FIRST QUARTER 2018

April 23, 2018
Tele2 AB
<table>
<thead>
<tr>
<th></th>
<th>SEK billion</th>
<th>Q1 2018</th>
<th>% change Reported</th>
<th>% change LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>6.2</td>
<td></td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Mobile end-user service revenue</td>
<td>3.3</td>
<td></td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.6</td>
<td></td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Operating cash flow, rolling 12m</td>
<td>4.6</td>
<td></td>
<td>26%</td>
<td></td>
</tr>
</tbody>
</table>

**Comments**

- Revenue adjustments in Sweden (SEK -46m) and in Croatia (SEK +18m)
- RLAH EBITDA impact for the Group was SEK -80m in Q1
- SEK 3.9bn rolling 12m OCF including Netherlands, up 59%

LFL is constant currencies
Operating cash flow = EBITDA - CAPEX
Delivering on our long term strategy

- Resilient underlying Swedish MEUSR and EBITDA despite headwinds
- Baltics mobile end-user service revenue and EBITDA up 8% LFL
- Rolling 12m operating cash flow up 9% to SEK 4.5bn

- Kazakhstan mobile end-user service revenue growth of 21%
- Croatia accelerates to double digit mobile end-user service revenue growth
- Second repayment on Kazakhstan shareholder loan received

- Outsourcing of IT services to strategic partners
- TDC synergies reached the target run-rate level
- Kazakhstan at 30% EBITDA margin one year ahead of ambition

- Dutch merger regulatory process on track – expected closing in H2
- Com Hem merger process on track – expected closing in H2
- New financial policy for the combined company
Baltic Sea Challenger
Sweden – Financials

Mobile end-user service revenue (SEK million)
- Q1 '17: 1,926
- Q2 '17: 1,935
- Q3 '17: 1,980
- Q4 '17: 1,934
- Q1 '18: 1,864

EBITDA and EBITDA margin (SEK million)
- Q1 '17: 1,088 (28%)
- Q2 '17: 1,043 (27%)
- Q3 '17: 1,125 (30%)
- Q4 '17: 1,079 (26%)
- Q1 '18: 1,020 (26%)

OCF and cash conversion, rolling 12m (SEK million)
- Q1 '17: 3,198 (80%)
- Q2 '17: 3,335 (79%)
- Q3 '17: 3,454 (81%)
- Q4 '17: 3,589 (83%)
- Q1 '18: 3,451 (81%)

Q1 highlights
- Mobile end-user service revenue growth of 1%, after adjusting for RLAH and SEK -46m write-down of a receivable
- EBITDA growth of 3%, after adjusting for SEK -51m effect from RLAH and SEK -46m write-down
- EBITDA margin impact from high equipment sales
- Rolling 12m cash conversion sustained above 80%
Sweden B2C — Resilient in a vibrant market

**Mobile end-user service revenue growth**

- Q1 ’17
- Q1 ’18

**Postpaid ASPU***

- Q1 ’17
- Q1 ’18

**Campaigns**

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**Q1 highlights**

- Mobile end-user service revenue growth of 3%, after adjusting for RLAH and the write-down of a receivable
- Both Tele2 and Comviq continue to monetize data growth with positive ASPU development, despite increased competition
- Comviq NPS at record level, confirming its strong brand equity and highly successful prepaid to postpaid migration
- Comviq launched new product portfolio and Tele2 brand evolving with Unlimited Together

* Small screen excluding write-down of a receivable
Sweden B2B – Starting to recover

<table>
<thead>
<tr>
<th>Net sales</th>
<th>Service revenue</th>
<th>Customer successes in the quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 ’17</td>
<td>Q1 ’18</td>
<td>SCB</td>
</tr>
<tr>
<td>-1%</td>
<td>-8%</td>
<td>VISMA</td>
</tr>
<tr>
<td>Q1 ’17</td>
<td>Q1 ’18</td>
<td>SIEMENS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>postnord</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SJ</td>
</tr>
</tbody>
</table>

Q1 highlights
- Net sales down due to lower service revenue almost fully offset by strong growth in equipment
- Service revenue down 5%, after adjusting for the write-down of receivable – an improvement vs. prior quarters due to customer momentum
- New contracts with ICA Gruppen, SCB, the Swedish Tax Agency and Siemens as well as extended contracts with Visma, SJ and PostNord
- Looking forward, we are on track to return to positive growth rates in the second half of the year
Baltics — Financials

Q1 highlights

- Mobile end-user service revenue driven by excellent growth in Lithuania (11% LFL) and Latvia (14% LFL) in all postpaid segments
- Estonia declined as a result of aggressive competition and loss of revenue from a third party service provider
- Stable EBITDA margin in both Lithuania (33%) and Latvia (35%)
- Rolling 12m OCF growth of 14% and high cash flow conversion
Baltics — Strong growth continues

Q1 highlights

- ASPU growth continues from successful data monetization and from prepaid to postpaid migration
- Increase in smartphone penetration, data consumption and progress in the B2B segment driving continued business momentum
- Customer satisfaction continues to grow with record levels reached in Lithuania
Investment Markets
Kazakhstan – Financials

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>495</td>
<td>542</td>
</tr>
<tr>
<td>Q2</td>
<td>547</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>506</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>554</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>122</td>
<td>198</td>
</tr>
<tr>
<td>Q2</td>
<td>160</td>
<td>210</td>
</tr>
<tr>
<td>Q3</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

**OCF and cash conversion, rolling 12m**
(SEK million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-227</td>
<td>148</td>
</tr>
<tr>
<td>Q2</td>
<td>-173</td>
<td>23%</td>
</tr>
<tr>
<td>Q3</td>
<td>-5</td>
<td>44%</td>
</tr>
<tr>
<td>Q4</td>
<td>-67%</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>-38%</td>
<td></td>
</tr>
</tbody>
</table>

**Q1 highlights**

- Mobile end-user service revenue growth of 21% LFL (9% reported) driven by a growing ASPU and an increased customer base
- EBITDA margin has reached 30% well ahead of our 2019 target, driven by data monetization, scale and operational efficiency
- Cash generation continues to improve. KZT 5bn (SEK ~125m) repayment of shareholder loan in the quarter

LFL Adjusted for local currency and M&A
Kazakhstan – Excellent momentum

ASPU development

Customer base

Net Promoter Score

Q1 highlights

- ASPU growth driven by new price plans on Tele2 and Altel, and speed-differentiated unlimited MBB price plan on Altel
- Customer base growth, in a competitive market, driven by successful product portfolio and strong customer satisfaction
- NPS improvement driven by network quality perception, 4G coverage advantage, improved distribution and great value-for-money propositions
Financial Overview
### Group results Q1 2018

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>6,221</td>
<td>5,945</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>1,628</strong></td>
<td><strong>1,523</strong></td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>26.2%</td>
<td>25.6%</td>
</tr>
<tr>
<td>Items affecting comparability</td>
<td>-70</td>
<td>-105</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>-620</td>
<td>-636</td>
</tr>
<tr>
<td>JVs and associated companies</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>952</strong></td>
<td><strong>782</strong></td>
</tr>
<tr>
<td>Interest income/expenses</td>
<td>-69</td>
<td>-73</td>
</tr>
<tr>
<td>Other financial items</td>
<td>-83</td>
<td>-31</td>
</tr>
<tr>
<td>Taxes</td>
<td>-210</td>
<td>-183</td>
</tr>
<tr>
<td><strong>Net profit, continuing operations</strong></td>
<td><strong>590</strong></td>
<td><strong>495</strong></td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>-249</td>
<td>-119</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-9</td>
<td>42</td>
</tr>
<tr>
<td><strong>Net profit, equity holders of parent</strong></td>
<td><strong>332</strong></td>
<td><strong>418</strong></td>
</tr>
</tbody>
</table>

### Comments

1. Net sales growth of 5% driven by MEUSR and equipment. No net FX impact
2. Kazakhstan and Baltics largest contributors to 7% EBITDA growth
3. SEK 72m increase in Kazakhstan earn-out obligation to SEK 504m
# Group cash flow Q1 2018

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA, continuing operations</td>
<td>1,628</td>
<td>1,523</td>
</tr>
<tr>
<td>EBITDA, discontinued operations</td>
<td>20</td>
<td>190</td>
</tr>
<tr>
<td>Financial items paid/received</td>
<td>-88</td>
<td>-8</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-145</td>
<td>-106</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-440</td>
<td>-469</td>
</tr>
<tr>
<td>CapEx paid</td>
<td>-840</td>
<td>-847</td>
</tr>
<tr>
<td>Other cash adjustments</td>
<td>-67</td>
<td>-105</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>68</strong></td>
<td><strong>178</strong></td>
</tr>
</tbody>
</table>

| Of which free cash flow, discontinued operations | -305 | -226 |
| Of which free cash flow, continuing operations | 373  | 404  |

### Comments

1. Positive effect from FX swaps in Q1 2017
2. Including spectrum fee payment in Croatia
3. Paid CapEx for total operations closer to underlying level than balance sheet capex
4. FCF from continuing operations stable compared to last year
Operating cash flow
Rolling 12 months, SEK million

Q1 '15  Q2 '15  Q3 '15  Q4 '15  Q1 '16  Q2 '16  Q3 '16  Q4 '16  Q1 '17  Q2 '17  Q3 '17  Q4 '17  Q1 '18


Baltic Sea Challenger & Rest of Group
Investment Markets
The Netherlands

Netherlands includes intercompany adjustments
Debt position and financial leverage

Total operations, Economic net debt to EBITDA rolling 12 months

Economic net debt excludes liabilities to Kazakhtelecom loan guaranteed by Kazakhtelecom and liability for earn-out obligation in Kazakhstan.
Financial guidance 2018 — Reiterated

Mobile end-user service revenue

Mid-single digit % growth*

EBITDA (SEK billion)

6.5 — 6.8

CAPEX (SEK billion excluding spectrum)

2.1 — 2.4

* Based on continuing operations in constant currencies
Merger with Com Hem
Transaction update
Updated financial leverage target and shareholder remuneration framework

2.5-3.0x leverage

Enlarged Tele2 will seek to operate within a net debt/EBITDA range of between 2.5-3.0x and maintain investment grade credit metrics.

Distribution policy

Enlarged Tele2’s policy will aim to maintain target leverage by distributing capital to shareholders through:

- An ordinary dividend of at least 80 percent of equity free cash flow; and
- Extraordinary dividends and/or share repurchases, based on remaining equity free cash flow, proceeds from asset sales and re-leveraging of EBITDA growth.
To conclude...
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
THE BEGINNING