## Group highlights – Q4 2017

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Q4 2017</th>
<th>% Change Reported</th>
<th>% Change LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile end-user service revenue</td>
<td>3.4</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Net sales</td>
<td>6.6</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.5</td>
<td>5%</td>
<td>3%*</td>
</tr>
</tbody>
</table>

### Including the Netherlands

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Q4 2017</th>
<th>% Change LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile end-user service revenue</td>
<td>4.0</td>
<td>8%</td>
</tr>
<tr>
<td>Net sales</td>
<td>8.1</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.7</td>
<td>19%</td>
</tr>
</tbody>
</table>

* LFL is constant currencies and pro forma for TDC Sweden
* Note: All figures in this presentation exclude Tele2 Austria and Tele2 Netherlands unless otherwise stated
  * 9% excluding SEK 89 million provision in Croatia
Tele2’s Way2Win

Our Purpose
We fearlessly liberate people to live a more connected life

Where We Play
- Baltic Sea Challenger
- Investment Markets
- IoT
- Cash Generators

How We Win
- Positively Fearless Brands
- Connecting Things our Customers Love
- Digital First Customer Experience
- Winning Cost Structure

Responsible Challenger

Winning People & Culture
Delivering on our long term strategy

- Challenger Program exceeded run-rate target level of SEK 1 billion
- TDC opex synergies approaching run-rate target
- Group mobile EBITDA margin improved by 2% pts to 25%

- Sweden mobile end-user service revenue down 1%, EBITDA up 3% LFL
- Baltics mobile end-user service revenue up 9%, EBITDA up 21%
- Rolling 12 months operating cash flow up 26% to SEK 4.6 billion

- Kazakhstan mobile end-user service revenue up 26% LFL, EBITDA margin 28%
- Agreement with T-Mobile NL to create a stronger Dutch customer champion
- Negative 12 months rolling OCF incl. Netherlands reduced by 77%

- Higher NPS for the Tele2 brand in all markets versus Q4 2016
- Unlimited propositions continue to drive ASPU and brand perception
- Comviq Christmas campaign broke sales record for fourth consecutive year

- Challenger Program exceeded run-rate target level of SEK 1 billion
- TDC opex synergies approaching run-rate target
- Group mobile EBITDA margin improved by 2% pts to 25%

LFL is constant currencies and pro forma for TDC Sweden
Operating cash flow is EBITDA - CAPEX, 12 months rolling
Baltic Sea Challenger
**Sweden – Financials**

**Net sales, LFL** (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDC</td>
<td>4,029</td>
<td>3,932</td>
<td>3,921</td>
<td>3,833</td>
<td>4,210</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-3%</td>
</tr>
</tbody>
</table>

**Mobile end-user service revenue, LFL** (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDC</td>
<td>1,959</td>
<td>1,922</td>
<td>1,930</td>
<td>1,939</td>
<td>1,941</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1%</td>
</tr>
</tbody>
</table>

**EBITDA and EBITDA margin, LFL** (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDC</td>
<td>1,045</td>
<td>1,091</td>
<td>1,040</td>
<td>1,121</td>
<td>1,077</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+3%</td>
</tr>
</tbody>
</table>

**Q4 Highlights**

- Decrease in net sales related to Roam Like at Home (RLAH) and continued decline within fixed
- Mobile end-user service revenue decline driven by RLAH and price pressure within B2B Large. Growth of 1% excluding RLAH
- EBITDA growth from TDC synergies and Challenger Program benefits, despite SEK 70 million negative effect from RLAH

LFL is pro forma for TDC Sweden
Sweden Consumer – Growth despite RLAH

Q4 Highlights

- Mobile end-user service revenue grew by 3% adjusted for RLAH
- Sustained strong Comviq performance supported by continuation of successful Christmas campaign concept
- Tele2 postpaid mobile data consumption per customer increased by more than 60%, driving demand for larger bundles
- Customer satisfaction and NPS at high levels and growing

Q4 16 Q4 17

Consumer mobile end-user service revenue

Share of postpaid sales with bundle >3GB

Customer satisfaction (Tele2 Media & Insight)
Q4 Highlights

- Decrease in net sales against a tough comp, due to churn in prior quarters, price competition and high equipment sales in Q4 2016
- Successful customer retention in B2B Large and new significant customer wins including the Swedish Migration Agency and an extended contract with PostNord
- TDC integration and synergies ahead of plan, with SEK 72 million achieved in the quarter. Scope to exceed initial synergy target level of SEK 300 million with lower integration costs
Baltics – Financials

Net sales (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>859</td>
<td>949</td>
<td>983</td>
<td>1,042</td>
<td>935</td>
</tr>
</tbody>
</table>

Mobile end-user service revenue (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>533</td>
<td>522</td>
<td>564</td>
<td>582</td>
<td>580</td>
</tr>
</tbody>
</table>

EBITDA (SEK million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>264</td>
<td>286</td>
<td>314</td>
<td>339</td>
<td>320</td>
</tr>
</tbody>
</table>

Q4 Highlights

- Net sales growth driven by increase in both mobile end-user revenue and equipment sales, in the consumer and business segments
- Mobile end-user revenue increase driven by higher ASPU, due to successful data monetization, and growth in B2B
- Strong EBITDA performance driven by higher service revenue, Challenger Program benefits and lower investments in mobile broadband
Baltics – Strong growth despite RLAH

**ASPU development**

- Share of 4G capable smartphones in base

<table>
<thead>
<tr>
<th>Q4 16</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td>49%</td>
</tr>
</tbody>
</table>

**MBB end-user service revenue**

<table>
<thead>
<tr>
<th>Q4 16</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Q4 Highlights**

- Higher ASPU driven by continued successful data monetization strategy
- Smartphone penetration continues to rise, contributing to more than a doubling of the average data usage per customer
- Growth in mobile broadband contributes to the positive development in mobile end-user service revenue
- Estonian online brand Snäpp, awarded best website for digital sales at Digitegu
Investment Markets
Kazakhstan – Financials

Net sales (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>702</td>
<td>649</td>
<td>713</td>
<td>653</td>
<td>712</td>
</tr>
</tbody>
</table>

Mobile end-user service revenue (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>470</td>
<td>495</td>
<td>547</td>
<td>506</td>
<td>554</td>
</tr>
</tbody>
</table>

EBITDA and EBITDA margin (SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>92</td>
<td>122</td>
<td>160</td>
<td>169</td>
<td>198</td>
</tr>
<tr>
<td>Margin</td>
<td>13%</td>
<td>19%</td>
<td>22%</td>
<td>26%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Q4 Highlights

- Net sales grew by 1% (7% in local currency) from continued strong mobile end-user service revenue, offset by high equipment sales in Q4 2016
- Mobile end-user service revenue growth of 18% (26% in local currency) driven by an increased customer base and sales of higher ASPU bundles
- EBITDA margin further expanded to 28% from scale benefits and integration synergies
- Tele2 Kazakhstan is now cash generative
Kazakhstan – Momentum continues

Q4 Highlights

- Continued customer growth on the back of successful commercial strategies
- Higher ASPU level driven by continued customer shift to higher data bundles
- Network development focused on further expansion of our market leading 4G coverage
Netherlands
Reported as a discontinued operation
Netherlands – Financials

Q4 Highlights

- Decline in net sales due to lower handset revenue following the new accounting rules and WFT, and lower fixed revenue
- Mobile end-user service revenue growth driven by 16% increase in customer base and ASPU growth of 11%
- EBITDA increase driven by growth in mobile, lower mobile expansion costs, improved network economics and a positive court ruling (SEK 97 million)
- Continue to take >20% market share of new postpaid contracts

Figures presented on this slide represent Tele2 Netherlands excluding contribution to Other operations.
Financial Overview
Mobile end-user service revenue

Tele2 Group
(SEK million)

Development per market
(SEK million)
EBITDA

Tele2 Group
(SEK million)

Development per market
(SEK million)
Tele2 Group (SEK million)

Development per market (SEK million)

CAPEX / Sales
## Free cash flow

### Total operations

### Tele2 Group

(SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Development</th>
<th>Total operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 16</td>
<td>66</td>
<td>394</td>
</tr>
<tr>
<td>Q1 17</td>
<td>-17</td>
<td>178</td>
</tr>
<tr>
<td>Q2 17</td>
<td>-55</td>
<td>820</td>
</tr>
<tr>
<td>Q3 17</td>
<td>-391</td>
<td>1,290</td>
</tr>
<tr>
<td>Q4 17</td>
<td>-12</td>
<td>231</td>
</tr>
</tbody>
</table>

Q4 16: Free cash flow = Cash flow from operating activities and CAPEX paid

**Net change:** -16%

### Development

(SEK million)

Free cash flow = Cash flow from operating activities and CAPEX paid
Operating cash flow

EBITDA less CAPEX 12 m rolling, SEK million

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>-906</td>
<td>-1,133</td>
<td>-1,185</td>
<td>-1,389</td>
<td>-1,605</td>
<td>-1,845</td>
<td>-1,838</td>
<td>-1,686</td>
<td>-1,217</td>
<td>-957</td>
<td>-748</td>
<td>-596</td>
</tr>
</tbody>
</table>

Netherlands includes intercompany adjustments
Debt position and financial leverage
Total operations, Economic net debt to EBITDA 12 m rolling

Economic net debt excludes liabilities to Kazakhtelecom, loan guaranteed by Kazakhtelecom and liability for earn-out obligation in Kazakhstan.
Challenger Program run-rate target reached

Target fulfillment

- Run-rate target benefits of SEK >1 billion reached
- Accumulated benefits in 2017 of SEK ~900 million
- Total investments of SEK ~700 million

Key takeaways

- New operating model established – Network, IT and Finance
- Customer Service costs reduced with improved customer satisfaction
- Product portfolio has been reduced by ~3,000 products

Looking forward

- Program ended on 31 December 2017
- Going forward, improving productivity and operational excellence remains a key priority
Guidance 2018
# Financial guidance 2018

<table>
<thead>
<tr>
<th>Mobile end-user service revenue</th>
<th>EBITDA (SEK billion)</th>
<th>CAPEX (SEK billion excluding spectrum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-single digit % growth*</td>
<td>6.5 – 6.8</td>
<td>2.1 – 2.4</td>
</tr>
<tr>
<td>Proposed dividend</td>
<td>SEK 4 / share</td>
<td>Financial leverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.0x – 2.5x</td>
</tr>
</tbody>
</table>

* Based on continuing operations in constant currencies
Summary
Key priorities moving forward

- Fearlessly liberate people to live a more connected life
- Growth from continued data monetization
- Return Sweden to growth despite headwinds
- Further leverage our momentum in Baltics and Kazakhstan
- Prepare to Close mergers in both Netherlands and Sweden
- Operational excellence to remain a high priority
Tele2’s Way2Win

Our Purpose
We fearlessly liberate people to live a more connected life

Where We Play
Baltic Sea Challenger
Investment Markets
IoT
Cash Generators

How We Win
Positively Fearless Brands
Connecting Things our Customers Love
Digital First Customer Experience
Winning Cost Structure

Responsible Challenger

Winning People & Culture
Merger with Com Hem
Transaction update
Tele2 + Com Hem: strategic rationale

1. Combination of two highly complementary businesses
   - Creating a leading integrated operator in Sweden by combining an award-winning mobile network with the fastest national fixed network and the widest range of content in the market
     - Mobile and fixed broadband #2 and market leader in digital TV
     - Mobile network covering 99.9% of population and a fixed broadband network covering almost 60% of households with potential to grow

2. Enabling a superior customer offering meeting the demands of tomorrow
   - Positioned for enhanced growth capitalizing on increased fixed and mobile data consumption underpinned by accelerated video demand, by offering a full range of complementary and ubiquitous high-quality connectivity and digital services
   - Well positioned to act as a customer champion in an integrated world to further improve customer satisfaction and loyalty

3. Greater scale and diversification
   - Combined LTM net sales of SEK 22.8 billion, EBITDA\(^{(1)}\) of SEK 7.2 billion and OCF\(^{(2)}\) of SEK 5.2 billion in Sweden
   - Strengthening and diversification of the combined company’s Swedish operations
   - Resilient, broad-based cash flow generation

4. Unlocking significant synergies
   - Targeting opex and capex synergies with a run-rate of approximately SEK 450 million
   - Cross-selling unlocks potential material revenue synergies with a run-rate EBITDA effect of approximately SEK 450 million
   - Synergies starting in year 1 and fully achieved five years after completion of the transaction

5. Attractive financial profile
   - Accretive to free cash flow per share from year 1
   - Significant capacity to enhance revenue growth and allow for attractive shareholder remuneration and returns
   - Maintaining financial strength and flexibility
     - Committing to a credit profile consistent with an investment grade rating and to maintain Tele2’s current leverage target of 2.0-2.5x over the medium term

Note: The preliminary combined financial information on this page is not financial pro forma information, and has not been audited or otherwise reviewed by the companies’ auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. Financial information for Tele2 Sweden and Com Hem have been based on unaudited reported financial information. LTM refers to the period 1 Oct 2016 – 30 Sep 2017. (1) Refers to a combination of Tele2’s EBITDA in Sweden and Com Hem’s Underlying EBITDA. (2) Refers to a combination of Tele2’s OCF (defined as EBITDA - Capex) in Sweden and Com Hem’s OCF (defined as Underlying EBITDA - Capex).
FCFE 2017 + targeted synergies

Source: Company filings, Nasdaq.
Notes: (1) Calculated as Com Hem reported FCFE 2017 (SEK 1,528m) less normalized taxes of SEK 0.3 billion. (2) Run-rate synergies of SEK 900 million less normalized tax and less post-tax interest cost on acquisition debt.