunities, including expected changes in competition, the business model used by Tele2 and the regulatory environment. The discount rate takes into account the prevailing interest rates and specific risk factors in a particular cash generating unit. The discount rate post tax (WACC) varies between 8 and 11 (7 and 9) percent. Tele2 calculates future cash flows based on the most recent three-year plan. For the period after this, annual growth of 0 to 2 (0 to 2) percent is assumed. These rates do not exceed the average long-term growth for the sector as a whole nor do they exceed the expected long term GDP growth rates in the markets.

In 2022 we have considered the challenging macro-economic situation, including increasing interest rates, as well as the uncertain geopolitical environment in the valuation of our operations. Increasing energy costs, inflationary pressure and changes in exchange rates have a negative impact on our business. However, we see that our business model is resilient, offering services that are highly valued and prioritized by our customers. In addition, the segments carry fairly prudent values in our balance sheet, and our sensitivity analysis shows that no changes within reason to important parameters would trigger an impairment. Accordingly, we have concluded that no goodwill impairment is needed.

The value in use calculations are based on the following assumptions per operating segment:

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>WACC percent</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Forecast period, years</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Growth rate after the forecast period</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

---

Note 11 cont.
life of Com Hem brand would be 10 years from the date of reassessment from indefinite life to definite life. Accordingly, amortization of the Com Hem brand book value was initiated in Q2 2021. In 2022, the amortization had a negative impact on operating profit and net result of SEK 538 (359) million and SEK 427 (285) million respectively. As per December 31, 2022 the Com Hem brand has accordingly a carrying amount of SEK 4,486 (5,024) million, or 3,562 million net of tax.

NOTE 12 TANGIBLE ASSETS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Jan 1, 2023</th>
<th>Dec 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Buildings</td>
<td>Equipment and installations</td>
</tr>
<tr>
<td>Cost at January 1</td>
<td>240</td>
<td>1,274</td>
</tr>
<tr>
<td>Additions</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>Dismantling cost</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Disposals</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation</td>
<td>—25</td>
<td>—28</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>—68</td>
<td>—1,157</td>
</tr>
<tr>
<td>Total cost</td>
<td>21</td>
<td>56</td>
</tr>
<tr>
<td>Accumulated depreciation at January 1</td>
<td>—194</td>
<td>—1,079</td>
</tr>
<tr>
<td>Depreciation</td>
<td>—9</td>
<td>—99</td>
</tr>
<tr>
<td>Disposals</td>
<td>—25</td>
<td>—28</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>—68</td>
<td>—1,157</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>—220</td>
<td>—1,184</td>
</tr>
<tr>
<td>Accumulated impairment at January 1</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impairment</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total accumulated impairment</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total tangible assets</td>
<td>46</td>
<td>186</td>
</tr>
</tbody>
</table>

Income related to operational leasing during the year is 107 (101) million SEK, were 82 (79) million SEK is related to rent from other operators placing equipment on Tele2 Sites. These sites are reported as Machinery & Technical Plant. 14 (8) million SEK is related to leased equipment to customers and are reported as Equipment and installations in tangible assets. The remaining amount consists of smaller items distributed among different categories.
NOTE 13  RIGHT-OF-USE ASSETS

Tele2’s leases consist mainly of lease of sites and base stations (including land), leased lines, premises, vehicles and other equipment, please refer to Note 29 for more information on leases.

<table>
<thead>
<tr>
<th>Note</th>
<th>Dec 31, 2022</th>
<th>SEK million</th>
<th>Rent of space</th>
<th>Sites and base stations</th>
<th>Leased lines</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost at January 1</td>
<td>1,189</td>
<td>3,130</td>
<td>4,477</td>
<td>122</td>
<td>8,917</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>109</td>
<td>439</td>
<td>780</td>
<td>41</td>
<td>1,370</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other adjustments</td>
<td>-27</td>
<td>-94</td>
<td>-587</td>
<td>-31</td>
<td>-540</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange rate differences</td>
<td>21</td>
<td>77</td>
<td>29</td>
<td>2</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total cost</td>
<td>1,292</td>
<td>3,551</td>
<td>4,899</td>
<td>134</td>
<td>9,876</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accumulated depreciation at January 1</td>
<td>-390</td>
<td>-1,135</td>
<td>-1,909</td>
<td>-70</td>
<td>-3,504</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation</td>
<td>140</td>
<td>404</td>
<td>655</td>
<td>37</td>
<td>1,236</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other adjustments</td>
<td>13</td>
<td>77</td>
<td>225</td>
<td>30</td>
<td>346</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange rate differences</td>
<td>-12</td>
<td>-27</td>
<td>-15</td>
<td>-2</td>
<td>-50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total accumulated depreciation</td>
<td>-549</td>
<td>-1,489</td>
<td>-2,332</td>
<td>-81</td>
<td>-3,504</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total accumulated impairment</td>
<td>-7</td>
<td>-3</td>
<td>-10</td>
<td>-1</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total right-of-use assets</td>
<td>29</td>
<td>743</td>
<td>2,055</td>
<td>2,569</td>
<td>52</td>
<td>5,422</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Dec 31, 2021</th>
<th>SEK million</th>
<th>Rent of space</th>
<th>Sites and base stations</th>
<th>Leased lines</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost at January 1</td>
<td>1,016</td>
<td>2,742</td>
<td>4,008</td>
<td>123</td>
<td>7,889</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>201</td>
<td>434</td>
<td>646</td>
<td>25</td>
<td>1,306</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other adjustments</td>
<td>-32</td>
<td>-59</td>
<td>-183</td>
<td>-27</td>
<td>-300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange rate differences</td>
<td>4</td>
<td>14</td>
<td>6</td>
<td>0</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total cost</td>
<td>1,189</td>
<td>3,130</td>
<td>4,477</td>
<td>122</td>
<td>8,917</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accumulated depreciation at January 1</td>
<td>-269</td>
<td>-784</td>
<td>-1,421</td>
<td>-54</td>
<td>-2,530</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation</td>
<td>-139</td>
<td>-393</td>
<td>-627</td>
<td>-39</td>
<td>-1,197</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other adjustments</td>
<td>19</td>
<td>46</td>
<td>143</td>
<td>23</td>
<td>231</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange rate differences</td>
<td>-2</td>
<td>-4</td>
<td>-5</td>
<td>-0</td>
<td>-8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total accumulated depreciation</td>
<td>-269</td>
<td>-784</td>
<td>-1,421</td>
<td>-54</td>
<td>-2,530</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total accumulated impairment</td>
<td>0</td>
<td>-7</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total right-of-use assets</td>
<td>29</td>
<td>743</td>
<td>2,055</td>
<td>2,569</td>
<td>52</td>
<td>5,422</td>
</tr>
</tbody>
</table>

NOTE 14  BUSINESS ACQUISITIONS AND DIVESTMENTS

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

<table>
<thead>
<tr>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SEK million</td>
<td>SEK million</td>
</tr>
<tr>
<td>Acquisitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other minor acquisitions</td>
<td>-6</td>
<td>-</td>
</tr>
<tr>
<td>Total acquisition of shares and participations</td>
<td>-6</td>
<td>-</td>
</tr>
<tr>
<td>Divestments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tele2 Switzerland, Swisscom</td>
<td>-17</td>
<td>209</td>
</tr>
<tr>
<td>Tele2 Germany</td>
<td>49</td>
<td>93</td>
</tr>
<tr>
<td>T-Mobile Netherlands</td>
<td>8,956</td>
<td>-</td>
</tr>
<tr>
<td>Other minor divestments</td>
<td>-5</td>
<td>-</td>
</tr>
<tr>
<td>Total sale of shares and participations</td>
<td>8,982</td>
<td>302</td>
</tr>
<tr>
<td>Total cash flow effect</td>
<td>8,977</td>
<td>302</td>
</tr>
</tbody>
</table>

Acquisitions

Only minor acquisitions of SEK 6 million were made during 2022.

Divestments

In Q1 2022, the divestment of T-Mobile Netherlands was completed. The cash proceeds for Tele2’s 25% share of the company amounted to SEK 90 billion. In addition, FX hedges attached to the transaction have affected exchange rate differences in the cash flow statement with SEK -153 million in Q4 2021 and SEK 125 million in the first half of 2022.

The proceeds from Tele2 Germany refer to the earnout arrangement, which was part of the divestment in 2020.

For further information related to discontinued operations, see note 33.
NOTE 15 ASSOCIATED COMPANIES AND JOINT VENTURES

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022 holding book value of shares</th>
<th>Result from shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Mobile Netherlands Holding B.V., the Netherlands</td>
<td>7,366</td>
<td>1,672</td>
</tr>
<tr>
<td>Other associated companies and joint ventures</td>
<td>6</td>
<td>-1</td>
</tr>
<tr>
<td>Reclassified to assets held for sale</td>
<td>7,366</td>
<td>-7,366</td>
</tr>
<tr>
<td>Total associated companies and joint ventures</td>
<td>6</td>
<td>1,672</td>
</tr>
</tbody>
</table>

In September 2021 Telco AB entered into an agreement to sell the 25 percent share in T-Mobile Netherlands and the divestment was completed during Q1 2022. See note 14 related to business acquisitions and divestments for further information. At the end of 2022, Telco has no other material associated company.

Shares in associated companies and joint ventures

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost at January 1</td>
<td>7,366</td>
<td>7,018</td>
</tr>
<tr>
<td>Shares held at the year</td>
<td>1,672</td>
<td>211</td>
</tr>
<tr>
<td>Reclassified to assets held for sale</td>
<td>-7,366</td>
<td>-7,366</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>-4</td>
<td>134</td>
</tr>
<tr>
<td>Total shares in associated companies and joint ventures</td>
<td>6,7</td>
<td>7</td>
</tr>
</tbody>
</table>

Extracts from the income statements of associated companies and joint ventures

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,068</td>
<td>21,011</td>
</tr>
<tr>
<td>Net profit</td>
<td>1,769</td>
<td>-2</td>
</tr>
</tbody>
</table>

Reconciliation of the above summarised financial information to the carrying amount of the interest recognised in the consolidated balance sheet:

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets of associated companies and joint ventures</td>
<td>-14,235</td>
<td>15</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-2,274</td>
<td>-</td>
</tr>
<tr>
<td>Other surplus values net of tax</td>
<td>-1,531</td>
<td>-</td>
</tr>
<tr>
<td>Group’s share of total income from associated companies and joint ventures</td>
<td>7,366</td>
<td>6</td>
</tr>
</tbody>
</table>

NOTE 16 OTHER FINANCIAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable from sold equipment</td>
<td>713</td>
<td>708</td>
</tr>
<tr>
<td>Pension funds</td>
<td>242</td>
<td>182</td>
</tr>
<tr>
<td>Non-current holdings of securities</td>
<td>-1</td>
<td>9</td>
</tr>
<tr>
<td>Other long-term receivables</td>
<td>-2</td>
<td>-2</td>
</tr>
<tr>
<td>Total other financial assets</td>
<td>905</td>
<td>756</td>
</tr>
</tbody>
</table>

Receivable from sold equipment consists of instalment which is referring to equipment sold, such as handsets and other equipment. The equipment has been supplied to the customer and revenue has been recognized. None of these receivables were due on the closing date. When the invoicing occurs, the amount invoiced is transferred from receivable from sold equipment to accounts receivable. The item also consists of effects of the time difference between when the performance obligation is satisfied and revenue recognized for the goods or service and the payments to be received. The contract asset arises due to sales of bundles. For information regarding loss allowance please refer to Note 19.
Note 16 cont.

NOTE 17 CAPITALIZED CONTRACT COSTS

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost at January 1</td>
<td>505</td>
<td>493</td>
</tr>
<tr>
<td>Additions</td>
<td>733</td>
<td>592</td>
</tr>
<tr>
<td>Expensed contract costs</td>
<td>-60%</td>
<td>-56%</td>
</tr>
<tr>
<td>Total capitalized contract costs December 31</td>
<td>633</td>
<td>505</td>
</tr>
</tbody>
</table>

Expensed contract costs consist of amortized capitalized contract costs. Amortization is recognized as an operating cost, in order for this cost to be reflected in the operational business.

NOTE 18 INVENTORIES

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished products and goods for resale</td>
<td>1,144</td>
<td>727</td>
</tr>
<tr>
<td>Other</td>
<td>110</td>
<td>42</td>
</tr>
<tr>
<td>Total inventories</td>
<td>1,254</td>
<td>769</td>
</tr>
</tbody>
</table>

Tele2’s inventories mainly consist of mobile phones, fixed broadband routers, digital TV boxes and IT & Network hardware. In 2022 inventories were expensed by SEK 5,255 (4,868) million.

NOTE 19 ACCOUNTS RECEIVABLE

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td>2,127</td>
<td>1,934</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-145</td>
<td>-138</td>
</tr>
<tr>
<td>Total accounts receivable, net</td>
<td>1,982</td>
<td>1,796</td>
</tr>
</tbody>
</table>

Receivable from sold equipment

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td>1,837</td>
<td>1,544</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-31</td>
<td>-42</td>
</tr>
<tr>
<td>Receivable from sold equipment, net</td>
<td>1,706</td>
<td>1,502</td>
</tr>
<tr>
<td>of which non-current</td>
<td>1,706</td>
<td>1,502</td>
</tr>
<tr>
<td>of which current</td>
<td>20</td>
<td>938</td>
</tr>
</tbody>
</table>

Loss allowance

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Past due</td>
<td></td>
<td>7.8%</td>
</tr>
<tr>
<td>Not due 1–30 days</td>
<td>31</td>
<td>42%</td>
</tr>
<tr>
<td>31–60 days</td>
<td>-3</td>
<td>-4%</td>
</tr>
<tr>
<td>61–90 days</td>
<td>-3</td>
<td>-4%</td>
</tr>
<tr>
<td>&gt; 90 days</td>
<td>-127</td>
<td>-14.1%</td>
</tr>
<tr>
<td>Total</td>
<td>-141</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td>0.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>670</td>
<td>156</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-2</td>
<td>-2</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td>0.1%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>943</td>
<td>97</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Total loss allowance accounts receivable</td>
<td>-3</td>
<td>-4</td>
</tr>
<tr>
<td>Receivable from sold equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td>1.9%</td>
<td>—</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>1,298</td>
<td>—</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-25</td>
<td>—</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td>1.2%</td>
<td>—</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>523</td>
<td>—</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>-6</td>
<td>—</td>
</tr>
<tr>
<td>Total loss allowance received from sold equipment</td>
<td>-31</td>
<td>—</td>
</tr>
</tbody>
</table>

When the receivable from sold equipment is invoiced, it is reclassified to accounts receivable.

TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022

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### Note 19 cont.

#### Accounts receivable

<table>
<thead>
<tr>
<th></th>
<th>Unallocated</th>
<th>0–30 days</th>
<th>30–60 days</th>
<th>60–90 days</th>
<th>&gt; 90 days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td></td>
<td>0.9%</td>
<td>1.7%</td>
<td>7.3%</td>
<td>11.9%</td>
<td>55.5%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td>480</td>
<td>189</td>
<td>24</td>
<td>15</td>
<td>147</td>
</tr>
<tr>
<td>Loss allowance</td>
<td></td>
<td>-4</td>
<td>-3</td>
<td>-2</td>
<td>-2</td>
<td>-82</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td></td>
<td>0.3%</td>
<td>1.5%</td>
<td>5.7%</td>
<td>22.1%</td>
<td>71.8%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td>959</td>
<td>55</td>
<td>11</td>
<td>2</td>
<td>56</td>
</tr>
<tr>
<td>Loss allowance</td>
<td></td>
<td>-5</td>
<td>-1</td>
<td>-1</td>
<td>-1</td>
<td>-46</td>
</tr>
<tr>
<td><strong>Total loss allowance accounts receivable</strong></td>
<td>-7</td>
<td>-4</td>
<td>-2</td>
<td>-2</td>
<td>-122</td>
<td>-138</td>
</tr>
</tbody>
</table>

#### Receivable from sold equipment

<table>
<thead>
<tr>
<th></th>
<th>Unallocated</th>
<th>0–30 days</th>
<th>30–60 days</th>
<th>60–90 days</th>
<th>&gt; 90 days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td></td>
<td>2.9%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2.9%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td>1,104</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,104</td>
</tr>
<tr>
<td>Loss allowance</td>
<td></td>
<td>-32</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-32</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected credit loss rate</td>
<td></td>
<td>2.1%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2.1%</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td>440</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>440</td>
</tr>
<tr>
<td>Loss allowance</td>
<td></td>
<td>-9</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-9</td>
</tr>
<tr>
<td><strong>Total loss allowance receivables from sold equipment</strong></td>
<td>-42</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-42</td>
</tr>
</tbody>
</table>

### Note 20 OTHER CURRENT RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable from sold equipment</td>
<td>1,237</td>
<td>1,196</td>
</tr>
<tr>
<td>Receivable on Net4Mobility joint operation in Sweden</td>
<td>717</td>
<td>305</td>
</tr>
<tr>
<td>Receivable on Svenska UMTS-nät joint operation in Sweden</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Derivatives</td>
<td>403</td>
<td>275</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>49</td>
<td>32</td>
</tr>
<tr>
<td>Current tax receivables</td>
<td>114</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>57</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total other current receivables</strong></td>
<td>2,421</td>
<td>1,450</td>
</tr>
</tbody>
</table>

For information regarding receivable from sold equipment, please refer to Note 16. For information regarding loss allowance, please refer to Note 19. For further information on derivatives, please refer to Note 2.
NOTE 23  SHARES, EQUITY AND APPROPRIATION OF PROFIT

Number of shares

<table>
<thead>
<tr>
<th>Shares</th>
<th>A shares</th>
<th>B shares</th>
<th>C shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of January 1, 2021</td>
<td>22,558,340</td>
<td>667,783,257</td>
<td>—</td>
<td>690,341,597</td>
</tr>
<tr>
<td>New share issue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reclassification of A shares to B shares</td>
<td>6,177</td>
<td>6,177</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>As of December 31, 2021</td>
<td>22,552,163</td>
<td>667,789,434</td>
<td>2,480,000</td>
<td>692,821,597</td>
</tr>
<tr>
<td>New share issue</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reclassification of A shares to B shares</td>
<td>-281</td>
<td>-281</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reclassification of C shares to B shares</td>
<td>—</td>
<td>2,480,000</td>
<td>-2,480,000</td>
<td>—</td>
</tr>
<tr>
<td>Total number of shares as of December 31, 2022</td>
<td>22,551,882</td>
<td>670,249,715</td>
<td>2,200,000</td>
<td>695,021,597</td>
</tr>
</tbody>
</table>

Number of treasury shares

<table>
<thead>
<tr>
<th>Shares</th>
<th>A shares</th>
<th>B shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of January 1, 2021</td>
<td>1,714,023</td>
<td>—</td>
<td>1,714,023</td>
</tr>
<tr>
<td>New share issue</td>
<td>—</td>
<td>2,480,000</td>
<td>2,480,000</td>
</tr>
<tr>
<td>Delivery of own shares under LTIP program</td>
<td>—</td>
<td>-1,200,672</td>
<td>-1,200,672</td>
</tr>
<tr>
<td>Delivery of own shares, under LTIP program, early vesting</td>
<td>—</td>
<td>-81,245</td>
<td>-81,245</td>
</tr>
<tr>
<td>As of December 31, 2021</td>
<td>432,106</td>
<td>2,480,000</td>
<td>2,912,106</td>
</tr>
<tr>
<td>New share issue</td>
<td>—</td>
<td>2,200,000</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Reclassification of C shares to B shares</td>
<td>2,480,000</td>
<td>—</td>
<td>2,480,000</td>
</tr>
<tr>
<td>Delivery of own shares under LTIP program</td>
<td>-1,101,876</td>
<td>—</td>
<td>-1,101,876</td>
</tr>
<tr>
<td>Total number of treasury shares as of December 31, 2022</td>
<td>1,810,230</td>
<td>2,200,000</td>
<td>4,010,230</td>
</tr>
</tbody>
</table>

At December 31, 2022 Tele2 had 113,767 known shareholders. Kinnevik AB owned as of December 31, 2022, 19.8 percent of the capital and 36.1 percent of the voting rights. No other shareholder owned, directly or indirectly, more than 10 percent of the shares in Tele2. The 10 largest single shareholders represented 41.07 percent of the share capital and 52.57 percent of the votes.

In Q1 2022 281 of class A shares were reclassified into class B and 2,480,000 of class C shares were reclassified to class B. The share capital in Tele2 AB is divided into three classes of shares: Class A, B and C shares. All types of shares have a par value of SEK 1.25 per share and Class A and B shares have the same rights in the company's net assets and profits while Class C shares are not entitled to dividend. Shares of Class A entitle the holder to 10 voting rights per share and Class B and C shares to one voting right per share.

There are no limitations regarding how many votes each shareholder may vote for at general meetings of shareholders. The Articles of Association make no stipulation that limits the right to transfer the shares.

In the case of a bid for all shares or a controlling part of the shares in Tele2, the financing facilities may be accelerated and due for immediate repayment. In addition, some other agreements may be terminated.

Number of treasury shares amount to 0.5 (0.4) percent of the share capital. As a result of share rights in the LTII 2019 (2021: LTII 2018 and LTII 2019) being exercised on May 6, 2022 Tele2 delivered 1,101,876 (April 29 2021:1,200,672) B-shares in treasury shares to the participants in the LTII 2019 program. In addition, as a result of early vesting of the LTII 2019 being exercised in 2021 Tele2 delivered 0 (81,245) B-shares in treasury shares to some of the participants in the program.

Outstanding share rights

<table>
<thead>
<tr>
<th>Shares</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive program 2022-2025 (LTII 2022)</td>
<td>1,460,226</td>
<td>—</td>
</tr>
<tr>
<td>Incentive program 2021-2024 (LTII 2021)</td>
<td>1,441,908</td>
<td>1,414,817</td>
</tr>
<tr>
<td>Incentive program 2020-2023 (LTII 2020)</td>
<td>1,161,005</td>
<td>1,142,715</td>
</tr>
<tr>
<td>Incentive program 2019-2022 (LTII 2019)</td>
<td>—</td>
<td>991,228</td>
</tr>
<tr>
<td>Total number of outstanding share rights</td>
<td>4,063,139</td>
<td>3,548,758</td>
</tr>
</tbody>
</table>

Further information regarding Incentive program is provided in Note 31.

Number of shares after dilution

<table>
<thead>
<tr>
<th>Shares</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of shares</td>
<td>695,021,997</td>
<td>692,821,597</td>
</tr>
<tr>
<td>Number of treasury shares</td>
<td>-4,010,230</td>
<td>-2,912,106</td>
</tr>
<tr>
<td>Number of outstanding shares</td>
<td>691,011,367</td>
<td>689,909,491</td>
</tr>
<tr>
<td>Number of outstanding share rights</td>
<td>4,063,139</td>
<td>3,548,758</td>
</tr>
<tr>
<td>Total number of shares after dilution</td>
<td>695,074,506</td>
<td>693,458,249</td>
</tr>
</tbody>
</table>
Note 23 cont.

Earnings per share

<table>
<thead>
<tr>
<th>Total operation</th>
<th>Earnings per share</th>
<th>Earnings per share after dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>Net profit attributable to equity holders of the parent company (SEK million)</td>
<td>5,574</td>
<td>4,306</td>
</tr>
<tr>
<td>Weighted average number of outstanding shares</td>
<td>690,647,136</td>
<td>689,463,621</td>
</tr>
<tr>
<td>Incentive program 2022-2025</td>
<td>938,968</td>
<td>—</td>
</tr>
<tr>
<td>Incentive program 2021-2024</td>
<td>1,390,840</td>
<td>895,722</td>
</tr>
<tr>
<td>Incentive program 2020-2023</td>
<td>1,176,631</td>
<td>1,040,582</td>
</tr>
<tr>
<td>Incentive program 2019-2022</td>
<td>199,913</td>
<td>1,311,505</td>
</tr>
<tr>
<td>Incentive program 2018–2021</td>
<td>366,517</td>
<td>—</td>
</tr>
<tr>
<td>Weighted average number of share rights</td>
<td>2,702,401</td>
<td>2,702,401</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>8.07</td>
<td>6.25</td>
</tr>
</tbody>
</table>

Proposed appropriation of profit

The Board proposes that, from the SEK 32,926,657,835 at the disposal of the Annual General Meeting, an ordinary dividend of SEK 6.80 per share should be paid to shareholders in two tranches in May and October 2023, corresponding to SEK 4,698,877,296 on December 31, 2022. The remaining amount, SEK 28,227,780,539, should be carried forward.

Based on this annual report, the consolidated financial statements and other information which has become available, the Board has considered all aspects of the parent company’s and the Group’s financial position. This evaluation has led the Board to the conclusion that the dividend is justifiable in view of the requirements that the nature and scope of and risks involved in Tele2’s operations have on the size of the company’s and the Group’s equity as well as on its consolidation needs, liquidity and financial position in general.

For information regarding dividend policy please refer to Note 2.

NOTE 24  FINANCIAL LIABILITIES

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
<td>20,430</td>
<td>25,177</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>5,460</td>
<td>1,144</td>
</tr>
<tr>
<td>Other interest-bearing liabilities</td>
<td>691</td>
<td>290</td>
</tr>
<tr>
<td>Totalinterest-bearing financial liabilities</td>
<td>26,681</td>
<td>30,837</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,165</td>
<td>2,007</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>920</td>
<td>615</td>
</tr>
<tr>
<td>Totalnon-interest-bearing financial liabilities</td>
<td>2,485</td>
<td>2,622</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>35,361</td>
<td>35,459</td>
</tr>
</tbody>
</table>

Financial risk management and financial instruments are presented in Note 2.

Financial liabilities fall due for payment according as follows:

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Within 1 year</th>
<th>Within 1–2 years</th>
<th>Within 2–3 years</th>
<th>Within 3–4 years</th>
<th>Within 4–5 years</th>
<th>Within 5–10 years</th>
<th>Within 10–15 years</th>
<th>Total financial liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal value</td>
<td>5,469</td>
<td>3,470</td>
<td>1,059</td>
<td>2,082</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recorded value</td>
<td>1,566</td>
<td>1,503</td>
<td>3,605</td>
<td>3,594</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominal value</td>
<td>8,848</td>
<td>8,711</td>
<td>1923</td>
<td>2,765</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recorded value</td>
<td>5,519</td>
<td>5,414</td>
<td>1,784</td>
<td>1,784</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominal value</td>
<td>4,252</td>
<td>4,254</td>
<td>7,933</td>
<td>7,889</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recorded value</td>
<td>2,464</td>
<td>2,418</td>
<td>3,176</td>
<td>3,146</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominal value</td>
<td>2,662</td>
<td>3,954</td>
<td>2,504</td>
<td>2,285</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recorded value</td>
<td>9,231</td>
<td>9,160</td>
<td>10,505</td>
<td>10,606</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nominal value</td>
<td>187</td>
<td>180</td>
<td>123</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recorded value</td>
<td>187</td>
<td>180</td>
<td>123</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>35,961</td>
<td>35,539</td>
<td>33,538</td>
<td>33,459</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Interest-bearing financial liabilities

Interest-bearing financial liabilities fall due for payments as follows:

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Within 1 year</th>
<th>Within 1–2 years</th>
<th>Within 2–3 years</th>
<th>Within 3–4 years</th>
<th>Within 4–5 years</th>
<th>Within 5–10 years</th>
<th>Within 10–15 years</th>
<th>Total interest-bearing liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable interest rates</td>
<td>5.05</td>
<td>4.00</td>
<td>2.03</td>
<td>1.58</td>
<td>1.30</td>
<td>2.75</td>
<td>2.75</td>
<td>12,216</td>
</tr>
<tr>
<td>Fixed interest rates</td>
<td>1.185</td>
<td>8.025</td>
<td>1.435</td>
<td>0.34</td>
<td>2.940</td>
<td>0.643</td>
<td>20,086</td>
<td></td>
</tr>
<tr>
<td>Totalinterest-bearing liabilities</td>
<td>4,320</td>
<td>8,711</td>
<td>4,254</td>
<td>2,418</td>
<td>3,854</td>
<td>9,326</td>
<td>32,782</td>
<td></td>
</tr>
</tbody>
</table>
**Liabilities to financial institutions and similar liabilities**

<table>
<thead>
<tr>
<th>Funding type</th>
<th>Interest rate terms</th>
<th>Maturity date</th>
<th>Current liabilities</th>
<th>Non-current liabilities</th>
<th>Current liabilities</th>
<th>Non-current liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds EUR</td>
<td>fixed 1.125%</td>
<td>2024</td>
<td>5,557</td>
<td>—</td>
<td>5,117</td>
<td>—</td>
</tr>
<tr>
<td>Bonds EUR</td>
<td>fixed 2.125%</td>
<td>2028</td>
<td>—</td>
<td>5,169</td>
<td>—</td>
<td>5,159</td>
</tr>
<tr>
<td>Bonds EUR</td>
<td>fixed 0.750%</td>
<td>2022</td>
<td>—</td>
<td>1,700</td>
<td>—</td>
<td>1,700</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>STIBOR +1.425%</td>
<td>2024</td>
<td>—</td>
<td>500</td>
<td>—</td>
<td>500</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>fixed 2.125%</td>
<td>2023</td>
<td>1,199</td>
<td>—</td>
<td>1,199</td>
<td>—</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>fixed 1.125%</td>
<td>2025</td>
<td>—</td>
<td>500</td>
<td>—</td>
<td>500</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>STIBOR +1.20%</td>
<td>2024</td>
<td>—</td>
<td>1,199</td>
<td>—</td>
<td>1,199</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>fixed 3.25%</td>
<td>2024</td>
<td>—</td>
<td>300</td>
<td>—</td>
<td>300</td>
</tr>
<tr>
<td>Bonds SEK</td>
<td>STIBOR +1.1%</td>
<td>2025</td>
<td>—</td>
<td>1,298</td>
<td>—</td>
<td>1,298</td>
</tr>
<tr>
<td>Total bonds</td>
<td></td>
<td></td>
<td>1,599</td>
<td>20,876</td>
<td>2,200</td>
<td>19,126</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>fixed interest rates</td>
<td>2024</td>
<td>331</td>
<td>—</td>
<td>22</td>
<td>—</td>
</tr>
<tr>
<td>European Investment Bank (EIB)</td>
<td>fixed interest rates</td>
<td>2024</td>
<td>1,391</td>
<td>—</td>
<td>1,278</td>
<td>—</td>
</tr>
<tr>
<td>Nordic Investment Bank (NIB)</td>
<td>variable interest rates</td>
<td>2024-2026</td>
<td>1,391</td>
<td>—</td>
<td>1,278</td>
<td>—</td>
</tr>
<tr>
<td>Syndicated loan facilities</td>
<td>variable interest rates</td>
<td>2024</td>
<td>331</td>
<td>—</td>
<td>22</td>
<td>—</td>
</tr>
<tr>
<td>Short-term loan; collateral for outstanding interest rate derivatives</td>
<td>variable interest rates</td>
<td>2024</td>
<td>183</td>
<td>—</td>
<td>183</td>
<td>—</td>
</tr>
<tr>
<td>Utilized bank overdraft facility</td>
<td>variable interest rates</td>
<td>2024</td>
<td>331</td>
<td>—</td>
<td>22</td>
<td>—</td>
</tr>
<tr>
<td>Total other interest-bearing liabilities</td>
<td></td>
<td></td>
<td>691</td>
<td>250</td>
<td>2,200</td>
<td>19,126</td>
</tr>
</tbody>
</table>

As of the date of this report, Tele2 has a credit facility with a syndicate of eight banks maturing in 2027. The loans can be drawn in several currencies and the interest base is the relevant IBOR for that currency. The facility amounts to EUR 700 million and was unutilized on December 31, 2022 and prepaid upfront fees to be recognized in profit/loss over the remaining contract period amounted to SEK -26 (-4) million. The facility is conditioned by covenant requirements which Tele2 expects to fulfill.

Tele2 AB’s Euro Medium-Term Note (EMTN) Program forms the basis for Tele2’s medium and long-term debt issuance in both international and domestic bond markets. The program enables Tele2 to issue bonds and notes up to a total aggregate amount of EUR 5 billion. On December 31, 2022 issued bonds under the program amounted to SEK 22.5 (21.3) billion.

**Other interest-bearing liabilities**

<table>
<thead>
<tr>
<th>Funding type</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives</td>
<td>331</td>
<td>22</td>
</tr>
<tr>
<td>Supplier financing, Lithuanian licenses</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Equipment financing</td>
<td>156</td>
<td>100</td>
</tr>
<tr>
<td>Total other interest-bearing liabilities</td>
<td>498</td>
<td>129</td>
</tr>
</tbody>
</table>

Derivatives consist of interest swaps and currency swaps, valued at fair value. The effective part of the swaps was reported in the hedge reserve in other comprehensive income and the ineffective part was reported as interest costs and other financial items, respectively, in the income statement. The Group has derivative contracts which are covered by master netting agreements. That means a right exists to set off assets and liabilities with the same party, which is not reflected in the accounting where gross accounting is applied. To minimize counterparty risk, Tele2 has also entered into CSA agreements where collateral equal to the market value of the derivatives are exchanged from time to time. For additional information please refer to Note 2.

For information on leases please refer to Note 29.
### Liabilities attributable to financing activities

<table>
<thead>
<tr>
<th>MK millions</th>
<th>Liabilities</th>
<th>Cash flow from financing activities</th>
<th>Non-cash changes</th>
<th>Fair value</th>
<th>Accrued interest and fees</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 31, 2021</td>
<td>Non-cash changes (Note 26)</td>
<td>Exchange rate</td>
<td>Fair value</td>
<td>Accrued interest and fees</td>
<td>Dec 31, 2022</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>21,310</td>
<td>400</td>
<td>11,72</td>
<td>-423</td>
<td>1</td>
<td>22,975</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>400</td>
<td>395</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>795</td>
</tr>
<tr>
<td>Nordic Investment Bank (NIB)</td>
<td>1,990</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>1,994</td>
<td></td>
</tr>
<tr>
<td>European Investment Bank (EBI)</td>
<td>1,739</td>
<td>-</td>
<td>-</td>
<td>113</td>
<td>-</td>
<td>1,851</td>
</tr>
<tr>
<td>Syndicated loan facilities</td>
<td>-4</td>
<td>-17</td>
<td>-</td>
<td>-</td>
<td>-5</td>
<td>-26</td>
</tr>
<tr>
<td>Short-term loan</td>
<td>-183</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities to financial institutions and similar liabilities</td>
<td>21,712</td>
<td>594</td>
<td>12,246</td>
<td>-423</td>
<td>1</td>
<td>22,360</td>
</tr>
<tr>
<td>Exchange rate and fees</td>
<td>1,414</td>
<td>-1,295</td>
<td>1,173</td>
<td>75</td>
<td>-94</td>
<td>5,400</td>
</tr>
<tr>
<td>New leases</td>
<td>1,414</td>
<td>-1,295</td>
<td>1,173</td>
<td>75</td>
<td>-94</td>
<td>5,400</td>
</tr>
<tr>
<td>Derivatives</td>
<td>22</td>
<td>560</td>
<td>-</td>
<td>-</td>
<td>-25</td>
<td>531</td>
</tr>
<tr>
<td>Equipment financing</td>
<td>157</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>247</td>
</tr>
<tr>
<td>Supplier financing, Lithuanian licence</td>
<td>71</td>
<td>32</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>113</td>
</tr>
<tr>
<td>Total other interest-bearing liabilities</td>
<td>250</td>
<td>683</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>691</td>
</tr>
<tr>
<td>Total interest-bearing financial liabilities</td>
<td>31,837</td>
<td>-19</td>
<td>1,173</td>
<td>1,370</td>
<td>-674</td>
<td>95</td>
</tr>
</tbody>
</table>
### Other current liabilities

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEK million</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAT liability</td>
<td>333</td>
<td>347</td>
</tr>
<tr>
<td>Liability to Net4Mobility, joint operation in Sweden</td>
<td>84</td>
<td>159</td>
</tr>
<tr>
<td>Liability to Svenska UMTS-nät, joint operation in Sweden</td>
<td>22</td>
<td>56</td>
</tr>
<tr>
<td>Employee withholding tax</td>
<td>577</td>
<td>52</td>
</tr>
<tr>
<td>Debt to customers</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Debt to other operators</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>56</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total other current liabilities</strong></td>
<td>592</td>
<td>616</td>
</tr>
</tbody>
</table>

### NOTE 25 PROVISIONS

#### SEK million

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>853</td>
<td>4</td>
</tr>
<tr>
<td><strong>Disputes</strong></td>
<td>20</td>
<td>314</td>
</tr>
<tr>
<td><strong>Other provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pension and similar commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>853</td>
<td>4</td>
</tr>
</tbody>
</table>

#### SEK million

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>853</td>
<td>4</td>
</tr>
<tr>
<td><strong>Disputes</strong></td>
<td>20</td>
<td>314</td>
</tr>
<tr>
<td><strong>Other provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pension and similar commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>853</td>
<td>4</td>
</tr>
</tbody>
</table>

#### SEK million

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provisions, current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provisions, non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provisions are expected to fall due for payment according to below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total provisions</strong></td>
<td>1,362</td>
<td>1,610</td>
</tr>
</tbody>
</table>

Dismantling costs refer to dismantling and restoration of mobile and fixed network sites. Remaining provision as of December 31, 2022 is expected to be fully utilized during the coming 30 years. Other provisions include a provision made in connection with the Com Hem merger, related to an unfavorable fixed-price contract for supply of transmission. It amounted to SEK 203 (224) million as of December 31, 2022, and will be released over the contract period ending December 31, 2024. Other significant provisions included are restructuring provisions of 67 (60) million. For pension and similar commitments please see Note 31.

### NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel related expenses</strong></td>
<td>468</td>
<td>508</td>
</tr>
<tr>
<td><strong>External service expenses</strong></td>
<td>294</td>
<td>238</td>
</tr>
<tr>
<td><strong>Investments in non-current assets</strong></td>
<td>183</td>
<td>164</td>
</tr>
<tr>
<td><strong>Other telecom operators</strong></td>
<td>154</td>
<td>162</td>
</tr>
<tr>
<td><strong>Dealer commissions</strong></td>
<td>103</td>
<td>99</td>
</tr>
<tr>
<td><strong>Internet costs</strong></td>
<td>159</td>
<td>129</td>
</tr>
<tr>
<td><strong>Other accrued expenses</strong></td>
<td>510</td>
<td>145</td>
</tr>
<tr>
<td><strong>Total accrued expenses</strong></td>
<td>1,725</td>
<td>1,969</td>
</tr>
</tbody>
</table>

When Tele2 receives a payment but are still to deliver the agreed goods and services, a contract liability (deferred income) arises. The line item ‘Contracts’ refers to revenue from contract services, B2B projects and pre-received capacity and IRU revenue.

Revenue recognized included in the opening contract liability amounts to SEK 1,189 (1,191) million.
NOTE 27 PLEDGED ASSETS

Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2022 to SEK 156 (-183) million, please refer to Note 2. Tele2 has no other significant pledged items.

NOTE 28 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Other contractual commitments

<table>
<thead>
<tr>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments, investments</td>
<td>284</td>
</tr>
<tr>
<td>Commitments, other</td>
<td>5,820</td>
</tr>
<tr>
<td>Total future fees for other contractual commitments</td>
<td>6,204</td>
</tr>
</tbody>
</table>

Other commitments mainly relate to commitments for ordered and contracted goods and services that can not be cancelled without economic effects.

NOTE 29 LEASES

Tele2 as the lessee

Tele2’s leases consist mainly of lease of sites and base stations (including land), leased lines, premises, vehicles and other equipment. The additions consisting of new and modified leases amounted to SEK 1,370 (1,306) million. The carrying value of the lease assets are stated in Note 13. Many of the leases across the Group are open ended contracts, that run until either party terminate, or contain extension and termination options. These terms are reflected in measuring the lease liabilities especially for the lease categories sites and base stations and leased lines, as the options are reasonably certain to be exercised based on Tele2’s strategic plans, including assessment of future technology changes, and the importance of the underlying assets for the Group as well as costs associated with not extending the lease. The lease contracts contain no residual value guarantees.

Amounts recognised in income statement

<table>
<thead>
<tr>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense on right-of-use assets</td>
<td>-1,236</td>
</tr>
<tr>
<td>Interest expense on lease liabilities</td>
<td>-94</td>
</tr>
<tr>
<td>Expense relating to short-term leases</td>
<td>-5</td>
</tr>
<tr>
<td>Expense relating to leases of low value assets</td>
<td>-6</td>
</tr>
<tr>
<td>Expense relating to variable lease payments not included in the measurement of the lease liability</td>
<td>-2</td>
</tr>
<tr>
<td>Total leasing expenses for leases</td>
<td>-1,344</td>
</tr>
</tbody>
</table>

Continuing operations total cash outflow for leases amounted to SEK 1,309 (1,248) million.

Lease liabilities

The undiscounted lease liabilities are due for payment according to below. Approximately 40 to 50 percentage of the total liabilities are legally uncommitted but are per the definition of IFRS 16 determined to be enforceable and consequently included in the calculation of the lease liability.

<table>
<thead>
<tr>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>1,120</td>
</tr>
<tr>
<td>Within 1–2 years</td>
<td>1,191</td>
</tr>
<tr>
<td>Within 2–3 years</td>
<td>995</td>
</tr>
<tr>
<td>Within 3–4 years</td>
<td>869</td>
</tr>
<tr>
<td>Within 4–5 years</td>
<td>779</td>
</tr>
<tr>
<td>Within 5–10 years</td>
<td>635</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>139</td>
</tr>
<tr>
<td>Total undiscounted lease liabilities</td>
<td>5,885</td>
</tr>
</tbody>
</table>

Tele2 as the lessor

Leasing income during the year amount to SEK 107 (101) million and relates mainly to rent from other operators placing equipment on Tele2 sites as well as leased equipment to customers. Contract periods range from 3 to 25 years and generally have no option to purchase the asset at the expiry of the lease period. Contractual future lease income is stated below:

Operating leases

<table>
<thead>
<tr>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>25</td>
</tr>
<tr>
<td>Within 1–2 years</td>
<td>24</td>
</tr>
<tr>
<td>Within 2–3 years</td>
<td>23</td>
</tr>
<tr>
<td>Within 3–4 years</td>
<td>22</td>
</tr>
<tr>
<td>Within 4–5 years</td>
<td>16</td>
</tr>
<tr>
<td>Within 5–10 years</td>
<td>16</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>8</td>
</tr>
<tr>
<td>Total future lease income for operating leases</td>
<td>449</td>
</tr>
</tbody>
</table>
The Tele2 AB board consists of 57 (57) percent women and 43 (43) percent men, while the gender distribution in the Group Leadership Team is 44 (33) percent women and 56 (67) percent men on December 31, 2022. In January 2023 the Group Leadership gender distribution changed to 40 percent women and 60 percent men. The gender distribution between board of directors and senior management in all active group companies is presented in the table below. Senior management refers to managing directors and persons reporting directly to the managing directors.

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of whom</td>
<td>53</td>
<td>68</td>
</tr>
<tr>
<td>women</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>of whom</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>men</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>of whom</td>
<td>67%</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td>of whom</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>of whom</td>
<td>46%</td>
<td>48%</td>
</tr>
</tbody>
</table>

**Personnel costs**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and remunera-</td>
<td>2,156</td>
<td>2,156</td>
</tr>
<tr>
<td>tion (including</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>pension contributions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td>291</td>
<td>291</td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension expenses</td>
<td>3,422</td>
<td>3,423</td>
</tr>
<tr>
<td>Total personnel costs</td>
<td>3,422</td>
<td>3,423</td>
</tr>
</tbody>
</table>

**Pensions**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined-contribution</td>
<td>-258</td>
<td>-254</td>
</tr>
<tr>
<td>plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined-benefit plans</td>
<td>-33</td>
<td>-52</td>
</tr>
<tr>
<td>retirement pension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total pension expenses</td>
<td>-291</td>
<td>-296</td>
</tr>
</tbody>
</table>

Most of Tele2 employees are in a defined contribution pension plan, with the majority in ITPI. Through previous acquisitions and historically, Tele2 has allowed defined pension plans. The defined benefit plans relate essentially to Sweden, where companies included in the Group are affiliated to PRI Pensionsgarant or Skandia. For companies affiliated to PRI Pensionsgarant, the company obligation under the ITP-plan (ITP2) retirement pension are recognized as a liability in the balance sheet. A part of the liability for retirement pension is closed for new entries and instead premiums are paid to Collectum and Alecta for the employees. Additional information regarding the defined-benefit retirement plans is shown in the following tables.

### NOTE 30  SUPPLEMENTARY CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-408</td>
<td>394</td>
</tr>
<tr>
<td>Finance items paid</td>
<td>1</td>
<td>-2</td>
</tr>
<tr>
<td>Dividend received</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>1,226</td>
<td>1,704</td>
</tr>
</tbody>
</table>

### NOTE 31  NUMBER OF EMPLOYEES AND PERSONNEL COSTS

#### EMPLOYEES

**Average number of employees**
The average number of employees and related gender distribution presented in the table below is calculated on the basis of full time equivalents.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>4,111</td>
<td>4,144</td>
</tr>
<tr>
<td>of whom</td>
<td>42%</td>
<td>41%</td>
</tr>
<tr>
<td>women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>58%</td>
<td>49%</td>
</tr>
</tbody>
</table>

**Number of employees**

On December 31, 2022 the number of employees in Tele2 was 4,438 (4,435), of which 45 (45) percent women and 55 (55) percent men. A breakdown by market and gender distribution is presented below.

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing/operations</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>of whom</td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>Sweden</td>
<td>2,789</td>
<td>32%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>773</td>
<td>70%</td>
</tr>
<tr>
<td>Latvia</td>
<td>484</td>
<td>58%</td>
</tr>
<tr>
<td>Estonia</td>
<td>390</td>
<td>67%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>4,438</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Board of Directors and CEO**

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>57</td>
<td>53</td>
</tr>
<tr>
<td>of whom</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Other employees</td>
<td>2,529</td>
<td>2,511</td>
</tr>
<tr>
<td>of whom</td>
<td>1,019</td>
<td>1,039</td>
</tr>
<tr>
<td>women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>288</td>
<td>291</td>
</tr>
<tr>
<td>men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>Total</td>
<td>2,586</td>
<td>2,542</td>
</tr>
<tr>
<td>of whom</td>
<td>1,059</td>
<td>1,039</td>
</tr>
<tr>
<td>women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>296</td>
<td>296</td>
</tr>
<tr>
<td>men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of whom</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>Total numbers of employees</td>
<td>4,565</td>
<td>4,438</td>
</tr>
</tbody>
</table>

**Definitions**

- **TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022**
- **NOTES – GROUP**
- **Introduction**
- **Board of Directors’ report**
- **Remuneration report**
- **Sustainability report**
- **Financial statements**
- **Notes – Group**
- **Notes – Parent company**
- **Proposed appropriation of profit**
- **Auditor’s report**
- **Definitions**
### Income statement

<table>
<thead>
<tr>
<th>Item</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service costs</td>
<td>-25</td>
<td>-24</td>
</tr>
<tr>
<td>Net interest cost</td>
<td>-1</td>
<td>-6</td>
</tr>
<tr>
<td>Curtailments/settlements</td>
<td>-6</td>
<td>-1</td>
</tr>
<tr>
<td>Defined-benefit plans, retirement pension</td>
<td>-3</td>
<td>-32</td>
</tr>
<tr>
<td>Special employer’s contribution</td>
<td></td>
<td>-3</td>
</tr>
<tr>
<td>Net cost recognized in the income statement</td>
<td>-33</td>
<td>-36</td>
</tr>
</tbody>
</table>

### Balance sheet

<table>
<thead>
<tr>
<th>Item</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of funded obligations</td>
<td>-538</td>
<td>-786</td>
</tr>
<tr>
<td>Present value of non-funded obligations</td>
<td>-2</td>
<td>-3</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>521</td>
<td>590</td>
</tr>
<tr>
<td>Net</td>
<td>-19</td>
<td>-199</td>
</tr>
<tr>
<td>Special employer’s contribution</td>
<td>-38</td>
<td>-38</td>
</tr>
<tr>
<td>Net asset (+) / obligation (–) in balance sheet</td>
<td>-57</td>
<td>-237</td>
</tr>
</tbody>
</table>

### Movements

<table>
<thead>
<tr>
<th>Item</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net asset (+) / obligation (–) at beginning of year</td>
<td>-237</td>
<td>-533</td>
</tr>
<tr>
<td>Net</td>
<td>-33</td>
<td>-56</td>
</tr>
<tr>
<td>Payments</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Actuarial gains/(losses) in other comprehensive income</td>
<td>189</td>
<td>116</td>
</tr>
<tr>
<td>Net asset (+) / obligation (–) at end of year</td>
<td>-53</td>
<td>-237</td>
</tr>
</tbody>
</table>

### Important actuarial assumptions

<table>
<thead>
<tr>
<th>Item</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>3.7%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Annual salary increases</td>
<td>3.0%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Annual pension increases</td>
<td>1.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Long-term inflation assumption</td>
<td>2.0%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

### REMUNERATION FOR SENIOR EXECUTIVES

<table>
<thead>
<tr>
<th>Item</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO and President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kjell Johnsen</td>
<td>8,8</td>
<td>6,7</td>
</tr>
<tr>
<td>Other senior executives</td>
<td>22,6</td>
<td>11,8</td>
</tr>
<tr>
<td>Total salaries and remuneration to senior executives</td>
<td>31,3</td>
<td>16,7</td>
</tr>
</tbody>
</table>

1. The variable short-term remuneration program 2022 for Senior Executives (and other Managers in Sweden) are weighted 80% on financial criteria and 20% on non-financial criteria of which 5% are weighted on Sustainability goals. Sustainability goals for 2022 are measuring percentage of female employees and CO2 emission reductions. Individual goals are weighted 15% and are measuring goals linked to business impact including Telia values and Telia code of conduct.

At the end of the year, the group other senior executives comprise of 8 (8) persons. The increase in remuneration for other senior executives compared with previous year is a result of senior executives being eight persons the entire year of 2022, whereas some of the senior executives were partly reported during 2021 since hired during that year.

### Guidelines for remuneration to senior executives

The current guidelines for remuneration to senior executives were approved by the Annual General Meeting 2020 and are presented below. The Board’s proposal for the Annual General Meeting in 2023 to resolve on updated Guidelines for remuneration to senior executives are presented in the Board of Directors’ report.
Applicability
Senior executives covered by the provisions of these guidelines include the CEO and members of the Group Leadership Team ("senior executives"). For the purpose of these guidelines, senior executives also include Board Members, elected at General Meetings, to the extent such Board Members perform services within their respective areas of expertise outside of their Board duties. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed; and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not impose restrictions to any remuneration decided or approved by General Meetings. Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Our approach to the remuneration guidelines
The remuneration policy provides a structure that aligns remuneration with the successful delivery of our long-term business strategy, interests and sustainability.

In short, the company’s business strategy is the following:
Tele2’s vision is to be the smartest telco in the world, creating a world of unlimited possibilities. We enable the transformation of businesses and the creation of tomorrow’s infrastructure. Connecting people and technology far and wide, as well as right here around us. Simple. Sustainable. Smart. Tele2’s values are Fearless, Open, Cost Efficient, Reliable and Flexible. These values together constitute “The Tele2 Way” – our way of relating to each other internally, and to the world around us. Tele2’s culture and strong values, “The Tele2 Way”, make the foundation for attracting and retaining driven and engaged talent.

The aim is to create incentives for the management to execute strategic plans and deliver excellent operating results, and to align management’s incentives with the interests of the shareholders.

General Meetings in Tele2 have separately resolved on long-term share and share-price related incentive plans. Going forward, any new long-term share and share-price related incentive plans will be resolved upon separately by the General Meetings and are therefore not covered by these guidelines since these guidelines do not impose restrictions to any remuneration decided or approved by General Meetings.

The evaluation for financial objectives shall be based on the latest financial information made public by the company. The variable short-term remuneration (“STI”) shall be linked to predetermined and measurable criteria, measured over a period of maximum one year, which can be financial, such as EBITDA or revenue, or non-financial, such as sustainability. In addition, they may be individualized, quantitative or qualitative objectives. For senior executives, the financial criteria are weighted 80 percent and the non-financial criteria are weighted 20 percent. The criteria shall be designed to contribute to the company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy, “The Tele2 Way” or promote the senior executives’ long-term development.

The variable short-term remuneration can amount to a maximum of 100 percent of the annual fixed base salary.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and/or determined when the measurement period has ended.

The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the senior executives.

The evaluation for financial objectives shall be based on the latest financial information made public by the company.

Variable long-term incentives, including criteria for awarding
The structure of any variable long-term incentives shall ensure a long-term commitment for Tele2’s development and value creation and may be both share and share-price related as well as cash based. Going forward, any long-term share and share-price related incentive plans will be resolved upon separately by the General Meetings and are therefore not covered by these guidelines.
Salary and employment conditions for employees
In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee’s and the Board’s basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

Termination of employment
The maximum period of notice of termination of employment shall be twelve months in the event of termination by the CEO and six months in the event of termination by any of the other senior executives. In the event of termination by the company, the maximum notice period during which compensation is payable is eighteen months for the CEO and twelve months for any of the other senior executives. Additionally, remuneration may be paid for non-compete undertakings and such remuneration shall compensate loss of income. The remuneration shall be paid during the time the non-compete undertaking applies, however not for more than six months. With regard to the CEO, the remuneration shall amount to not more than 60 percent of the CEO’s average monthly remuneration (both fixed and variable) paid by the company during the twelve months preceding the time of termination and with regard to other senior executives, the remuneration shall amount to not more than 80 percent of the senior executive’s monthly base salary at the time of the termination.

Pension benefits
The senior executives are offered defined contribution pension plans, including health insurance. Defined contributions for pensions to the CEO and the other senior executives can amount to a maximum of 20 percent premium based on the annual fixed base salary and the STI, which could maximum lead to 40 percent of the annual fixed base salary.

Other benefits
Other benefits may include e.g. company cars, health care insurance and for expatriated senior executives e.g. housing benefits for a limited period of time. Such benefits may amount to not more than five percent of the annual fixed base salary.

Deviations from guidelines for remuneration to senior executives
According to the remuneration guidelines, the Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company’s long-term interests, including its sustainability, or to ensure the company’s financial viability. In view of the importance that the Company reaches the Business Transformation Program communicated to the market as well as attributes to Group Executives and selected key individuals continued is reached. The defined goal is to reach the cost savings in line with the externally communicated business transformation program. The CEO has in addition one KPI, part of one Time Transformation Award, which is the delivery of the of Tele2 Group revenue target during the vesting period.

Derogation from the guidelines
The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. In 2021, the Board has resolved to derogate from the guidelines in two instances. First, the Board has awarded a new variable short-term incentive, the One Time Transformation Award to the senior executives that is measured over two and a half financial years and not one year as stated in the guidelines. Further, in respect of the CEO, for 2022 and 2023, the variable short-term remuneration can amount to maximum 175 percent of the annual fixed base salary, due to the implementation of the One Time Transformation Award, whilst the maximum outcome in the guidelines is set to 100 percent. For three Group Executives the implementation of the One Time transformation award, can lead to a payout of maximum 115% of short-term variable remuneration in relation to the annual fixed base salary, during two years.

The decision-making process to determine, review and implement the guidelines
The Board has established a remuneration committee. The committee’s tasks include preparing the Board’s decision to propose guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other senior executives do not participate in the Board’s processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Other benefits may include e.g. company cars, health care insurance and for expatriated senior executives e.g. housing benefits for a limited period of time. Such benefits may amount to not more than five percent of the annual fixed base salary.

The decision-making process to determine, review and implement the guidelines
The Board has established a remuneration committee. The committee’s tasks include preparing the Board’s decision to propose guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other senior executives do not participate in the Board’s processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a derogation is necessary to serve the company’s long-term interests, including its sustainability, or to ensure the company’s financial viability. As set out above, the remuneration committee’s tasks include preparing the Board’s resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Deviations from guidelines for remuneration to senior executives
According to the remuneration guidelines, the Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company’s long-term interests, including its sustainability, or to ensure the company’s financial viability. In 2021, the Board has resolved to derogate from the guidelines in two instances. First, the Board has awarded a new variable short-term incentive, the One Time Transformation Award to the senior executives that is measured over two and a half financial years and not one year as stated in the guidelines. Further, in respect of the CEO, for 2022 and 2023, the variable short-term remuneration can amount to maximum 175 percent of the annual fixed base salary, due to the implementation of the One Time Transformation Award, whilst the maximum outcome in the guidelines is set to 100 percent. For three Group Executives the implementation of the One Time transformation award, can lead to a payout of maximum 115% of short-term variable remuneration in relation to the annual fixed base salary, during two years.

In view of the importance that the Company reaches the Business Transformation Program communicated to the market as well as attributes to Group Executives and selected key individuals continued is reached. The defined goal is to reach the cost savings in line with the externally communicated business transformation program. The CEO has in addition one KPI, part of one Time Transformation Award, which is the delivery of the one Time Transformation Award, which is the delivery of the of Tele2 Group revenue target during the vesting period.
The objective of the long-term incentive programs (LTI) is to create conditions for retaining competent employees in the Tele2 Group. The program has been designed based on the view that it is desirable that senior executives and other key employees within the Group are shareholders in Tele2 AB. Participation in the Plan requires a personal investment in Tele2 shares, by shares already held or shares purchased on the market in connection with the application to participate in the Plan.

By offering an allotment of retention rights and performance rights which are based on profits and other retention and performance-based conditions, the participants are rewarded for increasing shareholder value. Furthermore, the program rewards employees’ loyalty and long-term growth in the Group. In that context, the Board of Directors is of the opinion that the program will have a positive effect on the future development of the Tele2 Group and thus be beneficial to both the company and its shareholders.

The LTI programs are usually launched annually after approval from the Annual General Meeting, and run for around 3 years. In 2022, LTI 2019 was finalized and LTI 2022 was launched.

**Outcome LTI 2019**

The exercise of the share rights in LTI 2019 was conditional upon the fulfillment of certain retention and performance based conditions, measured from April 1, 2019 until March 31, 2022. The outcome of these performance conditions was in accordance with below and the outstanding 1,101,876 share rights have been exchanged for shares in Tele2 during Q2 2022.

**Long-term incentive program (LTI)**

The objective of the long-term incentive programs (LTI) is to create conditions for retaining competent employees in the Tele2 Group. The program has been designed based on the view that it is desirable that...
# Conditions and status LTI 2020–2022

The principles and structure described for LTI 2022 above also apply for LTI 2020 and LTI 2021. All three ongoing programs include the conditions absolute TSR, relative TSR and accumulated operating cash flow.

Status LTI 2020: Since April 1, 2020 (the start of the TSR measurement period) until December 31, 2022, the Tele2 Group has reached a total shareholder return (TSR) of -11%. The TSR development relative to the assessed peer group was -14% for the same period. The TSR measurement period ends at March 31, 2023. Accumulated operating cashflow for the completed measurement period reached 104% of the targeted level.

Status LTI 2021: Since April 1, 2021 (the start of the TSR measurement period) until December 31, 2022, the Tele2 Group has reached a total shareholder return (TSR) of -6%. The TSR development relative to the assessed peer group was -8% for the same period. The TSR measurement period ends at March 31, 2024. Accumulated operating cashflow for 2021 and 2022 (two out of three years of the measurement period) reached 105% of the targeted level.

Status LTI 2022: Since April 1, 2022 (the start of the TSR measurement period) until December 31, 2022, the Tele2 Group has reached a total shareholder return (TSR) of -24%. The TSR development relative to the assessed peer group was -11% for the same period. The TSR measurement period ends at March 31, 2025. Operating cashflow for the full year 2022 (the first out of three years of the measurement period) reached 104% of the targeted level.

## Outstanding share rights LTI 2019–2022

<table>
<thead>
<tr>
<th>Period</th>
<th>Series A</th>
<th>Series B</th>
<th>Series C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2022</td>
<td>1,460,226</td>
<td>1,414,817</td>
<td>—</td>
</tr>
</tbody>
</table>

No share rights were exercisable at the end of the year.

### Conditions and status LTI 2020–2022

#### Retention and performance based conditions (ranges)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Series A</th>
<th>Series B</th>
<th>Series C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated value</td>
<td>1,448,867</td>
<td>1,298,933</td>
<td>306,881</td>
</tr>
</tbody>
</table>

#### Financial statements

<table>
<thead>
<tr>
<th>Year</th>
<th>Series A</th>
<th>Series B</th>
<th>Series C</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1,448,867</td>
<td>1,298,933</td>
<td>306,881</td>
</tr>
</tbody>
</table>

#### Notes

Costs and liabilities
Total cost before tax for outstanding incentive programs and liability is stated below.

<table>
<thead>
<tr>
<th></th>
<th>SEK million Actual costs before tax</th>
<th>Expected cumulative cost during vesting period</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>LT 2022</td>
<td>27</td>
<td>—</td>
<td>123</td>
</tr>
<tr>
<td>LT 2021</td>
<td>30</td>
<td>23</td>
<td>101</td>
</tr>
<tr>
<td>LT 2020</td>
<td>26</td>
<td>28</td>
<td>95</td>
</tr>
<tr>
<td>LT 2019</td>
<td>16</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>LT 2018</td>
<td>16</td>
<td>16</td>
<td>—</td>
</tr>
<tr>
<td>Total, all long-term programs</td>
<td>100</td>
<td>95</td>
<td>419</td>
</tr>
<tr>
<td>Total, short-term programs</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Note 32: FEES TO THE APPOINTED AUDITOR

<table>
<thead>
<tr>
<th></th>
<th>SEK million Audit fees</th>
<th>Other elected auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deloitte</td>
<td>Other elected auditors</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Audit fees</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Audit-related fees</td>
<td>—</td>
<td>0</td>
</tr>
<tr>
<td>Consultation, all other fees</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total fees per appointed auditor</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Total fees to the appointed auditors</td>
<td>10</td>
<td>—</td>
</tr>
</tbody>
</table>

Note 33: DISCONTINUED OPERATIONS

Discontinued operations includes Tele2’s former operations in Germany, Croatia, Kazakhstan, Netherlands, and Switzerland.

Tele2 Germany
In December 2020 Tele2 completed the divestment of its German business to the Tele2 Germany management. The purchase price included an earnout component, dependent upon the financial performance of the business until the end of 2024. So far Tele2 has received accumulated earnout payments of SEK 147 million, of which SEK 52 million during 2022. On December 31, 2022 the estimated fair value of the future cash flows amounted to SEK 54 million (December 31, 2021; SEK 92 million).

Tele2 Croatia
In March 2020 Tele2 completed the divestment of its Croatian business to United Group. During 2022 an amount of SEK 8 million has been expensed related to an ongoing dispute, including FX effects on existing provisions.

Tele2 Kazakhstan
In March 2019, the Swedish Tax Agency rejected Tele2’s claim for a deduction of an exchange loss related to a conversion of a shareholder loan from USD to Kazakh Tenge in connection with the establishment of Tele2’s previous joint venture in Kazakhstan. Tele2 appealed the decision and the Administrative Court of Appeal has finally in November 2022 ruled completely in favour of Tele2. The judgment has become final and Tele2 has decided to release the provision of in total SEK 363 million, divided on interest expenses SEK 25 million and income tax on capital gain SEK 337 million.

Tele2 Netherlands
In January 2019, Tele2 and Deutsche Telekom completed the combination of Tele2 Netherlands and T-Mobile Netherlands. Tele2 Netherlands was sold for SEK 19 billion and 25 percent share in the combined company. In 2021 Tele2 reported a positive impact of SEK 130 million related to a dispute attached to the former Tele2 operation in the Netherlands, as the dispute is now resolved.

Tele2 Switzerland
In 2008 Tele2 sold its operations in Switzerland to TDC Sunrise. In 2021 Tele2 reported a positive effect in the income statement of SEK 193 million related to a settled dispute with Swisscom, attached to Tele2’s former Swiss operation. In 2021, Tele2 also received the corresponding payment of SEK 209 million, of which SEK 16 million has been distribution to a third party during 2022.
Income statement
All discontinued operations are included in the income statement below, with a retrospective effect on previous periods.

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>—</td>
<td>—3</td>
</tr>
<tr>
<td>Operating profit</td>
<td>—</td>
<td>—3</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>12</td>
<td>—</td>
</tr>
<tr>
<td>Profit/loss after financial items</td>
<td>22</td>
<td>—4</td>
</tr>
<tr>
<td>Net profit/loss from the operation</td>
<td>22</td>
<td>—8</td>
</tr>
<tr>
<td>Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain</td>
<td>2</td>
<td>254</td>
</tr>
<tr>
<td>of which Germany</td>
<td>18</td>
<td>46</td>
</tr>
<tr>
<td>of which Croatia</td>
<td>—8</td>
<td>—13</td>
</tr>
<tr>
<td>of which Netherlands</td>
<td>—</td>
<td>128</td>
</tr>
<tr>
<td>of which Switzerland</td>
<td>—</td>
<td>193</td>
</tr>
<tr>
<td>Income tax from capital gain</td>
<td>337</td>
<td>—</td>
</tr>
<tr>
<td>of which Kazakhstan</td>
<td>337</td>
<td>—</td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>361</td>
<td>346</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the parent company</td>
<td>361</td>
<td>346</td>
</tr>
</tbody>
</table>

Balance sheet
Assets and liabilities associated with assets held for sale as of December 31, 2022 refer to earnouts, provisions and other liabilities related to divested operations.

In 2021, Tele2 AB entered into an agreement to sell the 25 percent share in T-Mobile Netherlands, subject to customary closing conditions. The asset was therefore reclassified to Asset held for sale. The divestment was completed during Q1 2022. See note 14 for further details.

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in associated companies</td>
<td>—</td>
<td>7,366</td>
</tr>
<tr>
<td>Financial assets</td>
<td>32</td>
<td>78</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>52</td>
<td>7,344</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>22</td>
<td>14</td>
</tr>
<tr>
<td>Current receivables</td>
<td>32</td>
<td>14</td>
</tr>
<tr>
<td>Current assets</td>
<td>22</td>
<td>14</td>
</tr>
<tr>
<td>Asset classified as held for sale</td>
<td>54</td>
<td>7,408</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing</td>
<td>26</td>
<td>49</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>26</td>
<td>49</td>
</tr>
<tr>
<td>Interest-bearing</td>
<td>61</td>
<td>54</td>
</tr>
<tr>
<td>Non-interest-bearing</td>
<td>4</td>
<td>358</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>65</td>
<td>413</td>
</tr>
<tr>
<td>Liabilities directly associated with assets classified as held for sale</td>
<td>92</td>
<td>462</td>
</tr>
</tbody>
</table>

Cash flow statement

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit/loss</td>
<td>—</td>
<td>—8</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>22</td>
<td>129</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>27</td>
<td>327</td>
</tr>
</tbody>
</table>
NOTE 34  JOINT OPERATIONS AND OTHER RELATED PARTIES

Business relations and pricing between Tele2 and all related parties are based on commercial terms and conditions. During 2022, Tele2 engaged in transactions with the following related companies/persons:

Joint operations

Svenska UMTS-nät AB, Sweden
Tele2 is one of two turnkey contractors which plan and operate the joint operation Svenska UMTS-nät AB’s 3G network. Tele2 and Telia Company each own 50 percent and both companies have contributed capital to the 3G company. In addition to this, the build-out was financed by the owners. Based on an agreement from 2020 Tele2 and Telia Company have during 2021 started to gradually decommission the 3G network with the aim to have the network fully shut down by the end of 2024.

Net4Mobility HB, Sweden
Net4Mobility is an infrastructure joint operation between Tele2 Sweden and Telenor Sweden, where each party owns 50 percent. The company’s mission is to build and operate the combined 2G, 4G and 5G network. The network enables Tele2 and Telenor to offer their customers mobile services for data communications and voice. The build-out has owner financing.

SIA centuria, Latvia and Lithuania
In 2019 Tele2 and Bite partnered to investigate a shared mobile network and spectrum setup in Latvia and Lithuania. However, since the partnership only received partial regulatory approval, Tele2 and Bite agreed in 2021 to terminate the cooperation agreements and the companies were liquidated during 2022.

Extracts from the income statements, balance sheets and cash flow statements

The tables below show summarized financial information for significant joint operations before inter-company eliminations.

<table>
<thead>
<tr>
<th>Joint operation</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SEK million</td>
<td>SEK million</td>
</tr>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Svenska UMTS-nät, Sweden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>768</td>
<td>1,629</td>
</tr>
<tr>
<td>Operating profit</td>
<td>114</td>
<td>118</td>
</tr>
<tr>
<td>Profit/loss before tax</td>
<td>115</td>
<td>-93</td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>91</td>
<td>-93</td>
</tr>
<tr>
<td><strong>Balance sheet</strong></td>
<td>Dec 31, 2022</td>
<td>Dec 31, 2021</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>—</td>
<td>2,887</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>271</td>
<td>3,254</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>232</td>
<td>2,020</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>27</td>
<td>—</td>
</tr>
<tr>
<td>Current assets</td>
<td>890</td>
<td>765</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,421</td>
<td>8,926</td>
</tr>
<tr>
<td>Equity</td>
<td>891</td>
<td>-556</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>—</td>
<td>3,053</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>212</td>
<td>4,356</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>318</td>
<td>2,093</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1,421</td>
<td>8,926</td>
</tr>
<tr>
<td>Cash flow statement</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>78</td>
<td>131</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>41</td>
<td>181</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>119</td>
<td>142</td>
</tr>
</tbody>
</table>
Note 34 cont.

Other related parties
Senior executives and Board members
Information related to senior executives and Board members is presented in Note 31.

Kinnevik Group
Tele2 rented premises from Kinnevik during 2021, but not during 2022.

Joint ventures and associated companies
Information about joint ventures and associated companies is presented in Note 15.

Transactions and balances
Transactions between Tele2 and joint operations are included to 100 percent below. In the consolidated financial statements the joint operations are however based on Tele2’s share of assets, liabilities, revenues and expenses (50 percent).

<table>
<thead>
<tr>
<th>In millions</th>
<th>Revenue</th>
<th>Operating expenses</th>
<th>Interest revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Kinnevik</td>
<td>0</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>Joint ventures and associated companies</td>
<td>263</td>
<td>159</td>
<td>-1,133</td>
</tr>
<tr>
<td>Joint operations</td>
<td>264</td>
<td>253</td>
<td>-1,158</td>
</tr>
<tr>
<td>Total</td>
<td>264</td>
<td>252</td>
<td>-1,158</td>
</tr>
</tbody>
</table>

NOTE 35 EVENTS AFTER THE END OF THE FINANCIAL YEAR
No significant events expected to have a material effect on Tele2’s financial statements have occurred after the end of the financial year.

SEK million Other
receivables
Interest-bearing
receivables
Non-interest-bearing
liabilities
Interest-bearing
liabilities
Joint ventures and associated companies 0 4 - - 1 1 - -
Joint operations 1,450 642 1,200 1,165 213 291 300 110
Total 1,450 646 1,200 1,165 214 292 300 110
### Parent company's income statement

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>2</td>
<td>46</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td></td>
<td>49</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-95</td>
<td>-130</td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-7</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>-47</td>
<td>-41</td>
<td></td>
</tr>
<tr>
<td>Profit/loss from financial investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend from Group companies</td>
<td>6,300</td>
<td>7,325</td>
<td>6,300</td>
</tr>
<tr>
<td>Other interest revenue and similar income</td>
<td>189</td>
<td>166</td>
<td></td>
</tr>
<tr>
<td>Interest expense and similar costs</td>
<td>-836</td>
<td>-549</td>
<td></td>
</tr>
<tr>
<td>Profit/loss after financial items</td>
<td>5,605</td>
<td>6,851</td>
<td></td>
</tr>
<tr>
<td>Appropriations, untaxed reserves</td>
<td>-380</td>
<td>-230</td>
<td></td>
</tr>
<tr>
<td>Appropriations, group contribution</td>
<td>2,247</td>
<td>1,430</td>
<td></td>
</tr>
<tr>
<td>Tax on profit/loss for the year</td>
<td>-251</td>
<td>-144</td>
<td></td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>7,222</td>
<td>7,907</td>
<td></td>
</tr>
</tbody>
</table>

### Parent company's comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET PROFIT/LOSS</td>
<td></td>
<td>7,222</td>
<td>7,907</td>
</tr>
<tr>
<td>Components that may be reclassified to net profit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain/loss arising on changes in fair value of hedging instruments</td>
<td>130</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Reclassified cumulative loss to income statement</td>
<td>-27</td>
<td>-30</td>
<td></td>
</tr>
<tr>
<td>Tax effect on cash flow hedges</td>
<td>-21</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>Components that may be reclassified to net profit</td>
<td>82</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td>82</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</td>
<td>7,303</td>
<td>7,931</td>
<td></td>
</tr>
</tbody>
</table>

### Definitions

- **Note**: Additional information or footnotes related to the financial statements.

### References

- **Introduction**: Page 3
- **Board of Directors’ report**: Page 12
- **Remuneration report**: Page 42
- **Sustainability report**: Page 46
- **Financial statements**: Page 94
  - **Financial statements – Group**: Page 95
  - **Notes – Group**: Page 99
  - **Financial statements – Parent company**: Page 144
  - **Notes – Parent company**: Page 147
- **Proposed appropriation of profit**: Page 161
- **Auditor’s report**: Page 162
- **Definitions**: Page 157

---

**TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022**

Page: 144
## Parent company's balance sheet

### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Shares in group companies</td>
<td>60,894</td>
<td>60,894</td>
</tr>
<tr>
<td>9</td>
<td>Receivables from group companies</td>
<td>12,359</td>
<td>11,358</td>
</tr>
<tr>
<td>6</td>
<td>Deferred tax assets</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>8</td>
<td>Other financial assets</td>
<td>85</td>
<td>79</td>
</tr>
<tr>
<td>33</td>
<td>Non-current assets</td>
<td>73,337</td>
<td>72,347</td>
</tr>
<tr>
<td>9</td>
<td>Other receivables from group companies</td>
<td>2,300</td>
<td>3,385</td>
</tr>
<tr>
<td>10</td>
<td>Other current receivables</td>
<td>140</td>
<td>147</td>
</tr>
<tr>
<td>5</td>
<td>Prepaid expenses and accrued income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Current receivables</td>
<td>2,444</td>
<td>3,596</td>
</tr>
<tr>
<td>156</td>
<td>Restricted Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>156</td>
<td>Current investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Cash and cash equivalents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td>2,601</td>
<td>3,536</td>
</tr>
</tbody>
</table>

### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>869</td>
<td>866</td>
</tr>
<tr>
<td>Restricted reserves</td>
<td>4,985</td>
<td>4,985</td>
</tr>
<tr>
<td>Restricted equity</td>
<td>5,854</td>
<td>5,851</td>
</tr>
<tr>
<td>Reserves</td>
<td>22,499</td>
<td>22,418</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,205</td>
<td>8,852</td>
</tr>
<tr>
<td>Net profit</td>
<td>7,222</td>
<td>7,907</td>
</tr>
<tr>
<td>Unrestricted equity</td>
<td>32,927</td>
<td>39,177</td>
</tr>
<tr>
<td>Equity</td>
<td>38,781</td>
<td>46,028</td>
</tr>
<tr>
<td>Untaxed reserves</td>
<td>610</td>
<td>230</td>
</tr>
<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
<td>24,080</td>
<td>22,390</td>
</tr>
<tr>
<td>Pension and similar commitments</td>
<td>107</td>
<td>112</td>
</tr>
<tr>
<td>Other liabilities to group companies</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>29,192</td>
<td>27,502</td>
</tr>
<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
<td>2,550</td>
<td>2,783</td>
</tr>
<tr>
<td>Provisions</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Other liabilities to group companies</td>
<td>4,201</td>
<td>5</td>
</tr>
<tr>
<td>Other interest-bearing liabilities</td>
<td>12</td>
<td>330</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>7,105</td>
<td>2,795</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>43</td>
<td>147</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Other liabilities to group companies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>201</td>
<td>179</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>281</td>
<td>330</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>7,356</td>
<td>3,123</td>
</tr>
</tbody>
</table>

### TOTAL ASSETS

- **75,938**

### TOTAL EQUITY AND LIABILITIES

- **75,938**
Parent company’s cash flow statement

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>-47</td>
<td>-91</td>
</tr>
<tr>
<td>Adjustments for non-cash items in operating loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Incentive program</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-344</td>
<td>-343</td>
</tr>
<tr>
<td>Finance items paid</td>
<td>0</td>
<td>-2</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-350</td>
<td>-185</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Operating receivables</td>
<td>-2</td>
<td>2</td>
</tr>
<tr>
<td>- Operating liabilities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-723</td>
<td>-614</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets, lending</td>
<td>-156</td>
<td>—</td>
</tr>
<tr>
<td>Lending to group companies</td>
<td>13,934</td>
<td>6,450</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>13,778</td>
<td>6,450</td>
</tr>
<tr>
<td>Cash flow after investing activities</td>
<td>13,055</td>
<td>5,837</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from credit institutions and similar liabilities</td>
<td>4,483</td>
<td>5,202</td>
</tr>
<tr>
<td>Repayment of loans from credit institutions and similar liabilities</td>
<td>-1,876</td>
<td>-4,634</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-13,629</td>
<td>-4,834</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>-13,056</td>
<td>-5,837</td>
</tr>
</tbody>
</table>

Change in parent company’s equity

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Restricted equity</th>
<th>Unrestricted equity</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>Restricted reserve</td>
<td>Hedge reserve</td>
<td>Share premium reserve</td>
</tr>
<tr>
<td>Equity at January 1, 2022</td>
<td>866</td>
<td>4,985</td>
<td>25</td>
</tr>
<tr>
<td>Net profit</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td>—</td>
<td>82</td>
<td>—</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>—</td>
<td>82</td>
<td>—</td>
</tr>
<tr>
<td>Other changes in equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based payments, tax effect</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from issuances of shares</td>
<td>3</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repurchased shares</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Dividends</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Equity at December 31, 2022</td>
<td>869</td>
<td>4,985</td>
<td>107</td>
</tr>
</tbody>
</table>

| Equity at January 1, 2021 | 863 | 4,985 | 1 | 22,393 | 14,999 | 43,240 |
| Net profit | — | — | — | — | 7,907 | 7,907 |
| Other comprehensive income for the year, net of tax | — | 25 | — | — | — | 25 |
| Total comprehensive income for the year | — | 25 | — | — | — | 7,931 |
| Other changes in equity | | | | | | |
| Share-based payments, tax effect | — | — | — | — | 2 | 2 |
| Proceeds from issuances of shares | 3 | — | — | — | — | 3 |
| Repurchased shares | — | — | — | — | -3 | -3 |
| Dividends | — | — | — | — | -13,629 | -13,629 |
| Equity at December 31, 2021 | 866 | 4,985 | 25 | 22,393 | 16,759 | 45,028 |
### Notes

#### NOTE 1 ACCOUNTING PRINCIPLES AND OTHER INFORMATION

The parent company’s financial statements have been prepared according to the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board.

The parent company follows the same accounting policies as the Group (see Group Note 1) with the following exceptions.

**Subsidiaries**

Shares in subsidiaries are recognized at cost, including expenses directly related to the acquisition, less any impairment.

**Classification and measurement of financial instruments**

IFRS 9 Financial Instruments is adopted, except regarding financial guarantees where the exception allowed in RFR 2 is chosen. Financial guarantees are included in contingent liabilities.

Internal loans are managed by the Group’s Corporate Affairs function and all internal credit facilities are reviewed on regular basis. Internal loans are managed to collect contractual cash flows and is therefore designated as amortized cost. Impairment losses are calculated based on expected credit losses.

**Group contribution and shareholders’ contribution**

Group contributions are reported as appropriations in the income statement. Shareholders’ contribution is reported in equity in the receiving company and is activated as shares in group companies in the parent company, unless a write-down is required.

**Pensions**

The parent company applies defined contribution plans in line with the group’s accounting policy, but they are secured with endowment insurances accounted for under financial assets. This means that the pension premium payments are accounted for both as a financial asset and as a provision under Pension and similar commitments. The premiums are not tax deductible until they are paid out as pensions.

**Taxes**

Untaxed reserves are reported without split on equity and deferred tax in the balance sheet of the parent company, unlike how it is reported in the group. Correspondingly, in the income statement, no allocation of appropriations to deferred tax expense is made.

**Other information**

The annual report has been approved by the Board of Directors on March 30, 2023. The balance sheet and income statement are subject to adoption by the Annual General Meeting on May 15, 2023.

---

#### NOTE 2 REVENUE

Revenue relates to sales to other companies within the Group.

#### NOTE 3 OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating expenses</td>
<td>-0</td>
<td>-7</td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>-0</td>
<td>-7</td>
</tr>
</tbody>
</table>

#### NOTE 4 OTHER INTEREST REVENUE AND SIMILAR INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, Group</td>
<td>187</td>
<td>166</td>
</tr>
<tr>
<td>Interest, Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total other interest revenue</td>
<td>187</td>
<td>166</td>
</tr>
<tr>
<td>and similar income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All interest income is for financial assets reported at amortized cost.

#### NOTE 5 INTEREST EXPENSE AND SIMILAR COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, financial institutions and similar liabilities</td>
<td>-459</td>
<td>-159</td>
</tr>
<tr>
<td>Interest, Group</td>
<td>-58</td>
<td>-29</td>
</tr>
<tr>
<td>Exchange rate difference on financial liabilities</td>
<td>-366</td>
<td>-155</td>
</tr>
<tr>
<td>Other finance expenses</td>
<td>-4</td>
<td>0</td>
</tr>
<tr>
<td>Total interest expenses and similar costs</td>
<td>-836</td>
<td>-549</td>
</tr>
</tbody>
</table>

All interest costs refer to financial instruments not valued at fair value through the income statement, except for interest costs related to derivatives amounting to SEK 27 (30) million.
**NOTE 6 TAXES**

<table>
<thead>
<tr>
<th>MK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense, on profit/loss current year</td>
<td>-239</td>
<td>-143</td>
</tr>
<tr>
<td>Current tax expense, on profit/loss prior periods</td>
<td>-9</td>
<td>6</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>-248</td>
<td>-139</td>
</tr>
<tr>
<td>Deferred tax expense/income</td>
<td>-248</td>
<td>-139</td>
</tr>
<tr>
<td>Total tax on profit/loss for the year</td>
<td>-251</td>
<td>-144</td>
</tr>
</tbody>
</table>

The difference between recorded tax and the tax based on prevailing tax rate consists of the below listed components.

<table>
<thead>
<tr>
<th>MK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/loss before tax</td>
<td>7,472</td>
<td>8,051</td>
</tr>
<tr>
<td>Tax effect according to tax rate in Sweden</td>
<td>-1,539</td>
<td>-20.6%</td>
</tr>
<tr>
<td>Tax effect of non-taxable dividend from group company</td>
<td>1,298</td>
<td>17.4%</td>
</tr>
<tr>
<td>Non-deductible expenses other</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Adjustment of tax assets from previous years</td>
<td>-9</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Tax expense and effective tax rate</td>
<td>-251</td>
<td>-13.4%</td>
</tr>
</tbody>
</table>

Deferred tax liability of SEK 4 (-16) million is attributable to temporary differences for liabilities of SEK 26 (4) million and pensions of SEK -22 (-20) million.

**NOTE 7 SHARES IN GROUP COMPANIES**

<table>
<thead>
<tr>
<th>Company, reg. No., reg'd office</th>
<th>Number of shares</th>
<th>Total par value</th>
<th>Holding (capital/votes)</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tele2 Sverige AB, 556267-5164, Stockholm, Sweden</td>
<td>1,500,000</td>
<td>SEK 100</td>
<td>100%</td>
<td>59,694</td>
<td>59,694</td>
</tr>
<tr>
<td>Tele2 Treasury AB, 556606-7764, Stockholm, Sweden</td>
<td>1,000</td>
<td>SEK 100</td>
<td>100%</td>
<td>1,200</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Total shares in group companies: 60,894 (60,894)

A list of all subsidiaries, excluding dormant companies, is presented in Note 19.

**NOTE 8 OTHER FINANCIAL ASSETS**

Other financial assets consist of pension funds.

**NOTE 9 RECEIVABLES FROM GROUP COMPANIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition value</td>
<td>14,743</td>
<td>9,443</td>
</tr>
<tr>
<td>Lending</td>
<td>13,000</td>
<td>12,702</td>
</tr>
<tr>
<td>Repayments</td>
<td>-13,702</td>
<td>-11,039</td>
</tr>
<tr>
<td>Other changes in cash pool</td>
<td>4,618</td>
<td>2,382</td>
</tr>
</tbody>
</table>

Total receivables from group companies: 14,539 (14,743)
NOTE 10  OTHER CURRENT RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives</td>
<td>134</td>
<td>143</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Total other current receivables</td>
<td>140</td>
<td>147</td>
</tr>
</tbody>
</table>

Derivatives consists of fair value interest swaps, valued at fair value. For fair value hedges, the effective and ineffective portions of the change in fair value of the derivative, along with the gain or loss on the hedged item attributable to the risk being hedged, are recognized in the income statement in the same line. For additional information please refer to Group Note 2.

NOTE 11  CASH AND CASH EQUIVALENTS AND UNUTILIZED OVERDRAFT FACILITIES

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unutilized overdraft facilities and credit lines</td>
<td>7,790</td>
<td>7,772</td>
</tr>
<tr>
<td>Total available liquidity</td>
<td>7,790</td>
<td>7,772</td>
</tr>
</tbody>
</table>

NOTE 12  FINANCIAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to financial institutions and similar liabilities</td>
<td>26,630</td>
<td>25,173</td>
</tr>
<tr>
<td>Other interest-bearing liabilities</td>
<td>330</td>
<td>—</td>
</tr>
<tr>
<td>Total interest-bearing financial liabilities</td>
<td>26,963</td>
<td>25,173</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>26,968</td>
<td>26,178</td>
</tr>
</tbody>
</table>

The parent company's financial liabilities consist mainly of liabilities to financial institutions and similar liabilities. Specification of them, including maturity, is presented in the Group's Note 24. Receivables from financial institutions in the form of cash pledged as collateral to reduce credit risk amounted on December 31, 2022 to SEK 1,156 (-183) million, please refer to the Group's Note 2.

NOTE 13  PROVISIONS

Provisions amounted at December 31, 2022 to SEK 23 (5) million. The number for 2022 consists entirely of reserves for One Time Transformation Award to senior executives and selected key individuals. The corresponding reserve for 2021 amounted to SEK 12 million and was included under Pensions and similar commitments. For more information regarding the One Time Transformation Award, see note 31 section. Deviations from guidelines for remuneration to senior executives. Last year's reported provisions of SEK 5 million related to employee termination benefits.

NOTE 14  ACCRUED EXPENSES AND DEFERRED INCOME

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2022</th>
<th>Dec 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel related expenses</td>
<td>33</td>
<td>43</td>
</tr>
<tr>
<td>External services expenses</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Total accrued expenses and deferred income</td>
<td>252</td>
<td>179</td>
</tr>
</tbody>
</table>

NOTE 15  CONTINGENT LIABILITIES AND OTHER COMMITMENTS

At December 31, 2022, the parent company’s provided guarantees for the benefit of group companies amounted to SEK 3,984 (816) million.

NOTE 16  NUMBER OF EMPLOYEES

The average number of employees in the parent company is 8 (9), of whom 3 (2) are women and 5 (7) men.
NOTE 17 PERSONNEL COSTS

<table>
<thead>
<tr>
<th>Position</th>
<th>Salaries and Remunerations 2022</th>
<th>Social Security Expenses 2022</th>
<th>Retirement Pension Expenses 2022</th>
<th>Total 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board and President</td>
<td>36</td>
<td>13</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Other employees</td>
<td>52</td>
<td>22</td>
<td>6</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>88</strong></td>
<td><strong>35</strong></td>
<td><strong>9</strong></td>
<td><strong>122</strong></td>
</tr>
</tbody>
</table>

Personnel expenses directly recharged to Tele2 Sweden for some employees of the parent company working are netted with the cost in the income statement. The parent company’s pension expenses relate to defined-contribution plans. Salary and remuneration for the CEO are presented in Group Note 31.

NOTE 18 FEES TO THE APPOINTED AUDITOR

Audit fees to the appointed auditor are SEK 2 (2) million. All other fees amount to SEK 1 (1) million.

NOTE 19 LEGAL STRUCTURE

The table below lists all the subsidiaries, associated companies, joint ventures and other holdings that are not dormant companies.

<table>
<thead>
<tr>
<th>Company, reg. No., reg’d office</th>
<th>Note Group</th>
<th>Holding (capital/stock)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TELE2 SVERIGE AB, 556267-5164, Stockholm, Sweden</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>SNPAC Swedish Nr Portability Adm.Centre AB, 556595-2925, Stockholm, Sweden</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Trianglesbolaget D4 AB, 556007-7998, Stockholm, Sweden</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>AYF Finans AB, 519163-5229, Stockholm, Sweden</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Svenska UMTS-holding AB, 556606-7988, Stockholm, Sweden</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Svenska UMTS-nät AB, 556606-7996, Stockholm, Sweden</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Interloop AB, 556450-2606, Stockholm, Sweden</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>NetMobility HR, 967193-0299, Stockholm, Sweden</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>NetMobility AB, 556399-0292, Stockholm, Sweden</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>iTUX Communication AB, 556699-4843, Stockholm, Sweden</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Tele2 Latvia SIA, 40003681491, Riga, Latvia</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Tele2 of Netherlands, 71218017, Amsterdam, Netherlands</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>UAB Tele2, 111471645, Vilnius, Lithuania</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>UAB Tele2 prekyla, 302473352, Vilnius, Lithuania</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Veneo ostega Norvema pealekonte, 303862311, Vilnius, Lithuania</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>SIA Tele2, 400103278154, Riga, Latvia</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>SA Baltic Shared Services Center, 40105342991, Riga, Latvia</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Tele2 East AS, 10069046, Tallinn, Estonia</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Estonian Broadband Development Foundation, Estonia</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Tele2 Europe SA, V.C.85064, Luxembourg</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Tele2 Finance Luxembourg SARL, RCB112873, Luxembourg</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

TELE2 ANNUAL AND SUSTAINABILITY REPORT 2022

150
Proposed appropriation of profit

The Annual General Meeting has the following funds at its disposal (SEK)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit brought forward and non-restricted reserves</td>
<td>25,104,901,479</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>7,221,700,356</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,326,601,835</strong></td>
</tr>
</tbody>
</table>

The Board of Directors proposes the following appropriation of profit (SEK)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends to shareholders of SEK 6.80 per A and B share</td>
<td>4,698,371,296</td>
</tr>
<tr>
<td>Balance to be carried forward</td>
<td>27,627,230,539</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,326,601,835</strong></td>
</tr>
</tbody>
</table>

Stockholm March 30, 2023

Carla Smits-Nusteling
Chairman

Andrew Barron
Deputy Chairman

Stina Bergfors
Georgi Ganev

Sam Kini
Eva Lindqvist
Lars-Åke Norling

Kjell Johnsen
President and CEO

Didrik Roos
Authorized Public Accountant

The proposed dividend at the disposal of the Annual General Meeting 2023 of SEK 4,699 million, or SEK 6.80 per A and B share, represents 84 per cent of the Group’s net profit for 2022. The dividend will be paid in two tranches of SEK 3,400, in May and in October. The proposed record date for the first tranche of the dividend is 17 May 2023.

The members of the Board are of the opinion that the proposed dividend is justifiable considering the demands on the Group’s equity imposed by the type, scope, and risks of the business and with regard to the Group’s consolidation requirements, liquidity and overall position. For information regarding the dividend policy refer to Note 2.

The Board of Directors and President affirm that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group’s profit and financial position. The Annual Report has been prepared in accordance with the generally accepted accounting policies and provides a true and fair view of the Parent Company’s profit and financial position. The statutory Board of Directors’ Report for the Group and the Parent Company provides a true and fair overview of the development of the Group’s and Parent Company’s operations, profit and financial position and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.
Auditor’s report

To the general meeting of the shareholders of Tele2 AB (publ) corporate identity number 556410-8917

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Tele2 AB (publ) for the financial year 2022-01-01 - 2022-12-31 except for the corporate governance statement on pages 30-36. The annual accounts and consolidated accounts of the company are included on pages 12-41 and 94-151 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 30-36. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Auditor’s Responsibilities section. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Tele2 reports revenue of SEK 28,102 million for the financial year 2022. Tele2 has multiple revenue streams from a large number of customers. Revenues are characterized by a large volume of low value transactions, but also instances of larger projects and bundled offerings requiring management estimates and judgment such as determining fair values and the period in which the revenue should be recognized. Appropriate billing and IT operations are key for service delivery and for accurate and complete financial reporting.

In Note 1 the Group’s accounting principles for revenue recognition are described and in Note 3 revenue by segment and by category are presented.

Our audit procedures included, but were not limited to:
- evaluating whether the accounting principles applied by management for revenue are in accordance with IFRS,
- relevant internal controls in IT systems critical for financial reporting,
- testing relevant revenue process controls, and
- testing different revenue streams through analytical procedures and on a sample basis to ensure appropriate revenue recognition.

In Note 1 the Group’s accounting principles for revenue recognition are described and in Note 3 revenue by segment and by category are presented.

Our audit procedures included, but were not limited to:
- evaluating whether the accounting principles applied by management for revenue are in accordance with IFRS,
- relevant internal controls in IT systems critical for financial reporting,
- testing relevant revenue process controls, and
- testing different revenue streams through analytical procedures and on a sample basis to ensure appropriate revenue recognition.

Revenue recognition and IT

Tele2 reports revenue of SEK 28,102 million for the financial year 2022. Tele2 has multiple revenue streams from a large number of customers. Revenues are characterized by a large volume of low value transactions, but also instances of larger projects and bundled offerings requiring management estimates and judgment such as determining fair values and the period in which the revenue should be recognized. Appropriate billing and IT operations are key for service delivery and for accurate and complete financial reporting.

In Note 1 the Group’s accounting principles for revenue recognition are described and in Note 3 revenue by segment and by category are presented.

Our audit procedures included, but were not limited to:
- evaluating whether the accounting principles applied by management for revenue are in accordance with IFRS,
- relevant internal controls in IT systems critical for financial reporting,
- testing relevant revenue process controls, and
- testing different revenue streams through analytical procedures and on a sample basis to ensure appropriate revenue recognition.
Valuation of goodwill and other intangible assets

Tele2 reports goodwill and other intangible assets of SEK 43,740 million as of December 31, 2022. On an annual basis management impairment tests the carrying value of goodwill and other intangible assets. The impairment assessments are complex and require management’s estimates and judgement in determining the Group’s cash generating units, the method selected for determining the recoverable amount as well as assumptions used regarding future growth rates, profit margins, investment levels and discount rates.

In Note 1 the Group’s accounting principles for impairment testing of goodwill and intangible assets are described, and Note 11 describes the key assumptions used by management when preparing the annual impairment assessments.

Our audit procedures included, but were not limited to:

- assessing Tele2’s principles and procedures when preparing its impairment tests for compliance with IFRS,
- assessing the valuation methodology and valuation assumptions used by management with the support of our valuation specialists,
- assessing the reasonableness of the business and accounting assumptions used in the impairment assessment, such as management’s projections and forecast data,
- testing the mathematical accuracy of the models used for impairment testing, and
- evaluating the appropriateness of disclosures made in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-11, 42-45 and 157-161. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the presentation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director’s responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
Audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor’s report unless law or regulation precludes disclosure about the matter.

**Auditor’s report**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tele2 AB (publ) for the financial year 2022-01-01 – 2022-12-31 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company’s and the group’s type of operations, size and risks place on the size of the parent company’s and the group’s equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organization and the administration of the company’s affairs. This includes among other things continuous assessment of the company’s and the group’s financial situation and ensuring that the company’s organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors’ guidelines and instructions and among other matters take measures that are necessary to fulfil the company’s accounting in accordance with law and handle the management of assets in a reassuring manner.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tele2 AB (publ) for the financial year 2022-01-01 – 2022-12-31 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.
Auditor’s responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:
• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company’s profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company’s profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company’s situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss we examined the Board of Directors’ reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor’s examination of the Esef report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Tele2 AB (publ) for the financial year 2022-01-01 - 2022-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR’s recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors’ responsibility section. We are independent of Tele2 AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.
The Board of Directors and the Managing Director are responsible for the preparation of the Esf report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esf report without material misstatements, whether due to fraud or error.

The examination involves obtaining evidence, through various procedures, that the Esf report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esf report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esf report has been prepared in a valid XHTML format and a reconciliation of the Esf report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esf report have been marked with iXBRL in accordance with what follows from the Esf regulation.

The auditor’s examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 30–36 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR’s standard RevU 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Tele2 AB (publ) by the general meeting of the shareholders on the 2022-04-28 and has been the company’s auditor since 2004-05-12.

Stockholm, March 30, 2023
Deloitte AB

Didrik Roos
Authorized Public Accountant
Definitions

Non-IFRS measures

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

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

**Underlying EBITDA**
Tele2 considers underlying EBITDA to be a relevant measure to present profitability of the underlying business, and as such it is used by management to assess the performance of the business.

**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 measure of the business performance since underlying EBITDAaL includes the cost of leased assets (depreciation and interest), which is not included in underlying EBITDA according to IFRS 16.

<table>
<thead>
<tr>
<th>Continuing operations</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>6,596</td>
<td>4,787</td>
</tr>
<tr>
<td>Reversal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result from shares in associated companies and joint ventures</td>
<td>-1,672</td>
<td>-221</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>6,176</td>
<td>5,952</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>11,101</td>
<td>10,517</td>
</tr>
<tr>
<td>Reversals items affecting comparability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition costs</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>198</td>
<td>251</td>
</tr>
<tr>
<td>Disposal of non-current assets</td>
<td>55</td>
<td>40</td>
</tr>
<tr>
<td>Other items affecting comparability</td>
<td>41</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total items affecting comparability</strong></td>
<td>294</td>
<td>382</td>
</tr>
<tr>
<td><strong>Underlying EBITDA</strong></td>
<td>12,395</td>
<td>10,900</td>
</tr>
<tr>
<td>Lease depreciation</td>
<td>-1,240</td>
<td>-1,197</td>
</tr>
<tr>
<td>Lease interest costs</td>
<td>-94</td>
<td>-65</td>
</tr>
<tr>
<td><strong>Underlying EBITDAaL</strong></td>
<td>10,060</td>
<td>9,639</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>28,102</td>
<td>26,789</td>
</tr>
<tr>
<td><strong>Revenue excluding items affecting comparability</strong></td>
<td>28,102</td>
<td>26,789</td>
</tr>
<tr>
<td><strong>Underlying EBITDAaL margin</strong></td>
<td>36%</td>
<td>36%</td>
</tr>
</tbody>
</table>
Capex paid and capex

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

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

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

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL OPERATIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to intangible and tangible assets</td>
<td>-3,581</td>
<td>-3,128</td>
</tr>
<tr>
<td>Sale of intangible and tangible assets</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Capex paid</td>
<td>-3,561</td>
<td>-3,327</td>
</tr>
<tr>
<td>This period's unpaid capex and reversal of paid capex from previous period</td>
<td>240</td>
<td>-185</td>
</tr>
<tr>
<td>Capex intangible and tangible assets</td>
<td>-3,341</td>
<td>-3,513</td>
</tr>
<tr>
<td>Additions to right-of-use assets</td>
<td>-1,370</td>
<td>-1,306</td>
</tr>
<tr>
<td>Capex</td>
<td>-4,711</td>
<td>-4,819</td>
</tr>
</tbody>
</table>

CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Capex</td>
<td>-4,711</td>
<td>-4,819</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL OPERATIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>8,250</td>
<td>10,297</td>
</tr>
<tr>
<td>Capex paid</td>
<td>-3,561</td>
<td>-3,327</td>
</tr>
<tr>
<td>Amortization of lease liabilities</td>
<td>-1,226</td>
<td>-1,185</td>
</tr>
<tr>
<td>Equity free cash flow (eFCF)</td>
<td>3,461</td>
<td>5,760</td>
</tr>
</tbody>
</table>

CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>8,250</td>
<td>10,272</td>
</tr>
<tr>
<td>Capex paid</td>
<td>-3,561</td>
<td>-3,327</td>
</tr>
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<td>-1,226</td>
<td>-1,185</td>
</tr>
<tr>
<td>Equity free cash flow</td>
<td>3,461</td>
<td>5,760</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>SEK million</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL OPERATIONS</td>
<td></td>
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<td>3,461</td>
<td>5,760</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>691,011,367</td>
<td>689,909,491</td>
</tr>
<tr>
<td>Number of shares after dilution</td>
<td>695,074,506</td>
<td>693,458,249</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Total operations</th>
<th>SEK million</th>
<th>Dec 31 2022</th>
<th>Dec 31 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing non-current liabilities</td>
<td>29,848</td>
<td>28,331</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing current liabilities</td>
<td>4,296</td>
<td>4,116</td>
<td></td>
</tr>
<tr>
<td>Reversal provisions</td>
<td>-1,362</td>
<td>-1,610</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents, current investments and restricted funds</td>
<td>-1,274</td>
<td>-881</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>-401</td>
<td>-275</td>
<td></td>
</tr>
<tr>
<td>Net debt for assets classified as held for sale</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>31,108</td>
<td>29,681</td>
<td></td>
</tr>
</tbody>
</table>

Reversal:
Lease liabilities | -5,460 | -5,414 |

Economic net debt | 25,647 | 24,268 |

Organic
Tele2 believes that organic growth rates are relevant to present as they exclude effects from currency movements but include effects from divestments and acquisitions as if these occurred on the first day of each reporting period and are therefore providing an indication of the underlying performance.
Organic growth rates: Calculated at constant currency, meaning that comparative figures have been recalculated using the currency rates for the current period, but including effects from divestments and acquisitions as if these occurred on the first day of each reporting period.

Reconciliation of figures are presented in an excel document (Tele2-Q4-2022-financials to the market) 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.

**Earnings per share**
Profit/loss for the period attributable to the parent company shareholders in relation to the weighted average number of shares outstanding during the financial year.

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

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

**Operating profit/loss (EBIT)**
Revenue less operating expenses.

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

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

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