

FIRST QUARTER 2025

April 23, 2025

TELE2

2025: a transformation year for Tele2

- Our objective is to build a faster and more agile Tele2 – less complex, more resilient
- We will deliver this objective by embracing Tele2's original challenger culture:
 - Simplifying our organisation structure
 - Applying stricter prioritisation and cost-control
 - Focusing on investments that make a difference to our customers
- We have started simplifying our organisation and reducing our cost structure in Q1:
 - We have reduced workforce by more than 450 positions by 15 April
 - We have started renegotiating our larger contracts
 - We have implemented a new cost governance
- Strong support for cultural shift in the organisation

Highlights

- 1% organic growth in end-user service revenue
- 6% organic growth in underlying EBITDAaL as transformation gain speed
- Strong equity free cash flow of 2.0bn
- 2025 guidance reiterated
- Strengthened own sales channels online and stores
- Tele2 on CDP's Climate 'A List'; Equileap's Top gender equality company in Sweden



Transformation starting to pay off

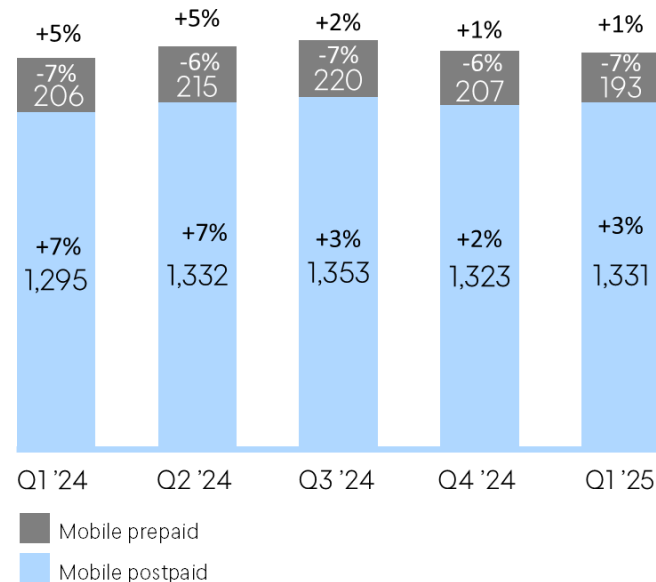
SEK (YoY growth) ¹	Q1 25	The Group in Q1 <ul style="list-style-type: none"> – EUSR growth of 1% driven by the Baltics – Underlying EBITDAaL growth of 6% driven by sharp cost control and Baltic EUSR growth – EFCF of 2.0bn (+57% YoY) supported by one-off tax refund, temporary working capital effects and capex timing – Financial leverage of 2.2x 		
End-user service revenue (EUSR)	5.4bn (+1.3%)			
Underlying EBITDAaL	2.7bn (+6.3%)			
Capex ² to sales	11.5%			
EFCF	2.0bn	Sweden Consumer in Q1 <ul style="list-style-type: none"> – EUSR decline of 1% as core connectivity growth is offset by Boxer decline – Strong ASPU growth in Fixed broadband and solid volume growth in Mobile postpaid 	Sweden Business in Q1 <ul style="list-style-type: none"> – EUSR growth of 1% – Solid RGU intake in Mobile – Continued growth in Solutions 	The Baltics in Q1 <ul style="list-style-type: none"> – Broad-based EUSR growth of 7% – Strong Underlying EBITDAaL growth of 15% supported by strong cost measures

SWEDEN

Sweden Consumer: Growth in connectivity, decline in TV

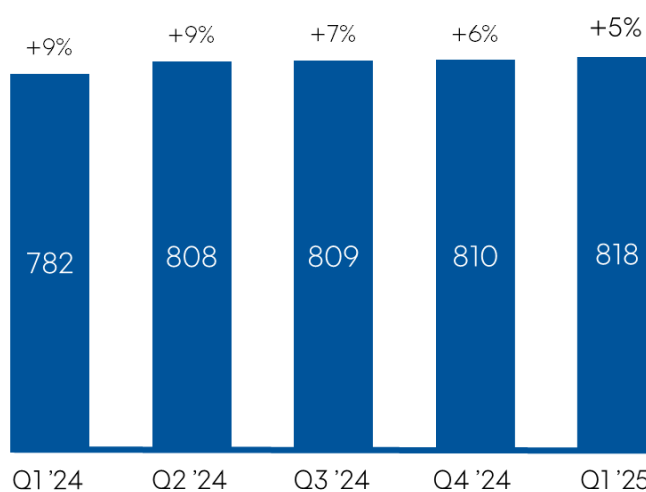
Mobile EUSR

SEKm, YoY growth



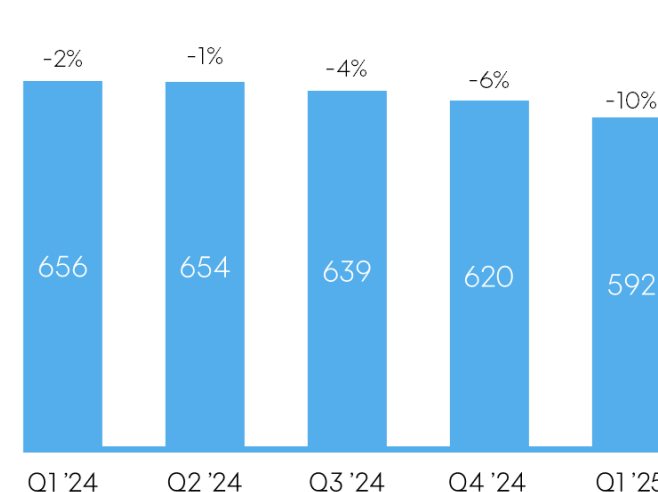
Fixed broadband EUSR

SEKm, YoY growth



Digital TV EUSR

SEKm, YoY growth

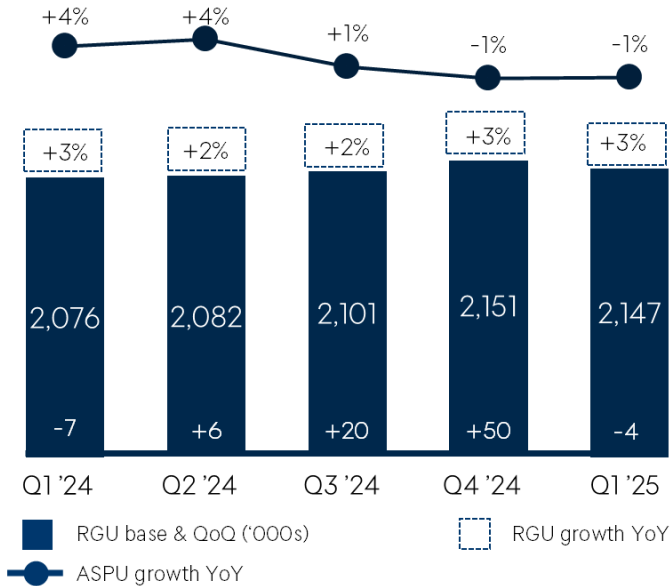


Q1 highlights

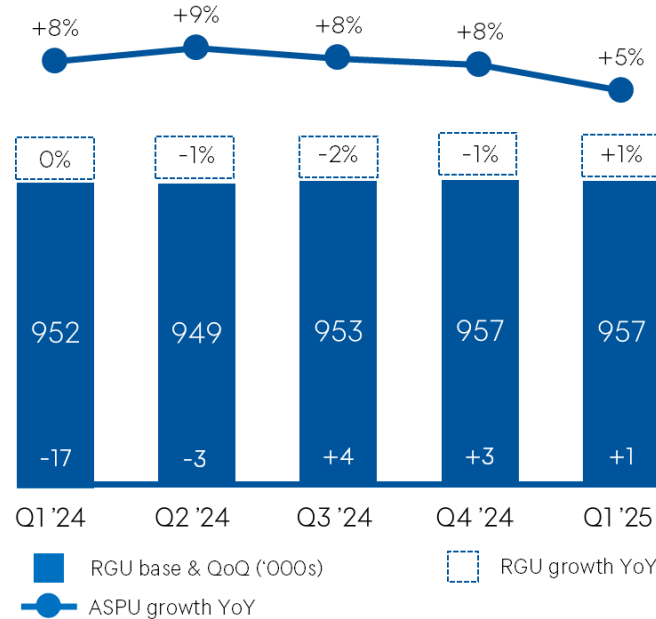
- Mobile end-user service revenue (EUSR) grew 1% due to 3% postpaid growth partly offset by continued prepaid decline
- Fixed broadband EUSR grew 5% driven by continued solid ASPU growth
- EUSR for Digital TV declined by 10% largely due to the impact of migrating Boxer off the terrestrial network

Sweden Consumer: Volume drop in TV due to migration

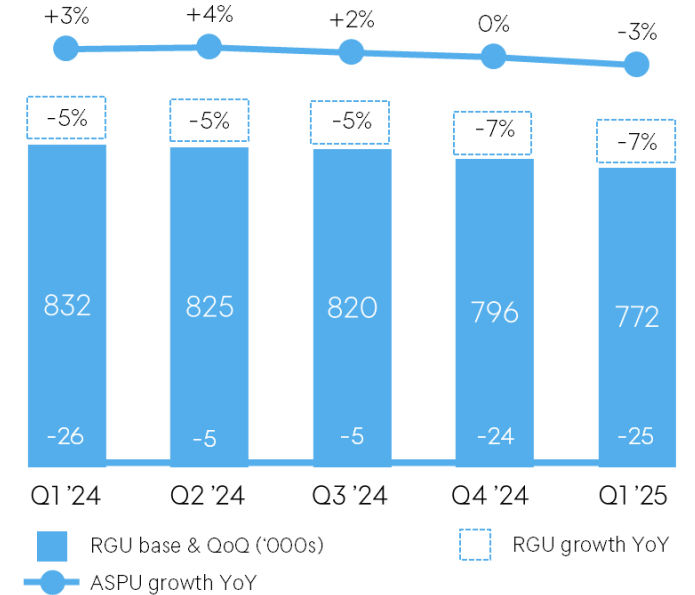
Mobile postpaid RGU & ASPU



Fixed broadband RGU & ASPU



Digital TV RGU & ASPU



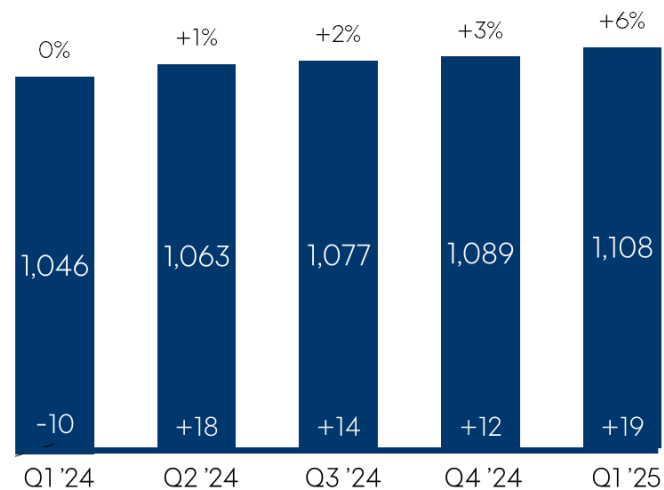
Q1 highlights

- Mobile postpaid volume impacted by seasonality and slow handset market. ASPU growth of 1% excl. fair value accounting
- ASPU growth for Fixed broadband mainly driven by price adjustments
- Volume decline in Digital TV entirely driven by Boxer. New flexible packages and upgraded TV experience with new TV Hub launched in April

Sweden Business: Topline growth despite headwinds

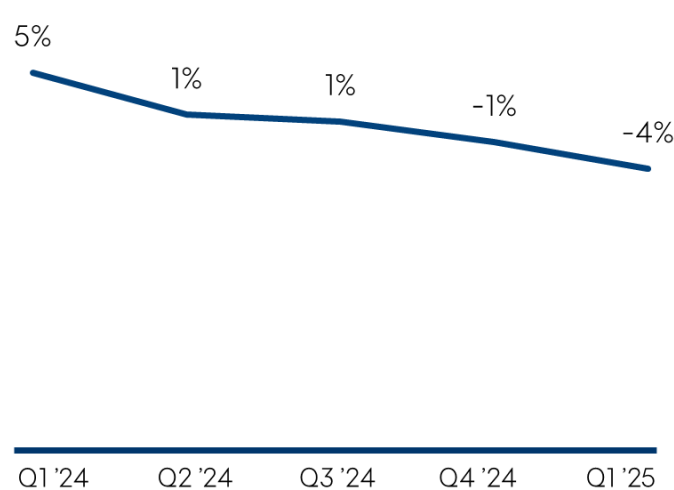
Mobile RGU & net intake

Base & QoQ excl. IoT ('000s), YoY growth



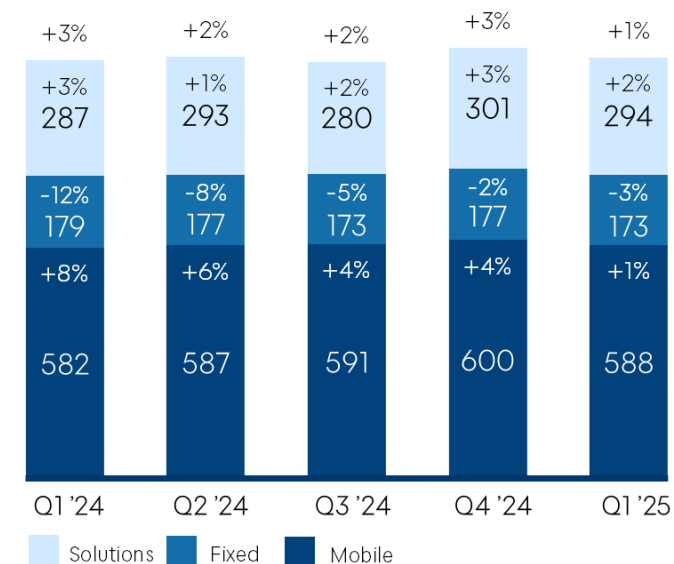
Mobile ASPU

YoY growth (excl. IoT)



End-user service revenue

SEKm, YoY growth



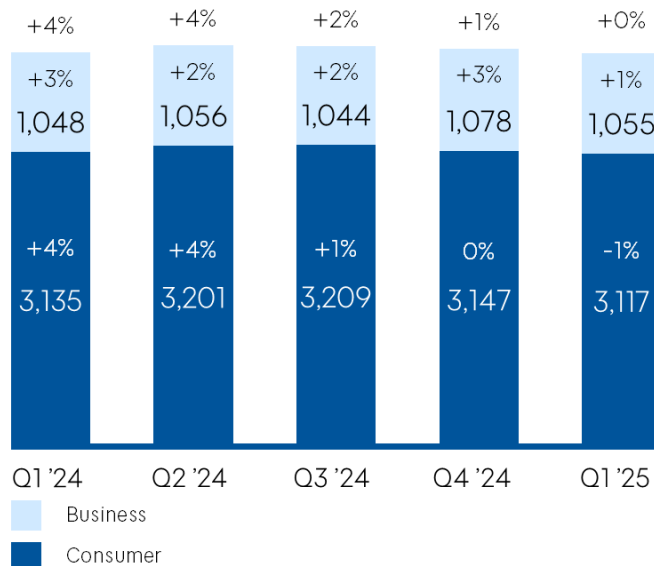
Q1 highlights

- Mobile EUSR growth of 1% driven by IoT and solid RGU growth, partly offset by IoT-related network outage. ASPU impacted by change in customer mix YoY
- Solutions EUSR growth of 2% while Fixed continues to stabilise post copper closure
- Total EUSR growth of 1% despite continued economic headwinds

Sweden financials: Solid EBITDAaL growth

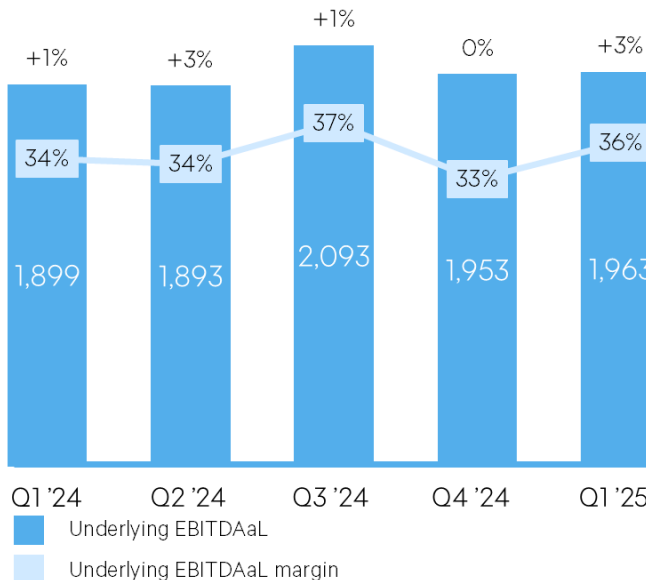
End-user service revenue

SEKm, YoY growth



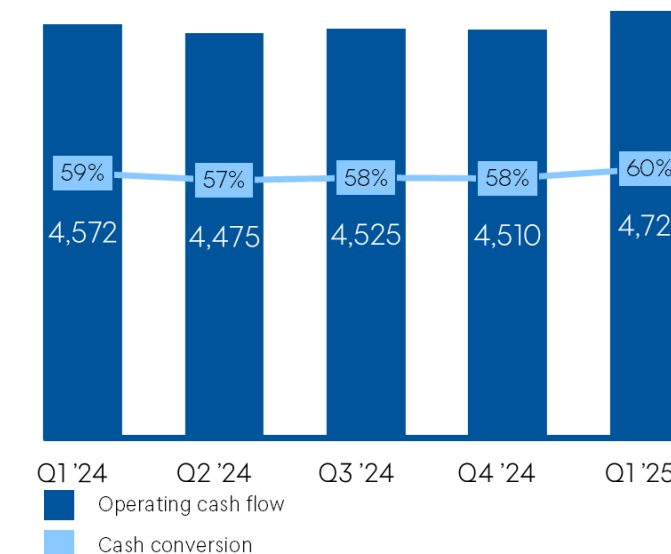
Underlying EBITDAaL & margin

SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm

SEKm



Q1 highlights

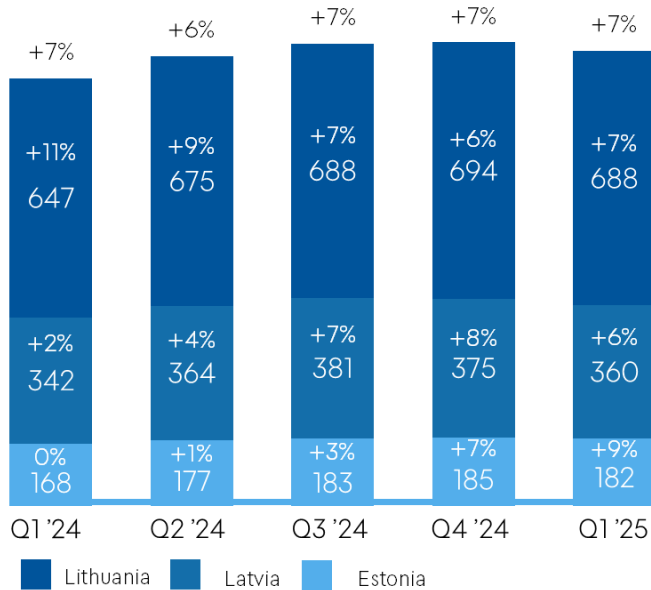
- EUSR remained stable as Consumer continued to be impacted by Boxer migration
- Underlying EBITDAaL grew by 3% driven by sharp cost control
- Improving cash conversion of 60% LTM

BALTICS

Baltics financials: Double-digit EBITDAaL growth

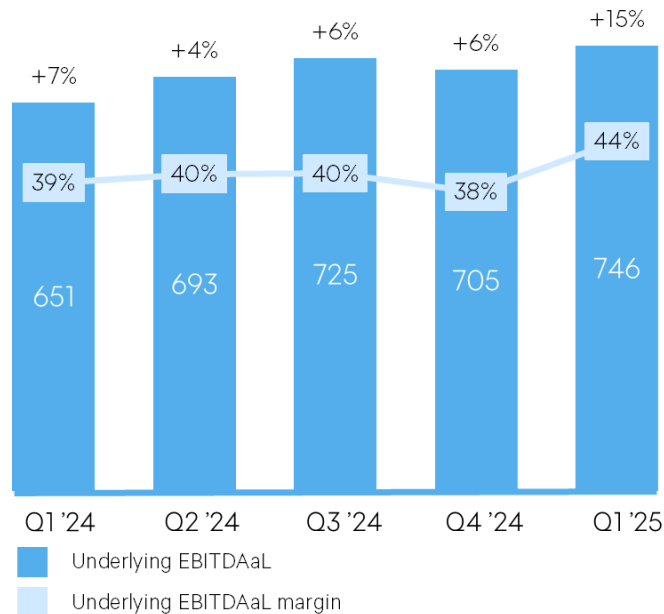
End-user service revenue

SEKm, YoY growth



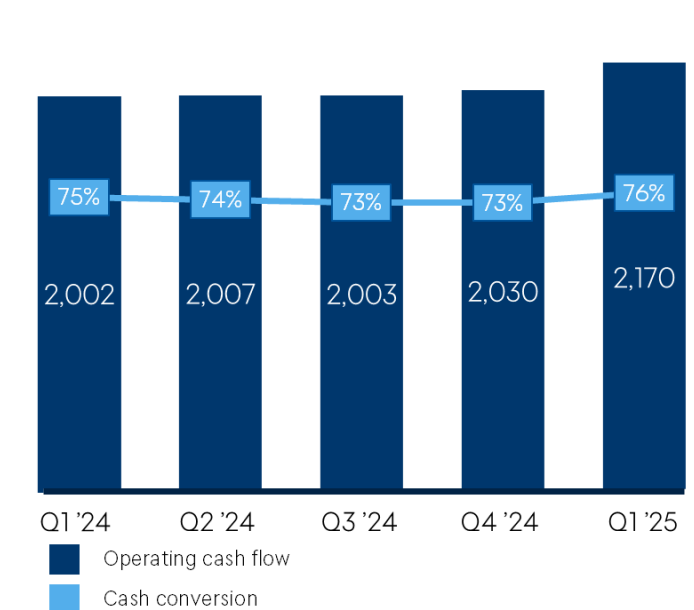
Underlying EBITDAaL & margin

SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm

SEKm, LTM

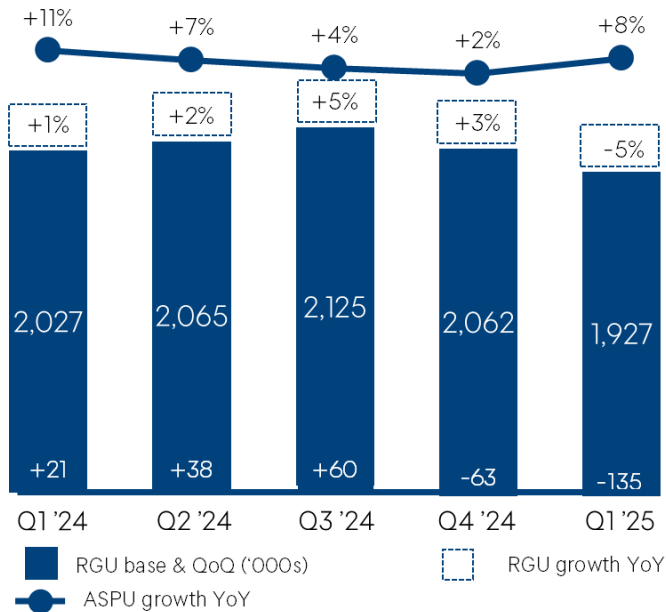


Q1 highlights

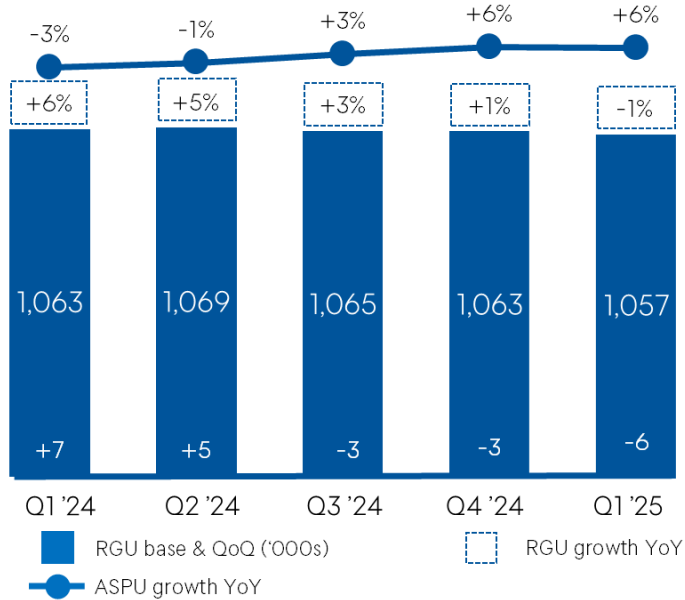
- Continued solid EUSR growth of 7% driven by both ASPU and postpaid volume across markets
- Strong underlying EBITDAaL growth of 15% with double-digit growth across markets driven by EUSR growth and strong cost measures
- Improving cash conversion of 76% reflecting increasing EBITDAaL margin LTM

Baltics operational highlights: Broad-based ASPU growth

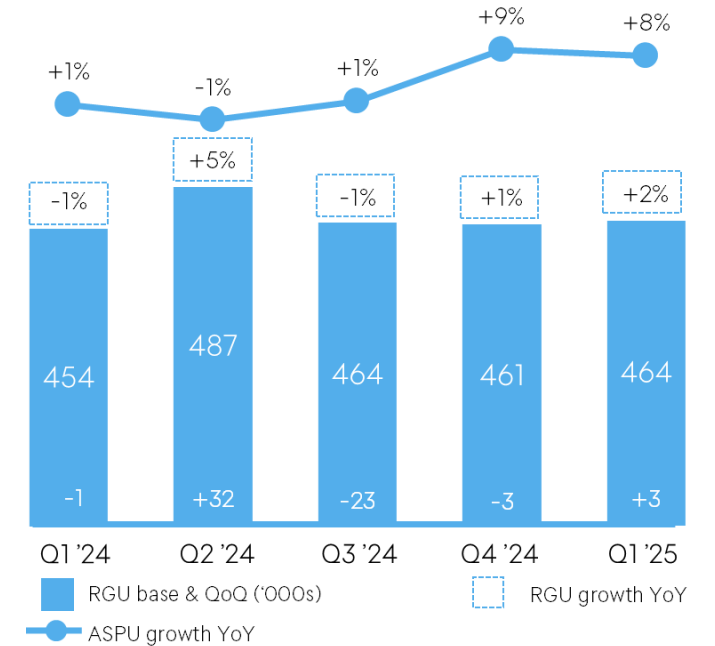
Lithuania – Mobile RGU & ASPU



Latvia – Mobile RGU & ASPU



Estonia – Mobile RGU & ASPU



Q1 highlights

- The overall Baltic mobile postpaid customer base continued to increase supported by all markets
- Mobile prepaid in Lithuania declined by 138,000 RGUs due to churn of inactive users, migration to postpaid, and lower gross intake following SIM registration
- Blended organic ASPU growth of 7% driven by all markets through price adjustments and prepaid to postpaid migration

FINANCIAL OVERVIEW

Group results

SEK million		Q1 2025	Q1 2024
Revenue		7,152	7,152
Underlying EBITDA	1	3,125	2,928
Margin (%)		43.7%	40.9%
Items affecting comparability	2	-287	-187
D&A		-1,524	-1,492
Operating profit		1,315	1,250
Net interest and other financial items	3	-231	-252
Income tax		-209	-188
Net profit		875	809

Comments

- 1 Underlying EBITDA grew mainly driven by end-user service revenue growth in the Baltics and sharp cost control across operations
- 2 Items affecting comparability were mainly driven by redundancy costs related to workforce reductions
- 3 Net interest and other financial items decreased due to lower financing costs for outstanding debt

Group cash flow

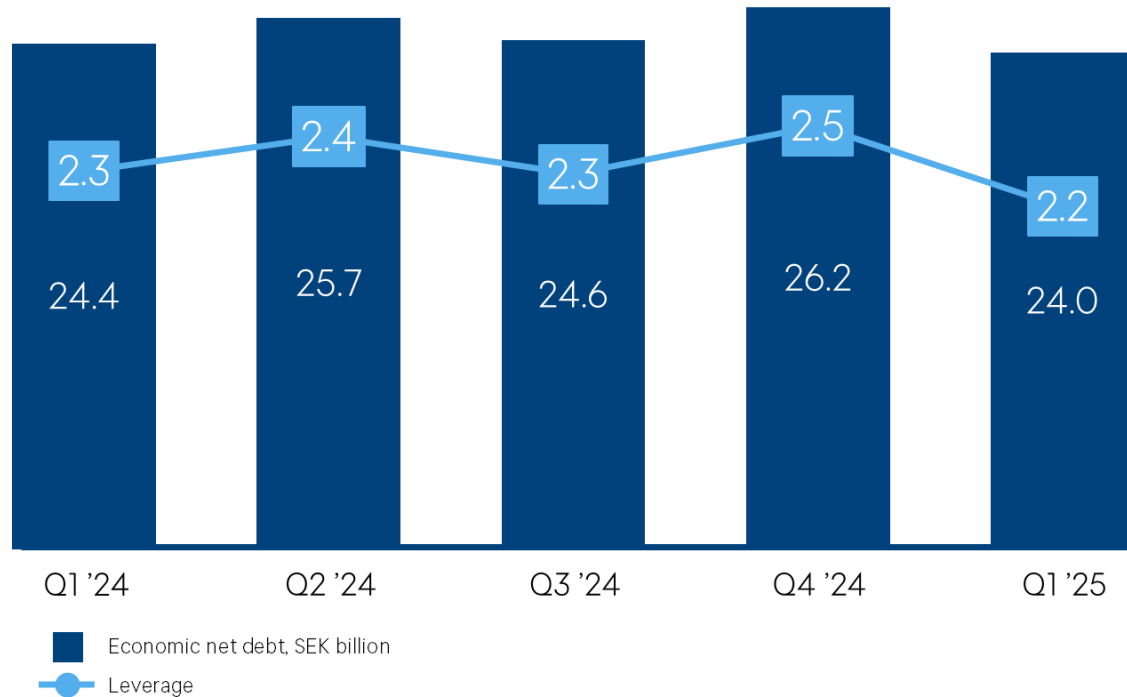
SEK million		Q1 2025	Q1 2024
Underlying EBITDA		3,125	2,928
Items affecting comparability		-287	-187
Amortisation of lease liabilities	1	-353	-405
Capex paid	2	-835	-996
Changes in working capital	3	525	297
Net financial items paid	4	-159	-181
Taxes paid and received	5	3	-195
Other cash items		2	29
Equity free cash flow		2,021	1,291
Equity free cash flow LTM		5,107	4,892
Equity free cash flow LTM / share (SEK)		7.4	7.1

Comments

- 1 Amortisation of lease liabilities decreased mainly due to 90m reclassification from working capital
- 2 Capex paid decreased due to lower investments
- 3 Changes in working capital were mainly impacted by elevated redundancy provisions related to workforce reductions and a seasonal increase in equipment receivables, partly offset by 90m reclassification to amortisation of lease liabilities
- 4 Net financial items paid decreased due to lower financing costs for outstanding debt
- 5 Taxes paid and received decreased mainly due to a tax refund of ~280m. Last year included settlement of taxes paid of 93m relating to previous years

Leverage at 2.2x

Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt decreased by SEK 2.2bn compared to year-end 2024 due to the cash generated in the business
- Leverage of 2.2x was below the lower end of the target range of 2.5-3.0x

2025 guidance reiterated

End-user service
revenue¹

Underlying
EBITDAaL¹

Capex to sales²

2025 guidance

Low single-digit

Mid- to high
single-digit

~13%

Natural Born Challengers

At Tele2, we are not afraid to make bold moves. The constant drive to shake things up defines us. We always try to find new ways to deliver better value, higher quality, and more fun – for both customers and all Tele2'ers.

