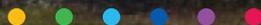


2024

Interim Report
Third Quarter

TELE2



Highlights

- End-user service revenue of SEK 5.5 billion increased by 3% organically compared to Q3 2023 due to growth across operations. Total revenue of SEK 7.4 billion increased by 3% organically compared to Q3 2023.
- Underlying EBITDAaL of SEK 2.8 billion increased by 2% organically compared to Q3 2023 mainly driven by end-user service revenue growth.
- Net profit from total operations of SEK 1.1 (1.1) billion and earnings per share of SEK 1.60 (1.54) in Q3 2024.
- Equity free cash flow of SEK 1.1 (1.9) billion in Q3 2024. Over the last twelve months, SEK 4.1 billion has been generated, equivalent to SEK 5.9 per share.
- Full year 2024 guidance and mid-term outlook unchanged. Refer to page 7.
- Tele2 and Disney Nordic have signed an agreement to offer Tele2 customers more entertainment through Disney+.
- After four years as CEO for Tele2, Kjell Johnsen has informed the board that he will be stepping down.
- Tele2's Board of Directors has appointed Jean Marc Harion as President and CEO, effective from the 10th of November. Jean Marc Harion is currently the CEO of Polish telecom operator Play and serves on Tele2's Board of Directors.

Key financial data

SEK million	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %	Full year 2023
Continuing operations							
End-user service revenue	5,506	5,397	2.6%	16,319	15,764	3.6%	21,130
Revenue	7,390	7,253	2.6%	21,800	21,415	1.9%	29,099
Operating profit	1,663	1,554		4,337	4,061		5,466
Profit after financial items	1,391	1,295		3,540	3,432		4,578
Underlying EBITDAaL	2,818	2,781	2.0%	7,954	7,785	2.3%	10,409
Capex excluding spectrum and leases	851	860		2,920	2,810		3,941
Operating cash flow	1,967	1,922		5,034	4,975		6,468
Operating cash flow, rolling 12 months				6,527	6,281		6,468
Equity free cash flow	1,107	1,894		3,570	4,189		4,720
Equity free cash flow, rolling 12 months				4,101	4,643		4,720
Total operations							
Net profit	1,108	1,063		2,899	2,799		3,735
Earnings per share (SEK)	1.60	1.54		4.19	4.05		5.40
Earnings per share, after dilution (SEK)	1.59	1.53		4.16	4.03		5.37
Equity free cash flow	1,107	1,894		3,570	4,189		4,720
Economic net debt to underlying EBITDAaL				2.3x	2.3x		2.5x



Reporting period and continuing operations

Figures presented in this report refer to the period July-September 2024 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2023. For discontinued operations, refer to Note 8.

Non-IFRS measures

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

CEO letter



Tele2's 14th consecutive quarter of growth

I am glad to report that we continue our growth in all business lines while being on track to finishing the 5G swap in Sweden. We see positive momentum and volume within Sweden Consumer and a good order intake for Sweden Business. Price adjustments in Latvia have played out well and the overall momentum in Lithuania and Latvia continues to impress. In numbers, this leads to a revenue growth of around 3% and an EBITDAaL growth of around 2% (3% excluding energy one-off in Sweden last year).

Leverage below target range, as the end of the 5G capex cycle is getting closer

Our balance sheet remains solid with a leverage ratio of 2.3x, which is somewhat below our target range. We are close to the bottom of our leverage range even if we add the second tranche of dividend in October, which rewarded shareholders with a further 3.45 SEK per share.

This speaks to the strong fundamentals of Tele2 as we are moving towards the final stretch of our 5G capex cycle, with the main roll-out being finished a little over a year from now. Short term trends have been impacted by the low-growth environment in Sweden and limitations in purchasing power, but the underlying growth pattern is an established secular trend.

Our customers enjoy a world class network

Due to the regulatory and security context, we started our 5G roll-out in Sweden with the highest frequencies. That also means we started with the highest download speeds, but it brought challenges as these frequencies have limited area coverage. As we have progressed, we now cover more than 80% of the Swedish population and our approach to the roll-out is

materialising as a benefit. We recently received positive accolades from OpenSignal such as Global Winner in 5G Video Experience, Rising Star in 5G Availability and top-list entry for 5G Voice App Experience. This makes us very happy and shows that we have made strong progress and can deliver an excellent experience.

Households and businesses finally see the light in the tunnel

A lot has been said about the inflation and negative development of real disposable incomes in Sweden over the last quarters. I am proud that we have been able to deliver consistent growth throughout this challenging period.

As central banks now continue to reduce their signal rates and households consolidate their finances, most observers expect a significant pick-up in GDP growth in Sweden in 2025, which bodes well for all businesses. Despite a backdrop of bankruptcies and belt-tightening in both the public and private sectors, we expect positive growth momentum over the next quarters, also helped by the previously mentioned good order intake in Sweden Business. Within this momentum, we will absorb the migration of our Boxer customers from a highly energy consuming terrestrial network to more efficient broadband solutions in a one-off technology change and modernisation.

"I am glad to report that we continue our growth in all business lines while being on track to finishing the 5G swap in Sweden."

Thank you!

As this is my last quarterly report at Tele2, I would like to thank my team, the Board and all employees for a lot of demanding work and a strong determination to deliver great services to our customers. We have worked together to transform a company consisting of several cultures and systems into a company with one strategy, common values and a culture that strives to improve our business operations while being a true leader within sustainability. We will now make sure we have a good handover to Jean Marc.

Thank you very much for your effort and support!

Kjell Johnsen

President and Group CEO

Financial overview

Analysis of revenue

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %	Full Year 2023
Mobile	1,573	1,547	2%	4,622	4,445	4%	5,961
- Postpaid	1,353	1,310	3%	3,980	3,757	6%	5,052
- Prepaid	220	236	-7%	642	688	-7%	909
Fixed	1,472	1,455	1%	4,429	4,321	3%	5,776
- Fixed broadband	809	758	7%	2,398	2,218	8%	2,982
- Digital TV	639	664	-4%	1,948	1,995	-2%	2,654
- Cable & Fiber	422	425	-1%	1,277	1,278	0%	1,702
- DTT	217	239	-9%	671	718	-6%	952
- Fixed telephony & DSL	25	34	-26%	82	107	-23%	139
Landlord & Other	164	165	0%	495	495	0%	663
Sweden Consumer	3,209	3,166	1%	9,545	9,260	3%	12,400
Sweden Business	1,044	1,024	2%	3,148	3,080	2%	4,131
Baltics	1,252	1,206	7%	3,626	3,424	6%	4,599
End-user service revenue	5,506	5,397	3%	16,319	15,764	4%	21,130
Operator revenue	563	594	-5%	1,644	1,711	-4%	2,304
Equipment revenue	1,322	1,262	6%	3,837	3,940	-2%	5,665
Revenue	7,390	7,253	3%	21,800	21,415	2%	29,099

Third quarter

End-user service revenue increased by 3% organically driven by growth across operations.

- **Sweden Consumer** increased by 1% as solid growth in Fixed broadband and Mobile postpaid exceeded continued decline in legacy services.
- **Sweden Business** grew by 2% as growth in Mobile and Solutions exceeded continued decline in Fixed.
- **Baltics** grew by 7% in local currency driven by both ASPU (Average Spend Per User) growth from price adjustments and upselling, and volume growth.

Total revenue increased by 3% organically driven by growth in end-user service revenue and Equipment revenue, partly offset by a decline in Operator revenue.

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

First nine months

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

- **Sweden Consumer** increased by 3% as strong growth in Fixed broadband and Mobile postpaid exceeded continued decline in legacy services.
- **Sweden Business** grew by 2% as growth in Mobile and Solutions exceeded continued decline in Fixed.
- **Baltics** grew by 6% in local currency driven by both ASPU (Average Spend Per User) growth from price adjustments and upselling, and volume growth.

Total revenue increased by 2% organically driven by growth in end-user service revenue, partly offset by declines in Equipment and Operator revenue.

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

Analysis of income statement

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Revenue	7,390	7,253	21,800	21,415	29,099
Underlying EBITDAaL	2,818	2,781	7,954	7,785	10,409
Reversal lease depreciation and interest	384	369	1,140	1,100	1,475
Underlying EBITDA	3,202	3,150	9,094	8,886	11,885
Items affecting comparability	-68	-44	-320	-189	-268
EBITDA	3,134	3,106	8,774	8,697	11,616
Depreciation/amortisation	-1,471	-1,552	-4,442	-4,635	-6,150
- of which amortisation of surplus from acquisitions	-373	-420	-1,118	-1,261	-1,646
- of which lease depreciation	-346	-324	-1,026	-967	-1,299
- of which other depreciation/amortisation	-752	-807	-2,297	-2,407	-3,206
Result from shares in associated companies and joint ventures	1	0	5	-1	0
Operating profit	1,663	1,554	4,337	4,061	5,466
Net interest and other financial items	-272	-259	-797	-629	-888
Income tax	-283	-234	-677	-633	-846
Net profit	1,108	1,061	2,863	2,799	3,731

Third quarter

Underlying EBITDAaL increased by 2% organically, mainly driven by end-user service revenue growth. Our energy costs increased by SEK 17 million compared to Q3 2023, mainly explained by the SEK 25 million of electricity support last year.

Items affecting comparability of SEK -68 (-44) million were mainly driven by restructuring costs related to the Strategy Execution Program. Refer to Note 3 for more details.

Depreciation/amortisation of SEK -1,471 (-1,552) million decreased mainly due to reduced regular depreciation.

Income tax of SEK -283 (-234) million increased mainly due to a pillar 2 top-up tax relating to Lithuania.

First nine months

Underlying EBITDAaL increased by 2% organically driven by end-user service revenue growth which was partly offset by cost inflation. Our energy costs increased by SEK 36 million compared to the first nine months in 2023, explained by the SEK 35 million of electricity support last year.

Items affecting comparability of SEK -320 (-189) million was mainly driven by restructuring costs related to the Strategy Execution Program. Refer to Note 3 for more details.

Depreciation/amortisation of SEK -4,442 (-4,635) million decreased mainly because the surplus value of the TDC acquisition has been fully amortised.

Net interest and other financial items of SEK -797 (-629) million increased partly due to higher financing costs for outstanding debt, and partly due to a SEK 77 million other financial gain related to bond repurchase in Q2 2023.

Income tax of SEK -677 (-633) million increased partly due to a pillar 2 top-up tax relating to Lithuania.

Analysis of cash flow statement

SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Continuing operations					
Underlying EBITDA	3,202	3,150	9,094	8,886	11,885
Items affecting comparability	-68	-44	-320	-189	-268
Amortisation of lease liabilities	-312	-295	-1,030	-974	-1,240
Capex paid	-921	-766	-2,931	-2,580	-4,053
Changes in working capital	-270	185	150	400	85
Net financial items paid	-168	-122	-603	-533	-835
Taxes paid	-387	-259	-881	-922	-987
Other cash items	33	45	91	101	133
Equity free cash flow	1,107	1,894	3,570	4,189	4,720
Equity free cash flow, rolling 12 months ¹⁾			4,101	4,643	4,720

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

¹⁾ Reconciliation of equity free cash flow rolling 12 months is presented in an Excel document (Q3-2024-financial-and-operational-data) on Tele2's website www.tele2.com.

Third quarter

Items affecting comparability of SEK -68 (-44) million was mainly driven by restructuring costs.

Capex of SEK -921 (-766) million increased due to timing of payments.

Changes in working capital of SEK -270 (185) million were mainly impacted by a decrease in liabilities following a temporary increase in the previous quarter.

Taxes paid of SEK -387 (-259) million increased mainly as this quarter included approximately SEK -130 million of withholding tax payment, while the corresponding payment last year was made in the second quarter.

First nine months

Items affecting comparability of SEK -320 (-189) million was mainly driven by restructuring costs.

Capex paid of SEK -2,931 (-2,580) million increased due to increased investments and timing of payments.

Changes in working capital of SEK 150 (400) million were mainly impacted by a reduction in equipment receivables.

Equity free cash flow over the last twelve months amounted to SEK 4.1 billion, equivalent to approximately SEK 5.90 per share.

Analysis of financial position

Total operations SEK million	30 September 2024	30 September 2023	31 December 2023
Bonds	23,289	23,570	23,113
Commercial papers	1,485	—	—
Financial institutions and other liabilities	1,887	4,451	4,343
Cash and cash equivalents	-1,871	-3,825	-1,634
Other adjustments	-193	-303	-174
Economic net debt	24,597	23,893	25,648
Lease liabilities	3,836	4,864	4,320
Net debt	28,434	28,758	29,968
Underlying EBITDAaL, rolling 12 months	10,578	10,268	10,409
Economic net debt to Underlying EBITDAaL	2.3x	2.3x	2.5x
Unutilised overdraft facilities and credit lines	10,164	8,820	8,436

Economic net debt of SEK 24.6 (25.6 by the end of 2023) billion decreased by SEK 1.1 billion year to date driven by the cash generated in the business, exceeding the payout of the first tranche of the ordinary dividend.

Economic net debt to underlying EBITDAaL (financial leverage) of 2.3x (2.5x by the end of 2023) was below the lower end of the target range of 2.5-3.0x. Adjusted for the payout of the second tranche of the ordinary dividend (payable in October), pro forma leverage would have been 2.55x.

Financial guidance

Financial guidance

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

2024 guidance (unchanged)

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

Mid-term outlook (unchanged)

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

Dividend

The Annual General Meeting on 15 May 2024 approved that an ordinary dividend of SEK 6.90 per share shall be paid out in two separate payments of SEK 3.45 per share. The first tranche was paid on 22 May, and the second tranche was paid on 18 October 2024. Refer to Note 6 for more details.

Guidance

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

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

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

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

Financial policy

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

Group summary

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
END-USER SERVICE REVENUE						
Sweden	4,254	4,191	2%	12,694	12,340	3%
Lithuania	688	658	7%	2,010	1,854	9%
Latvia	381	365	7%	1,088	1,047	4%
Estonia	183	183	3%	528	524	1%
Total	5,506	5,397	3%	16,319	15,764	4%
REVENUE						
Sweden	5,606	5,487	2%	16,665	16,426	1%
Lithuania	1,033	1,022	4%	3,004	2,883	5%
Latvia	532	528	4%	1,514	1,487	2%
Estonia	254	253	3%	724	726	0%
Internal sales, elimination	-36	-37	-2%	-107	-105	2%
Total	7,390	7,253	3%	21,800	21,415	2%
UNDERLYING EBITDAaL						
Sweden	2,093	2,078	1%	5,884	5,811	1%
Lithuania	446	429	7%	1,272	1,189	8%
Latvia	226	218	7%	644	626	3%
Estonia	54	56	-1%	154	159	-3%
Total	2,818	2,781	2%	7,954	7,785	2%
CAPEX						
Sweden	678	714	-5%	2,391	2,318	3%
Lithuania	78	67	20%	237	212	13%
Latvia	63	53	22%	170	152	12%
Estonia	32	26	29%	122	128	-4%
Capex excluding spectrum and leases	851	860	0%	2,920	2,810	4%
Spectrum	—	704		—	723	
Right-of-use assets (leases)	323	231		593	630	
Total	1,174	1,795		3,513	4,163	
<i>of which:</i>						
– Network	577	537		1,935	1,848	
– IT	177	200		587	622	
– Customer equipment	93	116		384	321	
– Other	4	7		15	19	
Capex excluding spectrum and leases	851	860		2,920	2,810	
Capex to sales (excluding spectrum and leases)	12%	12%		13%	13%	
Capex to sales (excluding spectrum and leases), rolling 12 months				14%	14%	

Overview by segment

Sweden

Tele2 Sweden end-user service revenue increased by 2% in the third quarter with 1% growth in Consumer and 2% in Business. Growth was negatively affected by differences in the timing of price adjustments compared with last year.

At the beginning of the year, we launched our Strategy Execution Program (SEP), which will run until Q4 2026 and support our digitalisation journey and create even more focus on value and efficiency, and with a target to reach SEK 600 million of run-rate cost savings.

In Q3 and as part of SEP, the ongoing modernisation of Boxer TV services is well underway, whereas our online channel delivered improved customer experience on iPhone Launch Day following redesign of key aspects of our

IT front-end. On the network side, our 5G population coverage currently stands above 80% (up from close to 80% by Q2) with a brand-new network.

In Q3, SEP reached SEK 225 million of annualised run-rate savings mainly driven by organisational changes and network optimisations. The savings effect on underlying EBITDAaL in Q3 was SEK 55 million YoY. Restructuring costs amounted to SEK 50 million.

Underlying EBITDAaL grew by 1% in Q3 driven by end-user service revenue growth. When adjusting for the non-recurring SEK 25 million electricity support received in Q3 last year, growth was 2%.

Capex excluding spectrum and leases amounted to SEK 678 (714) million in Q3. The decrease was mainly due to reduced IT investments.

Financials SEK million	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
End-user service revenue	4,254	4,191	2%	12,694	12,340	3%
Revenue	5,606	5,487	2%	16,665	16,426	1%
Underlying EBITDA	2,412	2,388		6,842	6,741	
Underlying EBITDAaL	2,093	2,078	1%	5,884	5,811	1%
Underlying EBITDAaL margin	37%	38%		35%	35%	
Capex						
Network	433	424		1,494	1,454	
IT	151	177		513	550	
Customer equipment	93	111		380	305	
Other	1	2		5	9	
Capex excluding spectrum and leases	678	714		2,391	2,318	
Spectrum	–	704		–	704	
Right-of-use assets (leases)	190	200		493	521	
Capex	869	1,617		2,884	3,542	
Capex to sales (excluding spectrum and leases)	12%	13%		14%	14%	

Sweden Consumer

The third quarter delivered strong net intake across core services as consumer sentiment continued to improve amid stabilising inflation and falling interest rates. Overall commercial activity saw maintained high competition in broadband, mobile subscription and handset offers with a softening of the handset market decline. In August, Tele2 announced the end of life of its legacy DTT service by the end of 2024, offering customers to upgrade to the new WiFi-based TV solution Tv Hub Mini. In September, Tele2 announced the first Disney+ bundle offering in Sweden.

Mobile postpaid net intake was positive with 20,000 RGUs in the quarter. Mobile end-user service revenue grew by 2% as growth in postpaid ASPU and

postpaid RGUs more than offset a decline of 7% in prepaid end-user service revenue.

In Fixed broadband, net intake was positive with 4,000 RGUs while end-user service revenue grew by 7% through strong ASPU growth.

Digital TV Cable & Fiber net intake was positive with 4,000 RGUs. Digital TV end-user service revenue declined by 4% driven by the legacy DTT business, which declined by 9% whereas Digital TV Cable & Fiber remained largely stable.

	Jul-Sep 2024	Jul-Sep 2023		30 September 2024	30 September 2023	Organic %
RGUs (thousands)	Net intake			RGU base		
Mobile	5	5		2,798	2,876	-3%
– Postpaid	20	23		2,101	2,056	2%
– Prepaid	-15	-19		697	820	-15%
Fixed	-5	-2		1,890	1,973	-4%
– Fixed broadband	4	8		953	969	-2%
– Digital TV	-5	-5		820	867	-5%
– Cable & Fiber	4	2		619	632	-2%
– DTT	-9	-7		201	234	-14%
– Fixed telephony & DSL	-4	-5		117	138	-15%
Total RGUs	0	3		4,689	4,849	-3%

	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
ASPU (SEK)						
Mobile	188	179	5%	182	170	7%
– Postpaid	216	214	1%	211	206	3%
– Prepaid	104	95	10%	98	88	12%
Fixed	259	246	6%	256	242	6%
– Fixed broadband	284	262	8%	277	257	8%
– Digital TV	259	255	2%	258	253	2%
– Cable & Fiber	228	224	2%	227	224	1%
– DTT	351	334	5%	350	325	8%
– Fixed telephony & DSL	70	80	-13%	74	80	-8%
Revenue (SEK million)						
Mobile	1,573	1,547	2%	4,622	4,445	4%
– Postpaid	1,353	1,310	3%	3,980	3,757	6%
– Prepaid	220	236	-7%	642	688	-7%
Fixed	1,472	1,455	1%	4,429	4,321	3%
– Fixed broadband	809	758	7%	2,398	2,218	8%
– Digital TV	639	664	-4%	1,948	1,995	-2%
– Cable & Fiber	422	425	-1%	1,277	1,278	0%
– DTT	217	239	-9%	671	718	-6%
– Fixed telephony & DSL	25	34	-26%	82	107	-23%
Landlord & Other	164	165	0%	495	495	0%
End-user service revenue	3,209	3,166	1%	9,545	9,260	3%
Operator revenue	190	180		576	548	
Equipment revenue	459	447		1,353	1,354	
Internal sales	0	0		0	0	
Revenue	3,858	3,794	2%	11,475	11,162	3%

Sweden Business and Wholesale

In Sweden Business, all customer segments contributed to the end-user service revenue growth of 2% during the quarter. While the Swedish business sector has continued to be affected by economic headwinds, we look forward to gradual improvements over the next year.

Mobile net intake was positive with 14,000 RGUs in the quarter. Mobile end-user service revenue grew by 4% driven by growth across IoT, RGUs and ASPU.

In Fixed, following the copper shutdown in Q2, the underlying end-user service revenue trend continues to show signs of gradual improvement.

Equipment revenue increased compared to Q3 last year due to a few larger handset deals. However, we continue to see subdued demand for equipment due to the economic situation.

Sweden Wholesale revenue decreased by 8% during the quarter, mainly due to declining sales within A2P (application to person).

Sweden Business

	Jul-Sep 2024	Jul-Sep 2023		30 September 2024	30 September 2023	Organic %
	Net intake			RGU base		
RGUs (thousands)						
Mobile (excluding IoT)						
– Postpaid	14	4		1,077	1,053	2%
	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
ASPU (SEK)						
Mobile (excluding IoT)						
– Postpaid	144	143	1%	144	142	1%
Revenue (SEK million)						
Mobile	591	566	4%	1,759	1,658	6%
Fixed	173	183	-5%	528	578	-9%
Solutions	280	275	2%	861	843	2%
End-user service revenue	1,044	1,024	2%	3,148	3,080	2%
Operator revenue	22	22		71	70	
Equipment revenue	414	357		1,199	1,296	
Internal sales	1	1		3	3	
Revenue	1,481	1,404	6%	4,421	4,448	-1%

Sweden Wholesale

SEK million	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
Operator revenue	265	287		764	809	
Equipment revenue	0	0		0	1	
Internal sales	1	1		3	4	
Revenue	266	289	-8%	768	813	-6%

Baltics

Lithuania

In Q3, competition in the Lithuanian market continued to focus on 5G and network quality leadership as well as back-to-school campaigns. We continued to focus on 5G network expansion, quality improvements and strengthening our market position through specific campaigns.

Net intake was positive in the quarter with 24,000 RGUs in mobile postpaid and 37,000 RGUs in mobile prepaid. Mobile ASPU increased by 4% in local currency mainly driven by upselling of prolongation contracts, additional revenue from new products and increasing data usage.

End-user service revenue grew by 7% in local currency driven by both ASPU and RGUs.

Underlying EBITDAaL grew by 7% in local currency driven by end-user service revenue growth.

	Jul-Sep 2024	Jul-Sep 2023		30 September 2024	30 September 2023	Organic %
RGUs (thousands)	Net intake			RGU base		
Mobile	60	-7		2,125	2,024	5%
– Postpaid	24	0		1,411	1,344	5%
– Prepaid	37	-6		714	679	5%
	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
ASPU (EUR)						
Mobile	9.5	9.2	4%	9.4	8.9	6%
– Postpaid	11.7	11.1	5%	11.6	10.8	7%
– Prepaid	5.1	5.3	-3%	5.1	5.0	1%
Revenue (SEK million)						
Mobile	684	655	7%	1,998	1,844	9%
– Postpaid	562	528	9%	1,640	1,490	11%
– Prepaid	123	127	-1%	358	354	2%
Fixed	4	3	32%	12	10	24%
End-user service revenue	688	658	7%	2,010	1,854	9%
Operator revenue	38	49		105	131	
Equipment revenue	288	295		832	839	
Internal sales	18	21		57	59	
Revenue	1,033	1,022	4%	3,004	2,883	5%
Underlying EBITDA	473	453		1,349	1,256	
Underlying EBITDAaL	446	429	7%	1,272	1,189	8%
Underlying EBITDAaL margin	43%	42%		42%	41%	
Capex	163	75		380	254	
Capex excluding spectrum and leases	78	67		237	212	
Capex to sales (excluding spectrum and leases)	8%	7%		8%	7%	

Estonia

The third quarter has been characterised by significant changes for the company, including continued execution of various business strategy initiatives. Following competitors' price increases earlier this year, we recently launched new price plans and migrated a substantial part of the customers to these plans. However, we remain as the price leader with a strong brand, which is helpful during ongoing intense competition focused on win-backs.

Net intake in the quarter was negative both in mobile postpaid with 2,000 RGUs and in mobile prepaid with 21,000 RGUs.

End-user service revenue grew by 3% in local currency driven by both RGUs and ASPU.

Underlying EBITDAaL declined by 1% in local currency mainly due to a renegotiated business customer contract and temporarily increased organisational costs more than offset mobile end-user service revenue growth.

	Jul-Sep 2024	Jul-Sep 2023		30 September 2024	30 September 2023	Organic %
RGUs (thousands)	Net intake			RGU base		
Mobile	-23	7		464	468	-1%
– Postpaid	-2	2		420	413	2%
– Prepaid	-21	5		45	56	-20%
	Jul-Sep 2024	Jul-Sep 2023	Organic %	Jan-Sep 2024	Jan-Sep 2023	Organic %
ASPU (EUR)						
Mobile	10.3	10.1	1%	10.2	10.0	2%
– Postpaid	11.3	11.0	3%	10.9	10.8	1%
– Prepaid	2.5	3.6	-32%	3.0	3.4	-10%
Revenue (SEK million)						
Mobile	168	167	4%	481	476	2%
– Postpaid	163	160	5%	467	457	3%
– Prepaid	5	7	-30%	14	19	-26%
Fixed	15	16	-7%	48	48	0%
End-user service revenue	183	183	3%	528	524	1%
Operator revenue	22	23	-1%	58	63	-8%
Equipment revenue	45	44	6%	126	129	-2%
Internal sales	4	3	27%	12	9	32%
Revenue	254	253	3%	724	726	0%
Underlying EBITDA	74	76		210	220	
Underlying EBITDAaL	54	56	-1%	154	159	-3%
Underlying EBITDAaL margin	21%	22%		21%	22%	
Capex	67	35		33	172	
Capex excluding spectrum and leases	32	26		122	128	
Capex to sales (excluding spectrum and leases)	13%	10%		17%	18%	

Other items

Risks and uncertainty factors

The present challenging macroeconomic and geopolitical environment also affects Tele2 Group and Tele2 AB, primarily through inflationary pressure and a somewhat cautious customer sentiment. Tele2 has a resilient business model, offering services that are highly valued and prioritised by our customers. In addition, we have a solid balance sheet. We are convinced that we are able to navigate through these uncertain times. Please refer to the section Enterprise risk management on p. 25–27 and Note 2 on p. 113–117 in Tele2's Annual and Sustainability Report 2023 for more information about Tele2's risk exposure and risk management.

Events during the quarter

14 August. Tele2 Upgrades Boxer's TV Services

How we watch mobile content has changed over the past decade and today the majority of what we watch is consumed via some form of internet connection. Tele2, which owns Boxer, has therefore gradually during the year replaced the customers' program cards with the new WiFi-based TV solution Tv Hub Mini. During the fall of 2024, Boxer will contact all remaining customers in order to upgrade them before 31 December.

4 September. Kjell Johnsen to leave as CEO of Tele2

After four years as CEO for Tele2, Kjell Johnsen has informed the board that he will be stepping down.

23 September. Tele2 and Disney+ join forces in first Swedish bundle, delivering award-winning entertainment to consumers

Tele2 and The Walt Disney Company Nordic & Baltic has entered an agreement to provide Tele2 customers with more entertainment through Disney+. This is the first Disney+ bundle offering in Sweden.

Events after the end of the third quarter 2024

14 October. Jean Marc Harion appointed as the new CEO of Tele2

Tele2's Board of Directors has appointed Jean Marc Harion as President and CEO, effective from the 10th of November. Jean Marc Harion is currently the CEO of Polish telecom operator Play and serves on Tele2's Board of Directors.

Financial calendar

Tele2 financial calendar for 2025 has been established.

29 January	Full year report 2024
23 April	Interim report Q1 2025
13 May	Annual General Meeting 2025
17 July	Half year report 2025
21 October	Interim report Q3 2025

Auditors' review

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

Stockholm, 22 October 2024
Tele2 AB (publ)

Kjell Johnsen
President and Group CEO

Q3 2024 PRESENTATION

Tele2 will host a teleconference and webcast with presentation at 10:00 CEST (09:00 BST, 04:00 EDT) on Tuesday, 22 October 2024. The presentation will be held in English.

Registration for the webcast and a separate registration for the teleconference will be available at www.tele2.com/investors.

This information is information that Tele2 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 07:00 am CEST on Tuesday 22, October 2024.

Contacts

Fredrik Hallstan

Head of External Communications, Phone: +46 (0) 761 15 38 30

Stefan Billing

Head of Investor Relations, Phone: +46 (0) 701 66 33 10

Tele2 AB

Company registration nr: 556410-8917

P.O. Box 62

SE-164 94 Kista, Stockholms län

Sweden

Tel + 46 (0) 8 5620 0060

www.tele2.com

Visit our website: www.tele2.com

Contents

Consolidated income statement

Consolidated comprehensive income

Condensed consolidated balance sheet

Condensed consolidated cash flow statement

Consolidated statement of changes in equity

Parent company

Notes

Non-IFRS measures

Other financial metrics

Consolidated income statement

SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Revenue	2	7,390	7,253	21,800	21,415
Cost of services provided and equipment sold	3	-4,110	-4,214	-12,350	-12,658
Gross profit		3,280	3,039	9,450	8,757
Selling expenses	3	-1,133	-1,053	-3,567	-3,288
Administrative expenses	3	-536	-508	-1,732	-1,612
Result from shares in associated companies and joint ventures		1	0	5	-1
Other operating income	3	70	115	236	297
Other operating expenses	3	-19	-39	-55	-92
Operating profit	3	1,663	1,554	4,337	4,061
Interest income		27	33	98	68
Interest expenses		-296	-289	-903	-772
Other financial items		-3	-3	8	75
Profit after financial items		1,391	1,295	3,540	3,432
Income tax		-283	-234	-677	-633
Net profit, continuing operations		1,108	1,061	2,863	2,799
Net profit discontinued operations	8	0	1	36	—
Net profit, total operations		1,108	1,063	2,899	2,799
Continuing operations					
<i>Attributable to:</i>					
Equity holders of the parent company		1,108	1,061	2,863	2,799
Net profit, continuing operations		1,108	1,061	2,863	2,799
Earnings per share (SEK)	6	1.60	1.54	4.14	4.05
Earnings per share, after dilution (SEK)	6	1.59	1.53	4.11	4.03
Total operations					
<i>Attributable to:</i>					
Equity holders of the parent company		1,108	1,063	2,899	2,799
Net profit, total operations		1,108	1,063	2,899	2,799
Earnings per share (SEK)	6	1.60	1.54	4.19	4.05
Earnings per share, after dilution (SEK)	6	1.59	1.53	4.16	4.03

Consolidated comprehensive income

SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
NET PROFIT		1,108	1,063	2,899	2,799
Components not to be reclassified to net profit					
Pensions, actuarial gains/losses		-73	22	-8	131
Pensions, actuarial gains/losses, tax effect		15	-5	2	-27
Components not to be reclassified to net profit/loss		-58	18	-6	104
Components that may be reclassified to net profit					
Translation differences in foreign operations		-34	-144	104	202
Reversed cumulative translation differences from divested companies		—	—	—	-1
Translation differences in associated companies		0	-1	1	1
Translation differences		-34	-145	105	202
Hedge of net investments in foreign operations		43	97	-43	-118
Tax effect on above		-9	-20	9	24
Hedge of net investments		34	77	-34	-94
Profit/loss arising on changes in fair value of hedging instruments		-52	-13	-82	-31
Reclassified cumulative profit/loss to income statement		11	12	33	25
Tax effect on cash flow hedges		8	0	10	1
Cash flow hedges		-33	0	-38	-5
Components that may be reclassified to net profit/loss		-33	-68	33	103
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-91	-50	26	208
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,017	1,012	2,926	3,007
<i>Attributable to:</i>					
Equity holders of the parent company		1,017	1,012	2,926	3,007
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,017	1,012	2,926	3,007

Condensed consolidated balance sheet

SEK million	Note	30 September 2024	30 September 2023	31 December 2023
ASSETS				
Goodwill		29,945	29,990	29,898
Other intangible assets		11,506	13,048	12,683
Intangible assets		41,451	43,037	42,580
Property, plant & equipment		9,710	8,747	8,986
Right-of-use assets		3,733	4,801	4,216
Tangible assets		13,443	13,548	13,202
Shares in associated companies and joint ventures		6	6	6
Other financial assets	4	961	993	1,044
Capitalised contract costs		818	757	810
Deferred tax assets		122	45	104
Non-current assets		56,801	58,385	57,746
Inventories		855	1,027	824
Trade receivables		1,974	2,050	2,111
Other current receivables		3,389	3,455	3,660
Current investments		121	172	84
Cash and cash equivalents	5	1,871	3,825	1,634
Current assets		8,211	10,529	8,313
Assets classified as held for sale	8	—	34	—
TOTAL ASSETS		65,012	68,948	66,059
EQUITY AND LIABILITIES				
Attributable to equity holders of the parent company		21,013	22,059	22,780
Equity	6	21,013	22,059	22,780
Liabilities to financial institutions and similar liabilities	4	22,338	22,706	22,171
Lease liability		2,608	3,737	3,111
Provisions		985	1,022	1,045
Other interest-bearing liabilities		152	187	162
Interest-bearing liabilities		26,083	27,652	26,488
Deferred tax liability		3,359	3,526	3,597
Other non-interest-bearing liabilities		351	335	340
Non-interest-bearing liabilities		3,710	3,861	3,938
Non-current liabilities		29,792	31,513	30,426
Liabilities to financial institutions and similar liabilities	4	3,800	4,275	4,148
Lease liability		1,228	1,127	1,209
Provisions		135	25	46
Other interest-bearing liabilities		371	853	976
Interest-bearing liabilities		5,535	6,280	6,379
Trade payables		1,951	2,125	2,233
Dividend payable		2,389	2,352	—
Other current non-interest-bearing liabilities		4,325	4,529	4,156
Non-interest-bearing liabilities		8,665	9,006	6,388
Current liabilities		14,199	15,286	12,767
Liabilities directly associated with assets classified as held for sale	8	7	90	86
TOTAL EQUITY AND LIABILITIES		65,012	68,948	66,059

Condensed consolidated cash flow statement

Total operations SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Operating activities					
Net profit		1,108	1,063	2,899	2,799
Adjustments for non-cash items in net profit		1,503	1,707	4,481	4,545
Changes in working capital		-270	185	150	400
Cash flow from operating activities		2,340	2,955	7,531	7,744
Investing activities					
Additions to intangible and tangible assets		-921	-766	-2,931	-2,580
Acquisition and sale of shares and participations	7	0	-1	-38	21
Other financial assets, lending		26	26	-37	-15
Cash flow from investing activities		-895	-742	-3,006	-2,575
Financing activities					
Proceeds from loans		27	486	3,581	3,364
Repayments of loans		-563	-350	-5,479	-3,502
Dividend paid	6	—	—	-2,389	-2,351
Cash flow from financing activities		-536	135	-4,286	-2,489
Net change in cash and cash equivalents		909	2,348	238	2,680
Cash and cash equivalents at beginning of period		965	1,473	1,634	1,116
Exchange rate differences in cash and cash equivalents		-3	4	-1	29
Cash and cash equivalents at end of the period	5	1,871	3,825	1,871	3,825

Consolidated statements of changes in equity

Total operations SEK million	Note	30 September 2024					
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	Total equity
Equity at 1 January		870	27,378	-411	582	-5,640	22,780
Net profit		—	—	—	—	2,899	2,899
Other comprehensive income for the period, net of tax		—	—	-72	105	-6	26
Total comprehensive income for the period		—	—	-72	105	2,893	2,926
Other changes in equity							
Share-based payments	6	—	—	—	—	78	78
Share-based payments, tax effect	6	—	—	—	—	6	6
Dividend	6	—	—	—	—	-4,777	-4,777
Equity at end of the period		870	27,378	-484	688	-7,439	21,013

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

Parent company

Condensed income statement

SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Revenue	16	12	50	39
Administrative expenses	-34	-23	-95	-78
Other operating income	0	0	0	0
Other operating expenses	0	0	0	0
Operating loss	-17	-11	-45	-39
Dividend from group company	–	4,800	–	4,800
Interest income	51	92	215	208
Interest expense	-300	-237	-894	-607
Other financial items	42	95	-48	-46
Profit/loss after financial items	-225	4,739	-772	4,316
Tax on profit/loss	13	12	123	99
Net profit/loss	-212	4,751	-649	4,415

Condensed balance sheet

SEK million	Note	30 September 2024	30 September 2023	31 December 2023
ASSETS				
Financial assets		71,179	75,977	75,458
Non-current assets		71,179	75,977	75,458
Current receivables		176	235	1,969
Current investments		121	172	84
Cash and cash equivalents		0	0	0
Current assets		298	407	2,053
TOTAL ASSETS		71,477	76,383	77,511
EQUITY AND LIABILITIES				
Restricted equity	6	5,856	5,856	5,856
Unrestricted equity	6	28,404	32,703	33,789
Equity		34,260	38,559	39,645
Untaxed reserves		915	610	915
Interest-bearing liabilities	4	27,451	27,813	27,283
Non-current liabilities		27,451	27,813	27,283
Interest-bearing liabilities	4	6,403	7,027	9,435
Non-interest-bearing liabilities		2,448	2,375	233
Current liabilities		8,851	9,402	9,668
TOTAL EQUITY AND LIABILITIES		71,477	76,383	77,511

Notes

NOTE 1 ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim financial information for the Group for the nine month period ended 30 September 2024 has been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act. The interim financial information for the parent company has also been prepared in accordance with the Swedish Annual Accounts Act and as well as RFR 2 *Reporting for legal entities* and other statements issued by the Swedish Corporate Reporting Board. In all respects other than those described below, Tele2 has presented the financial statements for the period ended 30 September 2024 in accordance with the accounting policies and principles applied in the Annual and Sustainability Report 2023. The description of these principles and definitions are found in Note 1 in the Annual and Sustainability Report 2023. Disclosures as required by IAS 34 p. 16 A are presented both in the financial statements and notes as well as in other parts of the interim report.

The amendments to IFRS Accounting Standards applicable from 1 January 2024 have no effects to Tele2's financial reports for the nine month period ended 30 September 2024.

NOTE 2 REVENUE AND SEGMENTS

Revenue by segment

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Sweden	5,606	5,487	16,665	16,426
Lithuania	1,033	1,022	3,004	2,883
Latvia	532	528	1,514	1,487
Estonia	254	253	724	726
Total including internal sales	7,426	7,290	21,907	21,521
Internal sales, elimination	-36	-37	-107	-105
TOTAL	7,390	7,253	21,800	21,415

Internal sales

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Sweden	2	2	6	7
Lithuania	18	21	57	59
Latvia	11	11	32	31
Estonia	4	3	12	9
TOTAL	36	37	107	105

Revenue split by category

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Sweden Consumer				
End-user service revenue	3,209	3,166	9,545	9,260
Operator revenue	190	180	576	548
Equipment revenue	459	447	1,353	1,354
Internal sales	0	0	0	0
Total	3,858	3,794	11,475	11,162
Sweden Business				
End-user service revenue	1,044	1,024	3,148	3,080
Operator revenue	22	22	71	70
Equipment revenue	414	357	1,199	1,296
Internal sales	1	1	3	3
Total	1,481	1,404	4,421	4,448
Sweden Wholesale				
Operator revenue	265	287	764	809
Equipment revenue	0	0	0	1
Internal sales	1	1	3	4
Total	266	289	768	813
Lithuania				
End-user service revenue	688	658	2,010	1,854
Operator revenue	38	49	105	131
Equipment revenue	288	295	832	839
Internal sales	18	21	57	59
Total	1,033	1,022	3,004	2,883
Latvia				
End-user service revenue	381	365	1,088	1,047
Operator revenue	25	32	70	89
Equipment revenue	115	119	324	320
Internal sales	11	11	32	31
Total	532	528	1,514	1,487
Estonia				
End-user service revenue	183	183	528	524
Operator revenue	22	23	58	63
Equipment revenue	45	44	126	129
Internal sales	4	3	12	9
Total	254	253	724	726
Internal sales, elimination	-36	-37	-107	-105
CONTINUING OPERATIONS				
End-user service revenue	5,506	5,397	16,319	15,764
Operator revenue	563	594	1,644	1,711
Equipment revenue	1,322	1,262	3,837	3,940
TOTAL	7,390	7,253	21,800	21,415

Underlying EBITDAaL

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Sweden	2,093	2,078	5,884	5,811
Lithuania	446	429	1,272	1,189
Latvia	226	218	644	626
Estonia	54	56	154	159
TOTAL	2,818	2,781	7,954	7,785

NOTE 3 PROFIT AFTER FINANCIAL ITEMS

Reconciling items to reported profit after financial items

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Underlying EBITDAaL	2,818	2,781	7,954	7,785
Reversal lease depreciation and interest	384	369	1,140	1,100
Underlying EBITDA	3,202	3,150	9,094	8,886
Restructuring costs	-50	-25	-285	-111
Disposal of non-current assets	-8	-19	-12	-32
Other items affecting comparability	-10	—	-22	-45
Items affecting comparability	-68	-44	-320	-189
EBITDA	3,134	3,106	8,774	8,697
Depreciation/amortisation	-1,471	-1,552	-4,442	-4,635
Result from shares in associated companies and joint ventures	1	0	5	-1
Operating profit	1,663	1,554	4,337	4,061
Net interest and other financial items	-272	-259	-797	-629
Profit after financial items	1,391	1,295	3,540	3,432

Restructuring costs

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Redundancy costs	-13	—	-164	-13
Other employee and consultancy costs	0	-1	-6	-16
Exit of contracts and other costs	-37	-23	-115	-82
Restructuring costs	-50	-25	-285	-111
Reported as:				
– Cost of services provided	-9	-14	-34	-56
– Selling expenses	-30	-3	-110	-15
– Administrative expenses	-12	-9	-142	-40

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

Disposal of non-current assets

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Closure of projects and systems	—	-4	—	-13
Network equipment scrapping	-8	-16	-15	-24
Other	1	—	2	5
Disposal of non-current assets¹⁾	-8	-19	-12	-32

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

Other items affecting comparability

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Legal disputes and settlements	15	—	15	-11
Legacy receivable reconciliation	-5	—	-15	-20
Legacy insurance costs	—	—	-5	-16
Quality assurance	-20	—	-20	—
Other	—	—	3	2
Total	-10	—	-22	-45
Reported as:				
– Cost of services provided	-25	—	-23	—
– Selling expenses	15	—	6	-33
– Administrative expenses	—	—	-5	-12

In Q3 2024, a positive non-recurring item of SEK 15 million was recognized, related to a settlement with a supplier. In addition, a negative adjustment of SEK 20 million related to a non-recurring quality assurance project was recognized in the quarter.

NOTE 4 FINANCIAL ASSETS AND LIABILITIES

Financing

SEK million	30 September 2024	30 September 2023	31 December 2023
Bonds SEK	8,793	6,794	6,784
Bonds EUR	14,496	16,776	16,329
Commercial papers	1,485	—	—
Financial institutions	1,363	3,411	3,206
Total liabilities to financial institutions	26,138	26,981	26,319

Average maturity and average interest rate (including derivatives) for outstanding debt to financial institutions at 30 September 2024 amounted to 3.4 years and 3.3 percent, respectively.

As of the date of this report, Tele2 has an unutilised credit facility with a syndicate of eight banks maturing in 2028.

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

In June 2024, Tele2 secured a new loan from the European Investment Bank of EUR 140 million to support the roll-out of the 5G network and upgrade of the 4G network in Sweden. As of 30 September, the loan remains unutilised.

Financial instruments – classification and fair values

Tele2's financial assets consist mainly of receivables from end customers, other operators and resellers as well as cash and cash equivalents. Tele2's financial liabilities consist mainly of loans, bonds, lease liabilities and trade payables. For the category "Liabilities to financial institutions" the reported value amounted on 30 September 2024 to SEK 26,138 (31 December 2023: 26,319) million and the fair value to SEK 26,116 (31 December 2023: 25,930) million.

Tele2 has derivative instruments included in assets of SEK 70 (31 December 2023: 89) million and in liabilities of SEK 242 (31 December 2023: 802) million measured at fair value (Level 2).

NOTE 5 RELATED PARTIES

Tele2's share of cash and cash equivalents in joint operations (Svenska UMTS-nät AB and Net4Mobility HB, Sweden, including subsidiaries) for which Tele2 has limited disposal rights was included in the Group's cash and cash equivalents and amounted at 30 September 2024 to SEK 70 (31 December 2023: 74) million. Other transactions with joint operations and other related parties mainly consists of the same items as prior year end and are presented in Note 34 of the Annual and Sustainability Report 2023.

NOTE 6 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

Number of shares

	30 September 2024	30 September 2023	31 December 2023
Total number of shares	696,221,597	696,221,597	696,221,597
Number of treasury shares	-3,831,770	-4,588,520	-4,588,520
Number of outstanding shares	692,389,827	691,633,077	691,633,077
Number of outstanding shares, weighted average	692,098,338	691,322,222	691,399,936
Number of shares after dilution	696,759,006	696,067,358	696,244,505
Number of shares after dilution, weighted average	696,477,398	695,421,449	695,634,439

In Q2 2024, 756,750 share rights attached to LTI 2021 were exchanged for shares (see additional information below). Changes in shares during previous year are stated in Note 23 in the Annual and Sustainability Report 2023.

Outstanding share right programs

	30 September 2024	30 September 2023	31 December 2023
LTI 2024	1,470,000	—	—
LTI 2023	1,395,383	1,559,496	1,624,035
LTI 2022	1,503,796	1,450,187	1,509,122
LTI 2021	—	1,424,598	1,478,271
Total outstanding share rights	4,369,179	4,434,281	4,611,428

The outstanding long-term incentive programs (LTI 2022, LTI 2023 and LTI 2024) are based on a similar structure, but with updated performance parameters for the LTI 2024 program, where the Tele2 Absolute TSR performance measurement was removed, and replaced with a Sustainability measurement (CDP Score). The performance measurements Cashflow and Relative TSR were kept. Additional information about the LTI programs 2022 and 2023 regarding the purpose of the program, performance parameters, measurement periods, conditions and requirements are stated in Note 31 of the 2023 Annual and Sustainability Report and information regarding the LTI 2024 program is stated in the Notice to the Annual General Meeting 2024. During the nine months in 2024, the total cost including social security costs for all the programs amounted to SEK 114 (80) million.

LTI 2024

At the Annual General Meeting held on 15 May 2024, the shareholders approved a performance-based incentive program (LTI 2024) for senior executives and other key employees in the Tele2 Group. In order to participate in the program, participants must own Tele2 Class B shares, which give the participants retention and performance rights. Subject to fulfillment of certain performance based conditions during the periods 1 January 2024 – 31 December 2026 (the “Cash flow and CDP Score Measurement Period”) and 1 April 2024 – 31 March 2027 (the “TSR Measurement Period”) and the participant maintaining the invested shares at the release of the interim report for January – March 2027 and, with certain exceptions, as well maintaining the employment within the Tele2 Group, each right entitles the participant to receive one Tele2 share free of charge (subject to income taxation).

Total costs before tax for outstanding rights in the incentive program are expensed over the three year vesting period. These costs are expected to amount to SEK 81 million, of which social security costs amount to SEK 26 million. To ensure the delivery of Class B shares under the program, the Annual General Meeting decided to authorise the Board of Directors to resolve on a directed share issue of a maximum of 1,960,000 Class C shares and subsequently to repurchase the Class C shares. The Board of Directors has not yet used its mandate.

LTI 2021

The exercise of the share rights in LTI 2021 was conditional upon the fulfilment of certain retention and performance-based conditions. The TSR criterias (serie A and B below) were measured from 1 April 2021 until 31 March 2024, while operating cashflow (serie C below) was measured from 1 January 2021 to 31 December 2023. The outcome of these performance conditions was in accordance with below and 756,750 share rights have been exchanged for shares in Tele2 during Q2 2024.

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

Dividend

The Annual General Meeting (AGM) held on 15 May 2024, resolved on an ordinary dividend of SEK 4,777 million, or SEK 6.90 per A and B share, to be paid in two tranches of SEK 3.45 each. The first tranche of the dividend, amounting to SEK 2,389 million, was distributed to the shareholders on 22 May 2024. The second tranche of SEK 2,389 million was distributed on 18 October 2024.

NOTE 7 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Divestments				
Tele2 Germany	—	—	—	24
Tele2 Croatia	—	-1	-43	-3
T-Mobile Netherlands	—	—	5	—
Total sale of shares and participations	—	-1	-38	21
TOTAL CASH FLOW EFFECT	—	-1	-38	21

In the first nine months of 2024 Tele2 paid SEK 43 million to settle a dispute related to the divested operations in Croatia. Tele2 also received an additional payment of SEK 5 million related to the divestment on T-Mobile Netherlands, that was completed in 2022.

The proceeds from Tele2 Germany in 2023 refer to the earnout component.

See further information about Croatia and Germany in Note 8 discontinued operations.

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

NOTE 8 DISCONTINUED OPERATIONS

Tele2 Croatia

In March 2020 Tele2 completed the divestment of its Croatian business to United Group.

In the first nine months of 2024, the positive impact of SEK 11 million mainly refers to a provision release, following a settlement of a dispute. See also note 7.

Tele2 Germany

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

Final payment was made in Q4 2023, as the maximum accumulated proceeds of SEK 205 million was reached.

Tele2 Netherlands

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

In the first nine months of 2024, the positive impact of SEK 26 million was related to a provision release referring to a resolved dispute.

Income statement

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

Further information about effects in the income statement under discontinued operations in 2023 is provided in Note 33 of the Annual and Sustainability Report 2023.

Discontinued operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain	0	1	36	0
– of which Germany	–	-1	–	3
– of which Croatia	0	2	11	-2
– of which Netherlands	–	1	26	-1
NET PROFIT/LOSS	0	1	36	0
Attributable to:				
Equity holders of the parent company	0	1	36	0
NET PROFIT/LOSS	0	1	36	0
Earnings per share (SEK)	0.00	0.00	0.05	0.00
Earnings per share, after dilution (SEK)	0.00	0.00	0.05	0.00

Balance sheet

Liabilities associated with assets held for sale as of 30 September 2024 refer to provisions related to the divested operation in Croatia.

Discontinued operations SEK million	30 September 2024	30 September 2023	31 December 2023
ASSETS			
Financial assets	–	6	–
Non-current assets	–	6	–
Current receivables	–	28	–
Current assets	–	28	–
Assets classified as held for sale	–	34	–
LIABILITIES			
Interest-bearing liabilities	–	27	26
Non-current liabilities	–	27	26
Interest-bearing liabilities	3	60	57
Non-interest-bearing liabilities	4	4	4
Current liabilities	7	64	61
Liabilities directly associated with assets classified as held for sale	7	90	86

Cash flow statement

Discontinued operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Cash flow from investing activities	–	-1	-43	21
Net change in cash and cash equivalents	–	-1	-43	21

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 and explanations of these measures are described below, but other companies may calculate non-IFRS measures differently and these measures are therefore not always comparable to similar measures used by other companies.

EBITDA

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

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

Underlying EBITDA

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

Underlying EBITDA: EBITDA excluding items affecting comparability.

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

Underlying EBITDAaL and underlying EBITDAaL margin

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

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

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

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Operating profit	1,663	1,554	4,337	4,061
Reversal:				
Result from shares in associated companies and joint ventures	-1	0	-5	1
Depreciation and amortisation	1,471	1,552	4,442	4,635
EBITDA	3,134	3,106	8,774	8,697
Reversal, items affecting comparability:				
Restructuring costs	50	25	285	111
Disposal of non-current assets	8	19	12	32
Other items affecting comparability	10	—	22	45
Total items affecting comparability	68	44	320	189
Underlying EBITDA	3,202	3,150	9,094	8,886
Lease depreciation	-346	-324	-1,026	-967
Lease interest costs	-37	-45	-113	-133
Underlying EBITDAaL	2,818	2,781	7,954	7,785
Revenue	7,390	7,253	21,800	21,415
Revenue excluding items affecting comparability	7,390	7,253	21,800	21,415
Underlying EBITDAaL margin	38%	38%	36%	36%

Non-IFRS measures – Capex paid and capex

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

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

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

SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
CONTINUING OPERATIONS				
Additions to intangible and tangible assets	-922	-766	-2,933	-2,586
Sale of intangible and tangible assets	0	0	2	5
Capex paid	-921	-766	-2,931	-2,580
This period's unpaid capex and reversal of paid capex from previous period	71	-797	13	-947
Reversal received payment of sold intangible and tangible assets	0	0	-2	-5
Capex intangible and tangible assets	-851	-1,564	-2,920	-3,533
Reversal spectrum	—	704	—	723
Capex excluding spectrum and leases	-851	-860	-2,920	-2,810
Spectrum	—	-704	—	-723
Additions to right-of-use assets	-323	-231	-593	-630
Capex	-1,174	-1,795	-3,513	-4,163

No capex has been reported related to discontinued operations.

Non-IFRS measures – Operating cash flow

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

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

Continuing operations SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Underlying EBITDAaL	2,818	2,781	7,954	7,785
Capex excluding spectrum and leases	-851	-860	-2,920	-2,810
Operating cash flow	1,967	1,922	5,034	4,975

Non-IFRS measures – Equity free cash flow

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

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

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

SEK million	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
CONTINUING OPERATIONS				
Cash flow from operating activities	2,340	2,955	7,531	7,744
Capex paid	-921	-766	-2,931	-2,580
Amortisation of lease liabilities	-312	-295	-1,030	-974
Equity free cash flow	1,107	1,894	3,570	4,189
eFCF per share (SEK)	1.60	2.74	5.16	6.06
eFCF per share after dilution (SEK)	1.59	2.72	5.13	6.02
NUMBER OF SHARES				
Number of outstanding shares, weighted average	692,098,338	691,322,222	692,098,338	691,322,222
Number of shares after dilution, weighted average	696,477,398	695,421,449	696,477,398	695,421,449

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

Non-IFRS measures – Net debt and economic net debt

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

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

Economic net debt: Net debt excluding lease liabilities.

Total operations SEK million	30 September 2024	30 September 2023	31 December 2023
Interest-bearing non-current liabilities	26,083	27,652	26,488
Interest-bearing current liabilities	5,535	6,280	6,379
Reversal provisions	-1,120	-1,047	-1,091
Cash & cash equivalents, current investments and restricted funds	-1,994	-3,998	-1,720
Derivative assets	-70	-130	-89
Net debt	28,434	28,758	29,968
Reversal:			
Lease liabilities	-3,836	-4,864	-4,320
Economic net debt	24,597	23,893	25,648

Organic

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

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

Reconciliation of figures is presented in an Excel document (Q3-2024-financial-and-operational-data) on Tele2's website www.tele2.com.

Other financial metrics

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

ASPU

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

Average interest rate

Annualised 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 amortisations during the period.

Capex to sales

Capex excluding spectrum and leases divided by revenue.

Earnings per share

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

Economic net debt / Underlying EBITDAaL (financial leverage)

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

End-user service revenue

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

Operating profit/loss (EBIT)

Revenue less operating expenses.

RGU

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

TSR

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



Visit our website: www.tele2.com

TELE2

