# Agenda

**Registration and lunch**

**Introduction**  
Allison Kirkby

**Sweden**  
Samuel Skott, Francois Mairey

**Q&A**

**Break**

**Baltics**  
Guillaume van Gaver, Petras Masiulis, Ervins Kampans

**IoT**  
Rami Avidan, Ingrid Wistrand

**Closing**  
Allison Kirkby, Lars Nordmark

**Q&A**

**Mingle**
Today’s presenters

Allison Kirkby
President & CEO

Lars Nordmark
Group CFO

Samuel Skott
CEO Sweden

Guillaume van Gaver
EVP International

Francois Mairey
CTIO Shared Operations

Petras Masiulis
CEO Lithuania & Head of the Baltics

Ervins Kampans
CTIO Estonia

Rami Avidan
Managing Director Tele2 IoT

Ingrid Wistrand
Managing Director Tele2 IoT
This is Tele2

Fearless Brands
Awards winning campaigns

Baltic Sea Strength
ROCE >25%

Mobility First

Connectivity Innovator
Top 20 MNO in Global IoT

High Growth Investment Markets
World's first 4G only MNO

The Tele2 Way
Best in class employee engagement
Tele2’s Way2Win

Vision
We will be champions of customer value in everything we do

Mission
We are challengers, fast-movers and will always offer our customers what they need for less

Where we play
- Mobile access
- Our current footprint
- Residential and Business IoT

How we win
- Focused Technology Choices
- Value Champion
- Step-Change Productivity
- Winning People & Culture

The Tele2 Way
Responsible Challenger
Our goals

**Profitable Growth**
- Return to 20% ROCE

**Engaged Employees**
- Engagement Index ~85%

**Happiest Customers**
- NPS above 50%
We are more mobile than ever before

Sources: Tefficient, 2016, GSMA 2016, Ericsson, 2016
Mobile connections continue to grow

Source: GSMA 2016, World Bank 2016


114% penetration
103% penetration
...as we connect more of the things we love
Market year-on-year development

Mobile end-user service revenue, Q3 2016

- Kazakhstan (LFL) +20%
- Sweden +2%
- Netherlands +15%
- Baltics +7%
- Croatia +3%

Note: LFL – Like for like, defined as constant currencies and pro forma for Altel
## Where we focus

<table>
<thead>
<tr>
<th>Market</th>
<th>Country</th>
<th>Focus</th>
<th>Cash Flow*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established</td>
<td>Sweden</td>
<td>Data monetization</td>
<td>Strong</td>
</tr>
<tr>
<td></td>
<td>Baltics</td>
<td>Data monetization</td>
<td>Strong</td>
</tr>
<tr>
<td>Investment</td>
<td>Kazakhstan</td>
<td>Integration</td>
<td>Funded by JV partner</td>
</tr>
<tr>
<td></td>
<td>Netherlands</td>
<td>Customer growth</td>
<td>Negative</td>
</tr>
</tbody>
</table>

Note: *Cash flow - defined as EBITDA - Capex
## Tele2 Sweden

<table>
<thead>
<tr>
<th>Clear #2</th>
<th>Award-winning network</th>
<th>Unique brand portfolio</th>
<th>Highly engaged employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>Fantastic spectrum portfolio</td>
<td>Telco logo</td>
<td>Market position in both B2C and B2B, including TDC</td>
</tr>
<tr>
<td>31%</td>
<td>Award winning 4G coverage</td>
<td>Telco logo</td>
<td>Mobile market share</td>
</tr>
<tr>
<td>#2</td>
<td>EBITDA margin Q3 16 YTD</td>
<td>Telco logo</td>
<td>EBITDA margin Q3 16 YTD</td>
</tr>
</tbody>
</table>

- **Tele2**
- **Baltics**
- **Sweden**
Sweden momentum is back

Net sales (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 15</td>
<td>3,100</td>
</tr>
<tr>
<td>Q4 15</td>
<td>3,299</td>
</tr>
<tr>
<td>Q1 16</td>
<td>3,053</td>
</tr>
<tr>
<td>Q2 16</td>
<td>3,018</td>
</tr>
<tr>
<td>Q3 16</td>
<td>3,095</td>
</tr>
</tbody>
</table>

Mobile end-user service revenue (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Mobile EBITDA revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 15</td>
<td>1,889</td>
</tr>
<tr>
<td>Q4 15</td>
<td>1,841</td>
</tr>
<tr>
<td>Q1 16</td>
<td>1,797</td>
</tr>
<tr>
<td>Q2 16</td>
<td>1,821</td>
</tr>
<tr>
<td>Q3 16</td>
<td>1,928</td>
</tr>
</tbody>
</table>

EBITDA and EBITDA margin (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA</th>
<th>EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 15</td>
<td>1,014</td>
<td>33%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>946</td>
<td>29%</td>
</tr>
<tr>
<td>Q1 16</td>
<td>894</td>
<td>29%</td>
</tr>
<tr>
<td>Q2 16</td>
<td>846</td>
<td>28%</td>
</tr>
<tr>
<td>Q3 16</td>
<td>1,068</td>
<td>35%</td>
</tr>
</tbody>
</table>
Sweden – Improving trends

Consumer postpaid mobile end-user service revenue

Share of sales with bundle >0.5GB

Geographic coverage 2G/4G

+7%
Data usage continues to grow, driven by 4G

<table>
<thead>
<tr>
<th>Data consumption</th>
<th>Average data consumption per user</th>
<th>Network coverage</th>
<th>4G+ activated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>Q3 2015</td>
<td>Q3 2016</td>
<td>340 MBIT/S</td>
</tr>
<tr>
<td>+97%</td>
<td>3.2 GB</td>
<td>88%</td>
<td>4G+</td>
</tr>
<tr>
<td></td>
<td>4.4 GB</td>
<td>99.9%</td>
<td>100 MBIT/S</td>
</tr>
</tbody>
</table>

- **Data consumption**: 3G and 4G data consumption per user.
- **Average data consumption per user**: Q3 2016 - 4.4 GB, Q3 2015 - 3.2 GB, +97% increase.
- **Network coverage**: Geographical coverage - 88%, Population coverage - 99.9%.
- **4G+ activated**: 340 MBIT/S.
Becoming customer champions

Delighted customers
(\%), rolling average (4 quarters)

Customer satisfaction
SKI development 2012-2016

Source: (1) Millward Brown Brand-tracking study; (2) Svenskt Kvalitetsindex
Key focus areas

HOW WE WIN

Value Champion | Focused Technology Choices | Step-change Productivity | Winning People & Culture

Dual Brand Strategy | World Class Network | Challenger Program | High Engagement

Sweden | Baltics | IoT
VALUE CHAMPION
Combination accelerates Tele2’s B2B strategy
TDC significantly strengthens our B2B position...

B2B market shares, % (2015)

Mobile
- Tele2: 18
- Combined: 20

Fixed telephony
- Tele2: 11
- Combined: 18

Fixed broadband
- Tele2: 4
- Combined: 13

Common business areas

Unified Communications
- Tele2
- TDC

Networking
- Tele2
- TDC

SME
- Tele2
- TDC

Direct
- Tele2
- TDC
...and makes us a turnkey supplier

<table>
<thead>
<tr>
<th>Positioning</th>
<th>Customer segment</th>
<th>Product offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price leader, Flexible &amp; world class Mobile Network</td>
<td>Strong overall B2B position with increasing LE footprint</td>
<td>Connectivity, and Mobility focus</td>
</tr>
<tr>
<td>Overall strengthened B2B position</td>
<td>Enhanced Go-to-market expertise</td>
<td>Broader and more comprehensive portfolio</td>
</tr>
</tbody>
</table>

Note: CaaS – Communication as a service; PBX – Private branch exchange
While unlocking significant synergies

**OPEX synergies**
- MVNO migration
- Consolidation of network and migration of IT systems
- Reduction of SG&A costs

**CAPEX synergies**
- Optimized infrastructure investments
- Consolidate IT systems and retire legacy

**Integration costs**
- Network, IT systems and billing integration
- SG&A restructuring

**OPEX/CAPEX**
- ~SEK 300m run-rate
- Starting year 1
- Fully achieved in year 4

**CAPEX**
- ~SEK 200m one-off
- Majority during first 2 years

- ~SEK 750m
- Majority during first 2 years
Unique dual brand strength in the consumer segment

- Premium
- Quality
- Economy

Low Price Fighter

High Value Champion
With Comviq brand well positioned and delivering customer growth

Source: Millward Brown Brand-tracking study
And Tele2 driving increased data and ASPU

Upgrades to larger buckets

Tele2 ASPU Development

+9%

0.5GB, 5GB, 20GB, 50GB, 100GB

2014, 2016
Connectivity is expanding into more devices and aspects of life
Tele2 taking the lead as it moves towards a unique position

The natural leader and enthusiast of connectivity

1. No binding periods
2. Most data for the buck
3. Connectivity for you and all your things made simple
BE CONTENT WITH MORE!

THE FIRST CAMPAIGN ON THE TELE2 JOURNEY
ENTER THE MIND OF A STRANGER.
YOUR OWN ISN'T BIG ENOUGH.
JOEL KINNAMAN
WHEN SWEDEN ISN’T BIG ENOUGH.
Cristina Stenbeck

When owning companies isn’t enough.
FOCUSED TECHNOLOGY CHOICES
# We have a world class network

## 4G+ activated on ~1 500 sites

<table>
<thead>
<tr>
<th>NO CA</th>
<th>2CC</th>
<th>3CC</th>
<th>4CC</th>
<th>5CC</th>
</tr>
</thead>
</table>

June, 2016: 4G+ (Carrier Aggregation) activated

## 4G along railroads and in subway

- July, 2016: LTE 900 MHz activated on 160 sites along the railroads
- Indoor 4G coverage will reach 100% in 2017

## Vast 4G coverage

- Geographical coverage: 88%
- Population coverage: 99.9%

---

**Sweden**

**Baltics**

**IoT**
And a fantastic spectrum portfolio

<table>
<thead>
<tr>
<th>Frequency (MHz)</th>
<th>3</th>
<th>Telia</th>
<th>TE2</th>
<th>Net4Mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>800</td>
<td>10 MHz</td>
<td>10 MHz</td>
<td>10 MHz</td>
<td></td>
</tr>
<tr>
<td>900</td>
<td>5 MHz</td>
<td>20 MHz</td>
<td>10 MHz</td>
<td></td>
</tr>
<tr>
<td>1800</td>
<td>35 MHz</td>
<td>35 MHz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2600</td>
<td>10 MHz</td>
<td>40 MHz</td>
<td>20 MHz</td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td>40 MHz</td>
<td></td>
<td>20 MHz</td>
<td></td>
</tr>
</tbody>
</table>

Telia 2G/4G and 3G900; "3" 4G and 3G900

3GIS

Own networks

Sweden, Baltics, IoT
We are well positioned for the shift to 5G

CoMP and LTE peak rates >600 Mbps

LTE peak rates >800 Mbps with 5CC Carrier Aggregation

Ultra Low latency with reduced TTI

VoLTE and LTE Roaming

Video over LTE

Full cloudification NFV/SDN – Own orchestration

Note: CoMP - Coordinated Multi Point function, NFV - Network Function Virtualization, SDN - Software Defined Network, TTI - Transmit Time Interval
STEP-CHANGE
PRODUCTIVITY
Cost consciousness is one of our key values

COST CONSCIOUS
Be smart and always have the lowest cost

Group operating model
Efficient organization
Network sharing
Challenger program
Swedish Challenger program delivering benefits and is on track

**Key progress**

- Simplification of product portfolio ongoing. By end of 2016, **35% of residential Products closed** since start of Program
- **Strategic sourcing progressing.** Improvements within e.g. facility management, logistics, external staffing, servers, devices
- **Consolidated NW&IT and Finance** organizations into Shared Operations enabling economies of scale
- **Optimization of resources** within Sales and Marketing
- **Back office and Administration** resources transferred to **outsourcing partner in India**

**Focus going forward**

- Aggressively push **simplification and digitization** of product portfolio further
- Intensified focus on improving **return on marketing investments** through **digitization and analytics**
- **Leverage scale** from consolidated organization
- Leverage command center hub in Riga to **optimize cost and quality** within Customer Service and BPO
WINNING PEOPLE & CULTURE
We have highly engaged employees aligned to our values

<table>
<thead>
<tr>
<th>KPI</th>
<th>Tele2</th>
<th>Benchmark*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement index</td>
<td>83</td>
<td>84</td>
</tr>
<tr>
<td>Leadership index</td>
<td>83</td>
<td>80</td>
</tr>
<tr>
<td>Tele2Way Index</td>
<td>Top decile**</td>
<td></td>
</tr>
</tbody>
</table>

**Tele2 Values**

Source: My Voice survey, November 2016
Note: *Benchmark - set of high performing companies in the service industry in representative geographies, representing top 10%  
** OHI at Tele2 survey, October 2015
We have a foundation set for growth

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<td>TELE2</td>
<td>TELE2</td>
</tr>
<tr>
<td>31%</td>
<td>EBITDA margin Q3 16 YTD</td>
<td>TDC</td>
<td>COMVIQ</td>
</tr>
<tr>
<td>#2</td>
<td>Award winning 4G coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market position in both B2C and B2B, including TDC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24% Mobile market share

31% EBITDA margin Q3 16 YTD

#2 Market position in both B2C and B2B, including TDC

Sweden Baltics IoT
Key priorities

- Further strengthen our dual brand strategy
- Integrate TDC and realize synergies
- Create a unique challenger in B2B Large Enterprise
- Execute on the Challenger Program
- Prepare for 5G
Q&A
BREAK
# Agenda

<table>
<thead>
<tr>
<th>Registration and lunch</th>
<th></th>
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<tbody>
<tr>
<td>Introduction</td>
<td>Allison Kirkby</td>
</tr>
<tr>
<td>Sweden</td>
<td>Samuel Skott, Francois Mairey</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Break</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Baltics</td>
<td>Guillaume van Gaver, Petras Masiulis, Ervins Kampans</td>
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<td>IoT</td>
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<tr>
<td>Q&amp;A</td>
<td></td>
</tr>
</tbody>
</table>

| Mingle                |  |
Guillaume van Gaver, EVP International
Petras Masiulis, CEO Lithuania & Head of the Baltics
Ervins Kampans, CTIO Estonia
### Tele2 Baltics

#### Brands

<table>
<thead>
<tr>
<th>Brand</th>
<th>#</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>#1</td>
<td>40%</td>
</tr>
<tr>
<td>Latvia</td>
<td>#2</td>
<td>30%</td>
</tr>
<tr>
<td>Estonia</td>
<td>#3</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Market share

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>#1</td>
<td>40%</td>
</tr>
<tr>
<td>Latvia</td>
<td>#2</td>
<td>30%</td>
</tr>
<tr>
<td>Estonia</td>
<td>#3</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Network

- Strong spectrum portfolio
- Leading position in 4G availability
## Continued strong performance

<table>
<thead>
<tr>
<th></th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong> (SEK million)</td>
<td>832</td>
<td>815</td>
<td>770</td>
<td>787</td>
<td>884</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile end-user service revenue</strong> (SEK million)</td>
<td>488</td>
<td>476</td>
<td>468</td>
<td>477</td>
<td>521</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA and EBITDA margin</strong> (SEK million)</td>
<td>263</td>
<td>257</td>
<td>246</td>
<td>256</td>
<td>287</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>+6%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>+7%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>+9%</td>
<td></td>
</tr>
</tbody>
</table>
Driven by data monetization

ASPU development

Share of 4G capable smartphones in base

4G population coverage

+7%
Data growth driven by transition from 3G to 4G

Data consumption

2.3 GB
Q3 2016

1.5 GB
Q3 2015

Average monthly data consumption per user

Network coverage

99% 98%

99%

43%

Population coverage

Geographic coverage
Further data monetization potential

Share of 4G capable smartphones in base

- **Sweden**: Q3 15 - 49%, Q3 16 - 64%
- **Baltics**: Q3 15 - 17%, Q3 16 - 32%

Data usage per customer (Gb/month)

- **Sweden**: Q3 15 - 1.5, Q3 16 - 2.3
- **Baltics**: Q3 15 - 3.2, Q3 16 - 4.4
Key focus areas

HOW WE WIN

Value Champion
Focused Technology Choices
Step-change Productivity
Winning People & Culture

Price Fighter to Value Champion
High Quality Network
Shared Service Center
High Engagement
VALUE CHAMPION
### Move from Price Fighter to Value Champion

<table>
<thead>
<tr>
<th></th>
<th>Lithuania</th>
<th>Latvia</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old</td>
<td><img src="" alt="Image" /></td>
<td><img src="" alt="Image" /></td>
<td><img src="" alt="Image" /></td>
</tr>
<tr>
<td>New</td>
<td><img src="" alt="Image" /></td>
<td><img src="" alt="Image" /></td>
<td><img src="" alt="Image" /></td>
</tr>
</tbody>
</table>

The image shows the transition from price-focused to value-focused marketing strategies for TELE2 in the Baltic countries.
Leading to improved quality perception

<table>
<thead>
<tr>
<th>Network coverage</th>
<th>Voice</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+20%</td>
<td>2016</td>
</tr>
<tr>
<td>2014</td>
<td>+19%</td>
<td>2016</td>
</tr>
<tr>
<td>2014</td>
<td>+22%</td>
<td>2016</td>
</tr>
</tbody>
</table>

Source: Millward Brown
And growth in Postpaid customer base

Baltic postpaid customer growth

Churn reduction
(Q3 2016 vs. Q3 2015)

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Lithuania: -33%
- Latvia: -31%
- Estonia: -6%
Value Champion enables growth in all segments

Mobile broadband Net sales

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16

+37%

B2B Net sales

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16

+9%
Strong frequency portfolio

<table>
<thead>
<tr>
<th>Frequency Band</th>
<th>Lithuania</th>
<th>Latvia</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>450 MHz</td>
<td>10 MHz</td>
<td>10 MHz</td>
<td>4.4 MHz</td>
</tr>
<tr>
<td>800 MHz</td>
<td></td>
<td>10 MHz</td>
<td>10 MHz</td>
</tr>
<tr>
<td>900 MHz</td>
<td>11.6 MHz</td>
<td>11.7 MHz</td>
<td>11.4 MHz</td>
</tr>
<tr>
<td>1800 MHz</td>
<td>24.6 MHz</td>
<td>24.8 MHz</td>
<td>24.8 MHz</td>
</tr>
<tr>
<td>2100 MHz</td>
<td>19.8 MHz</td>
<td>20 MHz + 5 MHz TDD</td>
<td>29.8 MHz + 10 MHz TDD</td>
</tr>
<tr>
<td>2300 MHz</td>
<td>60 MHz TDD</td>
<td>20 MHz</td>
<td>20 MHz</td>
</tr>
<tr>
<td>2600 MHz</td>
<td>20 MHz</td>
<td>20 MHz</td>
<td>20 MHz</td>
</tr>
</tbody>
</table>

- Successfully secured 900 MHz and 1800 MHz licenses in Lithuania
- Technology neutrality granted for 450 MHz in Estonia

Note: TDD - Time Division Duplex

Sweden
Baltics
IoT
LTE is just at its beginning

- LTE speeds up to 600 Mbps
- First NFV/SDN deployments in Baltics
- LTE speeds up to 800 Mbps
- Initial stage of network transformation
- LTE speeds up to 1 Gbps
- Trials of 5G "New Radio" and Core concepts

2017 | 2018 | 2019 | 2020

Note: NFV - Network Functions Virtualization; SDN - Software Defined Networks
STEP-CHANGE
PRODUCTIVITY
Strong operational discipline

Key progress

- Baltics products move to **Group** product platform
- **50% of products closed** since start of Program
- **Data analytics** and optimized marketing spend driving improved ROI
- **Consolidated Baltic NW&IT and Finance** organizations into Shared Operations enabling economies of scale
- **Centralized approach** to International wholesale leveraging scale and optimizing efficiency

Focus going forward

- Aggressively push **simplification and digitization** of product portfolio further
- Intensified focus on improving **return on marketing investments** through **digitization** and analytics
- **Leverage scale** from consolidated organization
- Leverage command center hub in Riga to **optimize cost and quality** within Customer Service and BPO
Our SSC in Riga has been a Group enabler to cost and quality transformation

- **IT**: 45% of FTEs in SSC Riga*
  - Consolidated IT factory, taking advantage of the scale and skill benefit of co-locating our IT personnel across the Group

- **Finance**: 20% of FTEs in SSC Riga*
  - During the last 12 months we have moved 20% of our finance organization from high cost markets to Riga

- **Network Operations**: 100 FTE
  - Consolidation of NOC supporting most of our markets

- **Customer Service**: 85% Call center end-user satisfaction
  - Exceptional performance in customer service contact satisfaction level in the Baltics in Q3 2016

Note: *in relation to total Group FTEs
Costs kept under control despite data growth

Network costs as % of Net sales

-9%

Data consumption 3G vs. 4G

x5 INCREASE

Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16

3G 4G

Sweden Baltics IoT

IoT Baltic
WINNING PEOPLE & CULTURE
We have highly engaged employees

<table>
<thead>
<tr>
<th>KPI</th>
<th>Tele2</th>
<th>Benchmark*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement index</td>
<td>89</td>
<td>84</td>
</tr>
<tr>
<td>Leadership index</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Tele2Way Index</td>
<td>Top decile**</td>
<td></td>
</tr>
</tbody>
</table>

Source: My Voice survey, November 2016
Note: *Benchmark - set of high performing companies in the service industry in representative geographies, representing top 10%
** OHI at Tele2 survey, October 2015
Key priorities

- Data monetization to continue
- Mobile broadband and B2B are growth opportunities
- Execute on Challenger Program
- Well positioned for 5G
Internet of Things is about enabling automated, informed, real-time decision making.
IoT model differs from traditional mobile telecom services

10-15 K
Average number of connections for a customer

2-3 MB
Average monthly data usage per connection

0.5-1 YEAR
Average sales cycle for an IoT opportunity

7-8 YEARS
Long end-product lifecycles resulting in stable revenues

< 2 EURO
ARPU per connection and month, generated through long-term subscriptions

Complex solutions involving multiple layers
IoT has enormous growth potential

Global IoT Revenue
(SEK billion)

Source: Ovum, Berg Insight, Vision Mobile & Tele2 estimate
We have set-up a global IoT business enabling communication between devices and machines

- 400+ operators
- 100+ experts
- 100+ partners
- 300+ customers
- Devices in 160+ countries
Tele2 IoT – one of the top 20 IoT operators globally

There is absolutely room in the market for a CSP taking such an approach and the contrast with other operators is noteworthy in itself; Tele2 ‘zigs’ while the CSP community ‘zags’.
Tele2’s Way2Win in IoT

Vision
The orchestrator of a smarter world.

Mission
Together, we develop a smarter world through real-time information, enabling actionable insights for businesses to excel and societies to thrive.

Where we play
- IoT-enabling services
- We are a global player, with initial focus on Europe

How we win
- Open, enduring and inspiring products
- Crawl, walk, run approach
- Success Factory
- World Class Operations

The Tele2 Way
Vision
The orchestrator of a smarter world.

GO TO MARKET ORCHESTRATION

DATA ORCHESTRATION
Tele2 IoT key differentiating factors

How we win

Open, enduring and inspiring products
Crawl, walk, run approach
Success Factory
World Class Operations

Unified and Smarter Connectivity
Customer-driven Business Models
Go-To-Market & Product Partners
Quality of service
Customer case: TELE2+ NorthStar

Battery challenges become an opportunity

Remote monitoring globally
From commodity to higher values
Improved battery ROI
Smart batteries need smart partners
Solution Architecture
TO WRAP UP...
To wrap IoT up...

**IOT MARKET OPPORTUNITY**

**HORIZONTAL MARKET POSITION**

**IOT LOVE**

**TELE2 IOT IN THE TOP 20**

**GO TO MARKET AND DATA ORCHESTRATION**

**IOT TEAM EXCELLENCE**
SUM IT UP

Lars Nordmark, Group CFO
Allison Kirkby, President and CEO
Strong Q3 Group performance

Mobile end-user service revenue (SEK million)

- Q3 15: 3 422
- Q4 15: 3 282
- Q1 16: 3 168
- Q2 16: 3 350
- Q3 16: 3 641

EBITDA (SEK million)

- Q3 15: 1 599
- Q4 15: 1 337
- Q1 16: 1 226
- Q2 16: 1 087
- Q3 16: 1 562

EBITDA - CAPEX (SEK million)

- Q3 15: 667
- Q4 15: 114
- Q1 16: 72
- Q2 16: 267
- Q3 16: 783

+6%

-2%

+17%
Solid Q3 for Established markets

Mobile end-user service revenue (SEK million)

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16
---|---|---|---|---
2,377 | 2,317 | 2,265 | 2,298 | 2,449

+3%

EBITDA (SEK million)

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16
---|---|---|---|---
1,277 | 1,203 | 1,140 | 1,102 | 1,355

+6%

EBITDA - CAPEX (SEK million)

Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16
---|---|---|---|---
1,051 | 870 | 743 | 903 | 1,093

+4%

Note: Established markets defined as Sweden and Baltics
Our Established markets have strong financials

EBITDA margin

Note: Established markets defined as Sweden and Baltics, LTM – last 12 months,
*Excluding one-off items
Cash generation in Established markets

Cash conversion rate development

Note: Cash conversion rate defined as (EBITDA-CAPEX)/EBITDA, Established markets defined as Sweden and Baltics

Cash conversion rate, peer comparison

Note: European operations, unless stated otherwise. Q3 2016 YTD, constant currency. Source: Interim reports
Tele2 has outperformed

Tele2 vs peers - Total Shareholder Return including dividend reinvested in the stock

Source: Bloomberg
**Financial guidance 2016**

<table>
<thead>
<tr>
<th>Mobile end-user service revenue</th>
<th>Mid-single digit % growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (SEK billion)</td>
<td>26 – 27</td>
</tr>
<tr>
<td>EBITDA (SEK billion)</td>
<td>4.6 – 5.0</td>
</tr>
<tr>
<td>CAPEX (SEK billion)</td>
<td>3.7 – 4.1</td>
</tr>
</tbody>
</table>

*Based on LFL which is constant currencies and pro forma for Altel
REASONS2
BELIEVE
Our proof points

Fearless Brands
Award winning campaigns

Baltic Sea Strength
ROCE >25%

Connectivity Innovator
Top 20 MNO in Global IoT

Mobility First

High Growth
Investment Markets
World's first 4G only MNO

The Tele2 Way
Best in Class Employee Engagement
Our Way2Win

Vision
We will be champions of customer value in everything we do

Mission
We are challengers, fast-movers and will always offer our customers what they need for less

Where we play
Mobile access
Our current footprint
Residential and Business
IoT

How we win
Focused Technology Choices
Value Champion
Step-Change Productivity
Winning People & Culture

The Tele2 Way
Responsible Challenger
Q&A
THE BEGINNING
Forward looking statements

Statements made in this document relating to the future, including future performance and other trend projections, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements, due to many factors, many of which are outside of Tele2’s control.