

# 2022

Tele2 Interim Report  
First Quarter



# TELE2



UNLIMITED

# Q1 2022 HIGHLIGHTS

- End-user service revenue of SEK 4.9 billion increased by 3% compared to Q1 2021 on an organic basis due to strong performance in the Baltics, Sweden B2B and slight tailwind from roaming.
- Total revenue of SEK 6.7 billion increased by 2% compared to Q1 2021 on an organic basis.
- Underlying EBITDAaL of SEK 2.5 billion increased by 6% organically compared to Q1 2021 driven by end-user service revenue growth, Sweden Wholesale growth and cost savings related to the Business Transformation Program.
- Net profit from total operations of SEK 2.5 billion increased by SEK 1.6 billion compared to Q1 2021, mainly related to the capital gain of SEK 1.6 billion from the T-Mobile Netherlands divestment.
- Equity free cash flow from continuing operations of SEK 0.9 (0.8) billion. Over the last twelve months, SEK 5.9 billion was generated, equivalent to SEK 8.5 per share.
- Board of Directors proposes an extraordinary dividend of SEK 13.00 per share related to the completed T-Mobile Netherlands divestment.
- Tele2 Sweden entered strategic distribution partnership with Viaplay.

## Key financial data

SEK million	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>Continuing operations</b>				
End-user service revenue	4,881	4,730	3%	19,349
Revenue	6,744	6,550	2%	26,789
Operating profit	2,903	1,202		4,787
Profit after financial items	2,673	1,072		4,307
Underlying EBITDAaL	2,471	2,314	6%	9,639
Capex excluding spectrum and leases	670	702		3,158
Operating cash flow	1,801	1,613		6,482
Operating cash flow, rolling 12 months	6,670	6,459		6,482
Equity free cashflow	910	820		5,760
Equity free cash flow, rolling 12 months	5,851	4,334		5,760
<b>Total operations</b>				
Net profit	2,474	865		4,306
Earnings per share (SEK)	3.59	1.26		6.25
Equity free cashflow	910	820		5,785
Economic net debt to underlying EBITDAaL	1.5x	2.5x		2.5x



### Continuing and discontinued operations

Figures presented in this report refer to Q1 (January–March) 2022 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2021. Discontinued operations include the former operations, primarily in the Netherlands, Germany, Croatia and Kazakhstan. See Note 10.

### 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 effects from currency movements. For further definitions of industry terms and acronyms, please refer to the Investor section at [www.tele2.com](http://www.tele2.com).

# CEO LETTER – Q1 2022



“

Q1 has brought significant progress to Tele2's business.

The first quarter of 2022 came with hope for normalization of our lives and the return of our colleagues to the office. However, the tragic events in Ukraine have led to major uncertainty for many and particularly for our employees and customers in the Baltics. At Tele2, we are participating in efforts to reduce some of the burden for those who have been forced to leave their homes by temporarily offering customers in Sweden, Baltics and Ukraine free calls and text messages to and from Ukraine and free roaming for customers located in Ukraine. We do so in cooperation with other industry players and are deeply concerned about how this situation will affect people's lives.

Situations like these show the strong purpose of the telecom industry. The combination of our fixed- and mobile infrastructure has been absolutely essential to keeping modern societies up and running through the pandemic. We also see the major importance these services have for people in difficult situations, when rapid information exchanges can mean everything. As a reflection of our internal discussions and all of these impressions, our future work will be guided firmly by our purpose statement: "Enabling a society of unlimited possibilities".

Within Tele2 Sweden, we are busy migrating customers to one IT stack, as part of our Business Transformation Program. This work is well underway and bodes well for our ambition to be the leading Telco in the Nordics and Baltics through superior customer experience. The 5G roll-out is underway and we are working to catch-up on the delays that were caused by the spectrum auction in Sweden and vendor selection issues. So far we have not seen any interruption in the roll-out due to semi-conductor shortages or disruptions in the global supply chain and our vendors are able to provide us with the equipment that we want. However, we are aware of the constraints within other industries and we monitor the situation continuously.

Commercially, we continue delivering on our more-for-more strategy. Overall top-line growth in the Baltics reached 13% in Q1. Having secured some important 5G spectrum, we are now underway with that journey also in Latvia, with Lithuania and Estonia coming up soon.

Sweden delivers improving top-line growth trends, with B2B showing impressive dynamics through 3% growth year-over-year. Businesses do not usually develop in a straight line and fluctuations should always be expected, but we are witnessing a very important and sustainable trend shift within B2B since the beginning of 2021.

In Sweden B2C, we have revamped the relationship with one of the most important content providers. Through our recent agreement with NENT/ Viaplay, we modernize our TV proposition and prove that our aggregator model which historically has been successful in the linear world also works in the streaming world. Having a strong TV proposition is a key part of our convergence story, whereby we want to be the leading company in offering mobile, broadband and TV in attractive packages to our customers. We should see gradual improvements over the next quarters as a result of this initiative.

During the quarter we also completed the divestment of T-Mobile Netherlands, marking the final milestone in our international consolidation. We will now focus on the core Nordic and Baltic region where we have the market position and scale to drive sustainable long-term growth.

In summary, Q1 has brought significant progress to Tele2's business, despite a very complicated external environment. Building on the strength of our purpose and challenger mindset, we are well underway to deliver on the targets and ambitions that we set out for ourselves at the beginning of the year.

**Kjell Johnsen**  
President and Group CEO

# Financial overview

## Analysis of revenue

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
Mobile	1,409	1,413	0%	5,791
- Postpaid	1,179	1,181	0%	4,821
- Prepaid	230	231	-1%	970
Fixed	1,426	1,437	-1%	5,763
- Fixed broadband	704	678	4%	2,766
- Digital TV	669	695	-4%	2,760
- Cable & Fiber	419	420	0%	1,684
- DTT	250	275	-9%	1,076
- Fixed telephony & DSL	53	64	-17%	237
Landlord & Other	170	170	0%	676
<b>Sweden Consumer</b>	<b>3,006</b>	<b>3,020</b>	<b>0%</b>	<b>12,229</b>
Sweden Business	973	946	3%	3,836
Baltics	903	763	13%	3,284
<b>End-user service revenue</b>	<b>4,881</b>	<b>4,730</b>	<b>3%</b>	<b>19,349</b>
Operator revenue	595	557	6%	2,368
Equipment revenue	1,268	1,263	-1%	5,072
<b>Revenue</b>	<b>6,744</b>	<b>6,550</b>	<b>2%</b>	<b>26,789</b>

**End-user service revenue** increased by 3% organically driven by continued strong performance in the Baltics while Sweden was flat. International roaming revenue come back meaningfully with a positive effect of SEK 21 million compared to Q1 2021.

- **Sweden Consumer** was flat as continued growth in fixed broadband was offset by continued declines in legacy services.
- **Sweden Business** increased by 3% as growth in mobile and solutions offset declines in fixed.
- **Baltics** increased by 13% in local currency driven by both volume growth and strong ASPU (Average Spend Per User) growth from price adjustments and upselling.

**Total revenue** increased by 2% organically driven by growth in end-user service revenue and operator revenue. Refer to Note 2 for a breakdown of the segments.

## Analysis of income statement

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Revenue	6,744	6,550	26,789
<b>Underlying EBITDAaL</b>	<b>2,471</b>	<b>2,314</b>	<b>9,639</b>
Reversal lease depreciation and interest	327	316	1,260
<b>Underlying EBITDA</b>	<b>2,798</b>	<b>2,630</b>	<b>10,900</b>
Items affecting comparability	-46	-69	-382
<b>EBITDA</b>	<b>2,752</b>	<b>2,561</b>	<b>10,517</b>
Depreciation/amortization	-1,520	-1,372	-5,952
- of which amortization of surplus from acquisitions	-433	-300	-1,560
- of which lease depreciation	-306	-301	-1,197
- of which other depreciation/amortization	-781	-771	-3,194
Result from shares in associated companies and joint ventures	1,671	13	221
<b>Operating profit</b>	<b>2,903</b>	<b>1,202</b>	<b>4,787</b>
Net interest and other financial items	-231	-130	-480
Income tax	-201	-205	-347
<b>Net profit</b>	<b>2,471</b>	<b>867</b>	<b>3,960</b>

**Underlying EBITDAaL** increased by 6% organically driven by higher end-user service revenue, operator revenue and cost savings from the Business Transformation Program.

**Items affecting comparability** of SEK -46 (-69) million was mainly driven by restructuring costs related to the Business Transformation Program in Sweden. Refer to Note 3 for more details.

**Depreciation/amortization** of SEK -1,520 (-1,372) million increased compared to Q1 2021 mainly due to amortization of the Com Hem brand initiated in connection with the merger with the Tele2 brand. Refer to Note 3 for more details.

**Result from shares in associated companies and joint ventures** of SEK 1,671 (13) million increased compared to Q1 2021 driven by the capital gain of SEK 1.6 billion from the T-Mobile Netherlands divestment.

**Net interest and other financial items** of SEK -231 (-130) million increased compared to Q1 2021, primarily related to exchange rate losses from hedges connected to the T-Mobile Netherlands transaction.

## Analysis of cash flow statement

SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Continuing operations</b>			
Underlying EBITDA	2,798	2,630	10,900
Items affecting comparability	-46	-69	-382
Amortization of lease liabilities	-382	-381	-1,185
Capex paid	-753	-1,086	-3,327
Changes in working capital	-224	-26	761
Net financial items paid	-108	-104	-379
Taxes paid	-389	-161	-704
Other cash items	14	17	75
<b>Equity free cash flow</b>	<b>910</b>	<b>820</b>	<b>5,760</b>
Equity free cash flow, rolling 12 months <sup>1)</sup>	5,851	4,334	5,760
<b>Total operations</b>			
Equity free cash flow, continuing operations	910	820	5,760
Equity free cash flow, discontinued operations	—	—	25
<b>Equity free cash flow</b>	<b>910</b>	<b>820</b>	<b>5,785</b>

<sup>1)</sup> Reconciliation of equity free cash flow rolling 12 months are presented in an excel document (Q1 2022-financials to the market) on Tele2's website [www.tele2.com](http://www.tele2.com)

**Capex paid** of SEK -753 (-1,086) million decreased compared to Q1 2021 which included spectrum payments of SEK -333 million in Sweden.

**Changes in working capital** of SEK -224 (-26) million was negatively impacted by timing of accounts payable in the quarter.

**Taxes paid** of SEK -389 (-161) million increased compared to Q1 2021 driven by final tax payments related to the fiscal year of 2020.

**Equity free cash flow from continuing operations** over the last twelve months amounted to SEK 5.9 billion, equivalent to SEK 8.5 per share.

## Analysis of financial position

Total operations SEK million	Mar 31 2022	Dec 31 2021
Bonds	19,128	21,325
Commercial papers	1,249	400
Financial institutions and other liabilities	3,824	3,698
Cash and cash equivalents	-9,567	-880
Other adjustments	-340	-276
<b>Economic net debt</b>	<b>14,294</b>	<b>24,268</b>
Lease liabilities	5,180	5,414
<b>Net debt</b>	<b>19,474</b>	<b>29,681</b>
<b>Underlying EBITDAaL, rolling 12 months<sup>1)</sup></b>	<b>9,796</b>	<b>9,639</b>
<b>Economic net debt to Underlying EBITDAaL</b>	<b>1.5x</b>	<b>2.5x</b>
Unutilized overdraft facilities and credit lines	8,676	8,590

<sup>1)</sup> Includes all operations owned and controlled by Tele2 at the end of each reporting period.

**Economic net debt** of SEK 14.3 (24.3 at end of 2021) billion decreased by SEK 10.0 billion driven by the cash proceeds received from the completed T-Mobile Netherlands divestment and the cash generated in the quarter.

**Economic net debt to underlying EBITDAaL** (financial leverage) of 1.5x (2.5x end of 2021) was below the leverage target range of 2.5-3.0x at the end of Q1 2022 ahead of the first tranche of the ordinary dividend and extraordinary dividend.

# Financial guidance

## Financial guidance

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

### Full-year 2022 (unchanged)

- Low single-digit growth of end-user service revenue.
- Mid single-digit growth of underlying EBITDAaL.
- Capex excluding spectrum and leasing assets of SEK 2.8–3.3 billion.

### Mid-term (unchanged)

- Low single-digit growth of end-user service revenue.
- Mid single-digit growth of underlying EBITDAaL.
- Annual capex excluding spectrum and leasing assets of SEK 2.8–3.3 billion during the roll-out of 5G and Remote-PHY.

## Dividend

For the financial year of 2021, the Board of Directors of Tele2 AB has decided to recommend to the Annual General Meeting (AGM) on April 28, 2022 that an ordinary dividend of SEK 6.75 in total be paid per ordinary A and B share in two tranches. The first tranche of SEK 3.40 to be paid on May 5, 2022 and the second tranche of SEK 3.35 to be paid on October 14, 2022. Tele2's Board of Directors also proposes an extraordinary dividend of SEK 13.00 per ordinary A and B share related to the completed T-Mobile Netherlands divestment, to be paid in connection with the first tranche of the ordinary dividend on May 5, 2022.

## 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 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 underlying EBITDAaL growth.

# Group summary

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>END-USER SERVICE REVENUE</b>				
Sweden	3,978	3,966	0%	16,065
Lithuania	497	409	16%	1,779
Latvia	261	224	12%	958
Estonia	145	130	7%	546
<b>Total</b>	<b>4,881</b>	<b>4,730</b>	<b>3%</b>	<b>19,349</b>
<b>REVENUE</b>				
Sweden	5,364	5,335	1%	21,522
Lithuania	812	692	12%	3,028
Latvia	386	353	5%	1,508
Estonia	211	197	3%	850
Internal sales, elimination	-29	-26	5%	-119
<b>Total</b>	<b>6,744</b>	<b>6,550</b>	<b>2%</b>	<b>26,789</b>
<b>UNDERLYING EBITDAaL</b>				
Sweden	1,965	1,864	5%	7,756
Lithuania	305	271	8%	1,112
Latvia	154	134	10%	592
Estonia	47	45	0%	179
<b>Total</b>	<b>2,471</b>	<b>2,314</b>	<b>6%</b>	<b>9,639</b>
<b>CAPEX</b>				
Sweden	610	646	-6%	2,773
Lithuania	29	23	25%	175
Latvia	11	13	-19%	105
Estonia	20	21	-9%	105
<b>Capex excluding spectrum and leases</b>	<b>670</b>	<b>702</b>	<b>-5%</b>	<b>3,158</b>
Spectrum	4	333		355
Right-of-use assets (leases)	162	258		1,306
<b>Total</b>	<b>836</b>	<b>1,292</b>		<b>4,819</b>
<i>of which:</i>				
– Network	360	346		1,825
– IT	180	229		878
– Customer equipment	104	102		374
– Other	26	25		81
<b>Capex excluding spectrum and leases</b>	<b>670</b>	<b>702</b>		<b>3,158</b>

# Overview by segment

## Sweden

During the quarter, Tele2 Sweden saw roughly flat end-user service revenue growth as strong performance in the B2B segment was offset by declines in the B2C segment. International roaming revenue continued to recover in the quarter with a positive impact of SEK 13 million on end-user service revenue. Following Russia's military aggression against Ukraine, we started supporting customers and Ukrainian citizens by giving away free calls and text messages, to and from Ukraine.

Further optimization, primarily within the Digital Capabilities and Technology (DCT) organization, were executed in the quarter as part of the

Business Transformation Program. Annualized run-rate savings reached SEK 600 million at the end of the quarter and the effect on underlying EBITDAaL in Q1 2022 was approximately SEK 140 million.

Underlying EBITDAaL increased by 5% in the quarter primarily driven by continued execution of the Business Transformation Program, strong performance in wholesale and slight growth in end-user service revenue.

Capex excluding spectrum and leases decreased by 6% compared to last year as key areas for 5G in Sweden are finished and we start preparing for the wider nationwide 5G roll-out.

Financials SEK million	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>End-user service revenue</b>	<b>3,978</b>	<b>3,966</b>	<b>0%</b>	<b>16,065</b>
Revenue	5,364	5,335	1%	21,522
Underlying EBITDA	2,242	2,136		8,839
<b>Underlying EBITDAaL</b>	<b>1,965</b>	<b>1,864</b>	<b>5%</b>	<b>7,756</b>
Underlying EBITDAaL margin	37%	35%		36%
<b>Capex</b>				
Network	320	308		1,546
IT	165	221		807
Customer equipment	102	100		364
Other	24	17		56
<b>Capex excluding spectrum and leases</b>	<b>610</b>	<b>646</b>		<b>2,773</b>
Spectrum	—	333		333
Right-of-use assets (leases)	127	223		1,073
<b>Capex</b>	<b>737</b>	<b>1,202</b>		<b>4,179</b>
Capex excluding spectrum and leases / revenue	11%	12%		13%



## Sweden Consumer

Competition remained high during the quarter as competitors ran intense campaigns and high commissions in external retail, especially in mobile. In TV, we launched a new strengthened partnership with Viaplay that enhances our competitive offering and is a vital part in our strategy to assert our aggregator model in the streaming and linear world. Total end-user service revenue was flat in the quarter as strong performance in fixed broadband was offset by continued declines in legacy services.

Mobile postpaid net intake was slightly negative with -2,000 RGUs following a strong quarter in Q4, 2021. Mobile end-user service revenue was

flat in the quarter as postpaid volume growth was offset by a slight decline in mobile postpaid ASPU, partly driven by a negative one-off of roughly SEK 10 million in the quarter.

Fixed broadband end-user service revenue saw a 4% growth driven by volume and ASPU growth on the back of price adjustments executed in 2021.

Digital TV end-user service revenue declined by 4% driven by continued declines in the legacy DTT business.

	Jan-Mar 2022	Jan-Mar 2021	Mar 31 2022	Mar 31 2021	Organic %	Full year 2021
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>			
Mobile	-14	-25	2,933	2,932	0%	2,946
– Postpaid	-2	-6	1,945	1,925	1%	1,946
– Prepaid	-12	-18	988	1,007	-2%	1,000
Fixed	-12	-23	2,030	2,100	-3%	2,042
– Fixed broadband	4	4	931	916	2%	927
– Digital TV	-8	-14	918	965	-5%	927
– Cable & Fiber	-2	-5	637	657	-3%	638
– DTT	-7	-9	282	308	-8%	288
– Fixed telephony & DSL	-8	-13	180	219	-18%	188
<b>Total RGUs</b>	<b>-26</b>	<b>-47</b>	<b>4,962</b>	<b>5,031</b>	<b>-1%</b>	<b>4,988</b>
Addressable fixed footprint	56	-5	3,657	3,516	4%	3,600

	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>ASPU (SEK)</b>				
Mobile	160	160	0%	163
– Postpaid	202	204	-1%	207
– Prepaid	77	76	2%	80
Fixed	234	227	3%	231
– Fixed broadband	253	247	2%	251
– Digital TV	242	238	1%	241
– Cable & Fiber	219	212	3%	216
– DTT	293	294	0%	296
– Fixed telephony & DSL	96	94	1%	94
<b>Revenue (SEK million)</b>				
Mobile	1,409	1,413	0%	5,791
– Postpaid	1,179	1,181	0%	4,821
– Prepaid	230	231	-1%	970
Fixed	1,426	1,437	-1%	5,763
– Fixed broadband	704	678	4%	2,766
– Digital TV	669	695	-4%	2,760
– Cable & Fiber	419	420	0%	1,684
– DTT	250	275	-9%	1,076
– Fixed telephony & DSL	53	64	-17%	237
Landlord & Other	170	170	0%	676
<b>End-user service revenue</b>	<b>3,006</b>	<b>3,020</b>	<b>0%</b>	<b>12,229</b>
Operator revenue	188	174		733
Equipment revenue	438	492		1,901
Internal Sales	0	0		1
<b>Revenue</b>	<b>3,632</b>	<b>3,686</b>	<b>-1%</b>	<b>14,864</b>

## Sweden Business and Wholesale

In Sweden B2B, the commercial strategy that has been deployed since the beginning of 2021 continued to bear fruit. In the SME segment we continued to focus on improving efficiency and driving simplification by offering simplified product offerings on the back of the positive results from the front book price adjustments in mobile last year. In the large segments we continued to focus on profitability and steer the business in a more insight driven way. Following Russia's military aggression against Ukraine, we also saw an increased interest in network and security services where we focus on supporting our customers with information, education, and our solutions.

Mobile net intake was positive with 32,000 RGUs driven by both the SME and large segment. End-user service revenue increased by 3% as continued strong end-user service revenue growth within the mobile and solution segment fully offset the decline in legacy fixed services.

Operator revenue for Sweden Wholesale increased by 18% driven by increased sales within A2P (application to person).

### Sweden Business

	Jan-Mar 2022	Jan-Mar 2021	Mar 31 2022	Mar 31 2021	Organic %	Full year 2021
	Net intake		RGU base			
RGUs (thousands)						
Mobile (excluding IoT)						
– Postpaid	32	18	1,037	964	8%	1,006
	Jan-Mar 2022	Jan-Mar 2021	Organic %			Full year 2021
ASPU (SEK)						
Mobile (excluding IoT)						
– Postpaid	134	135	-1%			134
Revenue (SEK million)						
Mobile	487	453	8%			1,848
Fixed	212	234	-10%			910
Solutions	274	259	6%			1,077
<b>End-user service revenue</b>	<b>973</b>	<b>946</b>	<b>3%</b>			<b>3,836</b>
Operator revenue	25	25				97
Equipment revenue	458	445				1,664
Internal sales	1	1				3
<b>Revenue</b>	<b>1,457</b>	<b>1,416</b>	<b>3%</b>			<b>5,600</b>

### Sweden Wholesale

Financials SEK million	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
Operator revenue	274	231		1,052
Internal sales	1	1		6
<b>Revenue</b>	<b>275</b>	<b>232</b>	<b>18%</b>	<b>1,058</b>

# Baltics

## Lithuania

Focus in the quarter continued to be on driving our more-for-more strategy and preparing for the upcoming spectrum auctions. Following Russia's military aggression against Ukraine, we started supporting customers and Ukrainian citizens by giving away free calls and text messages, to and from Ukraine, and giving Ukrainian refugees prepaid cards.

Mobile postpaid net intake of 15,000 RGUs was able to fully offset the declining prepaid base resulting in mobile net intake of 4,000 RGUs. Mobile ASPU grew by 12% in local currency driven by price adjustments through our more-for-more strategy and slight tailwind from roaming.

End-user service revenue grew by 16% in local currency driven by both ASPU and volume growth in mobile postpaid.

Underlying EBITDAaL grew by 8% in local currency driven by higher end-user service revenue, offsetting pressure from higher inflation rates and slight headwind from an IFRS 15 adjustment.

	Jan-Mar 2022	Jan-Mar 2021	Mar 31 2022	Mar 31 2021	Organic %	Full year 2021
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>			
Mobile	4	-2	1,948	1,882	4%	1,945
– Postpaid	15	16	1,277	1,200	6%	1,262
– Prepaid	-12	-18	671	682	-2%	683

	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>ASPU (EUR)</b>				
Mobile	8.0	7.2	12%	7.6
– Postpaid	9.9	9.0	11%	9.4
– Prepaid	4.5	4.0	12%	4.4
<b>Revenue (SEK million)</b>				
Mobile	495	409	16%	1,774
– Postpaid	398	324	18%	1,404
– Prepaid	96	84	10%	370
Fixed	2	1	N/A	5
<b>End-user service revenue</b>	<b>497</b>	<b>409</b>	<b>16%</b>	<b>1,779</b>
Operator revenue	52	59		220
Equipment revenue	248	210		968
Internal sales	14	14		60
<b>Revenue</b>	<b>812</b>	<b>692</b>	<b>12%</b>	<b>3,028</b>
Underlying EBITDA	326	288		1,181
<b>Underlying EBITDAaL</b>	<b>305</b>	<b>271</b>	<b>8%</b>	<b>1,112</b>
Underlying EBITDAaL margin	38%	39%		37%
Capex	47	37		309
<b>Capex excluding spectrum and leases</b>	<b>29</b>	<b>23</b>		<b>175</b>
Capex excluding spectrum and leases / revenue	4%	3%		6%

## Latvia

During the quarter, focus remained on our more-for-more strategy and monetizing increased demand for data. We participated in the 1500 MHz spectrum auction and were able to acquire additional spectrum for our portfolio. Following Russia's military aggression against Ukraine, we started supporting customers and Ukrainian citizens by giving away free calls and text messages, to and from Ukraine, and giving Ukrainian refugees prepaid cards.

Mobile postpaid net intake was positive with 7,000 RGUs. Mobile ASPU increased by 9% in local currency driven by price adjustments through our more-for-more strategy and slight tailwind from roaming.

End-user service revenue increased by 12% driven by both ASPU and volume growth in mobile postpaid.

Underlying EBITDAaL grew by 10% in local currency driven by higher end-user service revenue, offsetting pressure from higher inflation rates.

	Jan-Mar 2022	Jan-Mar 2021	Mar 31 2022	Mar 31 2021	Organic %	Full year 2021
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>			
Mobile	7	11	1,000	981	2%	993
– Postpaid	7	12	765	714	7%	758
– Prepaid	-0	-1	235	266	-12%	235

	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>ASPU (EUR)</b>				
Mobile	8.2	7.5	9%	8.0
– Postpaid	9.7	9.1	6%	9.5
– Prepaid	3.5	3.4	6%	3.8
<b>Revenue (SEK million)</b>				
Mobile	260	223	12%	955
– Postpaid	234	196	14%	841
– Prepaid	26	27	-7%	115
Fixed	1	1	54%	3
<b>End-user service revenue</b>	<b>261</b>	<b>224</b>	<b>12%</b>	<b>958</b>
Operator revenue	35	45		166
Equipment revenue	81	75		344
Internal sales	10	9		39
<b>Revenue</b>	<b>386</b>	<b>353</b>	<b>5%</b>	<b>1,508</b>
Underlying EBITDA	166	146		637
<b>Underlying EBITDAaL</b>	<b>154</b>	<b>134</b>	<b>10%</b>	<b>592</b>
Underlying EBITDAaL margin	40%	38%		39%
Capex	24	23		176
<b>Capex excluding spectrum and leases</b>	<b>11</b>	<b>13</b>		<b>105</b>
Capex excluding spectrum and leases / revenue	3%	4%		7%

## Estonia

The quarter was characterized by successful customer acquisition campaigns while preparing for the upcoming spectrum auctions. Following Russia's military aggression against Ukraine, we started supporting customers and Ukrainian citizens by giving away free calls and text messages, to and from Ukraine, and giving Ukrainian refugees prepaid cards.

Mobile net intake was positive with 8,000 RGUs driven by both mobile postpaid and prepaid. Mobile ASPU grew by 5% in local currency driven by upselling, reduced discounts and slight tailwind from roaming.

End-user service revenue grew by 7% in local currency, primarily driven by ASPU growth.

Underlying EBITDAaL was flat in the quarter as end-user service revenue growth was offset by headwinds from rising inflation rates and increased commercial costs.

	Jan-Mar 2022	Jan-Mar 2021	Mar 31 2022	Mar 31 2021	Organic %	Full year 2021
<b>RGUs (thousands)</b>	<b>Net intake</b>		<b>RGU base</b>			
Mobile	8	-1	445	436	2%	437
– Postpaid	3	1	386	385	0%	384
– Prepaid	5	-2	59	51	16%	54

	Jan-Mar 2022	Jan-Mar 2021	Organic %	Full year 2021
<b>ASPU (EUR)</b>				
Mobile	9.4	8.9	5%	9.4
– Postpaid	10.3	9.7	6%	10.2
– Prepaid	3.4	3.1	9%	3.4
<b>Revenue (SEK million)</b>				
Mobile	132	118	7%	498
– Postpaid	126	114	6%	476
– Prepaid	6	5	20%	22
Fixed	13	12	5%	48
<b>End-user service revenue</b>	<b>145</b>	<b>130</b>	<b>7%</b>	<b>546</b>
Operator revenue	21	24	-16%	99
Equipment revenue	43	41	0%	194
Internal sales	2	2	27%	10
<b>Revenue</b>	<b>211</b>	<b>197</b>	<b>3%</b>	<b>850</b>
Underlying EBITDA	63	60		242
<b>Underlying EBITDAaL</b>	<b>47</b>	<b>45</b>	<b>0%</b>	<b>179</b>
Underlying EBITDAaL margin	22%	23%		21%
Capex	28	31		155
<b>Capex excluding spectrum and leases</b>	<b>20</b>	<b>21</b>		<b>105</b>
Capex excluding spectrum and leases / revenue	9%	10%		12%

# Other items

## Risks and uncertainty factors

Tele2's operations are affected by a number of external factors. The outbreak of COVID-19 provided challenges and uncertainties for our operations and consequently our short-term financial performance. However, the pandemic has shown how much modern societies rely on the connectivity that we ceaselessly provide. As such, Tele2 has been able to successfully navigate through the pandemic and kept its influence on our business limited.

In the long term, the risk factors considered to be most significant to Tele2's future development are spectrum auctions, regulation, market competitiveness and changing technology, strategy implementation and integration, network and IT infrastructure and quality, data protection and cyber security, external relationships, suppliers and joint ventures, customer churn, recruitment of skilled personnel, geopolitical conditions, environmental costs, corruption and unethical business practices and financial risks

such as currency risk, interest risk, liquidity risk, credit risk, risks related to tax matters and impairment of assets. Please refer to Tele2's Annual and Sustainability Report 2021 (Administration report and Note 2) for a detailed description of Tele2's risk exposure and risk management.

## Financial calendar

Tele2 will release its financial and operating results for the period ending June 30, 2022 on July 19, 2022 and the period ending September 30, 2022 on October 20, 2022.

The Annual General Meeting will be held on April 28, 2022.

## Auditors' review report

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

# Board's assurance

The Board of Directors and CEO declare that the report provides a fair overview of the parent company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, April 21, 2022  
Tele2 AB

Carla Smits-Nusteling  
*Chairman*

Andrew Barron  
*Deputy Chairman*

Eva Lindqvist

Georgi Ganev

Lars-Åke Norling

Sam Kini

Stina Bergfors

Kjell Johnsen  
*President and CEO*

## Q1 2022 PRESENTATION

Tele2 will host a presentation, with the possibility to join through a conference call, for the global financial community at 10:00 am CET (09:00 am GMT/04:00 am EST) on Thursday, April 21, 2022. The presentation will be held in English and also made available as a webcast on Tele2's website: [www.tele2.com](http://www.tele2.com).

This information is information that Tele2 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 07:00 am CET on April 21, 2022.

### Dial-in information:

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

### Dial-in numbers:

SE: +46 (0) 8 566 426 51  
UK: +44 (0) 333 300 0804  
US: +1 631 913 1422

## Contacts

### Patrik Johannesson

Interim Head of Investor Relations  
Telephone: +46 (0)73 966 83 84

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Visit our website: [www.tele2.com](http://www.tele2.com)

## Appendices

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# Condensed consolidated income statement

SEK million	Note	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Revenue	2	6,744	6,550	26,789
Cost of services provided and equipment sold	3	-3,998	-3,842	-15,870
<b>Gross profit</b>		<b>2,747</b>	<b>2,709</b>	<b>10,919</b>
Selling expenses	3	-975	-1,052	-4,332
Administrative expenses	3	-532	-505	-2,112
Result from shares in associated companies and joint ventures	4	1,671	13	221
Other operating income	3	45	66	221
Other operating expenses	3	-54	-28	-130
<b>Operating profit</b>	3	<b>2,903</b>	<b>1,202</b>	<b>4,787</b>
Interest income		6	6	18
Interest expenses		-117	-126	-458
Other financial items		-119	-10	-40
<b>Profit after financial items</b>		<b>2,673</b>	<b>1,072</b>	<b>4,307</b>
Income tax		-201	-205	-347
<b>Net profit, continuing operations</b>		<b>2,471</b>	<b>867</b>	<b>3,960</b>
Net profit/loss discontinued operations	10	3	-2	346
<b>Net profit, total operations</b>		<b>2,474</b>	<b>865</b>	<b>4,306</b>
<b>Continuing operations</b>				
<i>Attributable to:</i>				
Equity holders of the parent company		2,471	867	3,960
<b>Net profit, continuing operations</b>		<b>2,471</b>	<b>867</b>	<b>3,960</b>
Earnings per share (SEK)	8	3.58	1.26	5.74
Earnings per share, after dilution (SEK)	8	3.56	1.25	5.71
<b>Total operations</b>				
<i>Attributable to:</i>				
Equity holders of the parent company		2,474	865	4,306
<b>Net profit, total operations</b>		<b>2,474</b>	<b>865</b>	<b>4,306</b>
Earnings per share (SEK)	8	3.59	1.26	6.25
Earnings per share, after dilution (SEK)	8	3.57	1.25	6.21



# Condensed consolidated comprehensive income

SEK million	Note	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>NET PROFIT</b>		<b>2,474</b>	<b>865</b>	<b>4,306</b>
<b>Components not to be reclassified to net profit</b>				
Pensions, actuarial gains/losses		-4	28	116
Pensions, actuarial gains/losses, tax effect		1	-6	-24
<b>Components not to be reclassified to net profit/loss</b>		<b>-3</b>	<b>23</b>	<b>92</b>
<b>Components that may be reclassified to net profit</b>				
Translation differences in foreign operations		53	112	96
Translation differences in associated companies	4	-6	140	134
Translation differences		47	252	230
Hedge of net investments in foreign operations		57	-65	-155
Tax effect on above		-12	13	32
Hedge of net investments		45	-52	-123
<b>Exchange rate differences</b>		<b>93</b>	<b>200</b>	<b>107</b>
Profit arising on changes in fair value of hedging instruments		62	25	61
Reclassified cumulative profit/loss to income statement		-8	-7	-30
Tax effect on cash flow hedges		-11	-4	-6
<b>Cash flow hedges</b>		<b>43</b>	<b>14</b>	<b>25</b>
<b>Components that may be reclassified to net profit/loss</b>		<b>136</b>	<b>214</b>	<b>132</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>132</b>	<b>237</b>	<b>224</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,607</b>	<b>1,102</b>	<b>4,530</b>
<i>Attributable to:</i>				
Equity holders of the parent company		2,607	1,102	4,530
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,607</b>	<b>1,102</b>	<b>4,530</b>

# Condensed consolidated balance sheet

SEK million	Note	Mar 31 2022	Dec 31 2021
<b>ASSETS</b>			
Goodwill		29,721	29,695
Other intangible assets		15,290	15,806
<b>Intangible assets</b>		<b>45,011</b>	<b>45,501</b>
Tangible assets		7,822	7,825
Right-of-use assets		5,251	5,408
Shares in associated companies and joint ventures	4	7	7
Other financial assets	5	656	758
Capitalized contract costs		518	505
Deferred tax assets		145	164
<b>Non-current assets</b>		<b>59,411</b>	<b>60,167</b>
Inventories		913	769
Current receivables		4,852	4,978
Cash and cash equivalents	6	9,567	880
<b>Current assets</b>		<b>15,332</b>	<b>6,627</b>
<b>Assets classified as held for sale</b>	10	<b>96</b>	<b>7,458</b>
<b>TOTAL ASSETS</b>		<b>74,839</b>	<b>74,251</b>
<b>EQUITY AND LIABILITIES</b>			
Attributable to equity holders of the parent company		33,768	31,142
<b>Equity</b>	8	<b>33,768</b>	<b>31,142</b>
Interest-bearing liabilities	5	26,517	28,331
Non-interest-bearing liabilities		4,051	4,120
<b>Non-current liabilities</b>		<b>30,568</b>	<b>32,452</b>
Interest-bearing liabilities	5	4,435	4,116
Non-interest-bearing liabilities		5,604	6,080
<b>Current liabilities</b>		<b>10,040</b>	<b>10,195</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	10	<b>464</b>	<b>462</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,839</b>	<b>74,251</b>

# Condensed consolidated cash flow statement

Total operations SEK million	Note	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Operating activities</b>				
Net profit		2,474	865	4,306
Adjustments for non-cash items in net profit		-205	1,448	5,229
Changes in working capital		-224	-26	761
<b>Cash flow from operating activities</b>		<b>2,046</b>	<b>2,287</b>	<b>10,297</b>
<b>Investing activities</b>				
Additions to intangible and tangible assets		-753	-1,086	-3,327
Acquisition and sale of shares and participations	9	8,987	—	302
Other financial assets, lending		—	—	-1
<b>Cash flow from investing activities</b>		<b>8,234</b>	<b>-1,086</b>	<b>-3,025</b>
<b>Financing activities</b>				
Proceeds from loans		1,347	3,081	5,312
Repayments of loans		-3,052	-586	-6,367
Dividends paid	8	—	—	-6,205
<b>Cash flow from financing activities</b>		<b>-1,705</b>	<b>2,495</b>	<b>-7,260</b>
<b>Net change in cash and cash equivalents</b>		<b>8,575</b>	<b>3,695</b>	<b>12</b>
Cash and cash equivalents at beginning of period		880	970	970
Exchange rate differences in cash and cash equivalents		112	20	-102
<b>Cash and cash equivalents at end of the period</b>	6	<b>9,567</b>	<b>4,686</b>	<b>880</b>

# Condensed consolidated statements of changes in equity

Total operations SEK million	Note	Mar 31, 2022					Total equity
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	
<b>Equity at January 1</b>		866	27,378	-301	152	3,047	31,142
Net profit		—	—	—	—	2,474	2,474
Other comprehensive income for the period, net of tax		—	—	88	47	-3	133
<b>Total comprehensive income for the period</b>		—	—	88	47	2,471	2,607
<b>Other changes in equity</b>							
Share-based payments	8	—	—	—	—	16	16
Share-based payments, tax effect	8	—	—	—	—	3	3
New shares issues	8	3	—	—	—	—	3
Repurchase of own shares	8	—	—	—	—	-3	-3
<b>Equity at end of the period</b>		869	27,378	-213	199	5,534	33,768

Total operations SEK million	Note	Mar 31, 2021					Total equity
		Attributable to equity holders of the parent company					
		Share capital	Other paid-in capital	Hedge reserve	Translation reserve	Retained earnings	
<b>Equity at January 1</b>		863	27,378	-202	-78	4,791	32,751
Net profit		—	—	—	—	865	865
Other comprehensive income for the period, net of tax		—	—	-38	252	23	237
<b>Total comprehensive income for the period</b>		—	—	-38	252	888	1,102
<b>Other changes in equity</b>							
Share-based payments	8	—	—	—	—	18	18
Share-based payments, tax effect	8	—	—	—	—	5	5
New share issues	8	3	—	—	—	—	3
Repurchase of own shares	8	—	—	—	—	-3	-3
<b>Equity at end of the period</b>		866	27,378	-240	173	5,698	33,876

# Parent company

## Condensed income statement

SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Revenue	13	14	46
Administrative expenses	-26	-41	-130
Other operating expenses	-0	-1	-7
<b>Operating loss</b>	<b>-13</b>	<b>-28</b>	<b>-91</b>
Dividend from group company	—	—	7,325
Interest revenue and similar income	51	38	166
Interest expense and similar costs	-213	-163	-549
<b>Profit/loss after financial items</b>	<b>-176</b>	<b>-153</b>	<b>6,851</b>
Appropriations, group contribution	—	—	1,200
Tax on profit/loss	28	31	-144
<b>Net profit/loss</b>	<b>-147</b>	<b>-122</b>	<b>7,907</b>

## Condensed balance sheet

SEK million	Note	Mar 31 2022	Dec 31 2021
<b>ASSETS</b>			
Financial assets		72,478	72,347
<b>Non-current assets</b>		<b>72,478</b>	<b>72,347</b>
Current receivables		1,658	3,536
<b>Current assets</b>		<b>1,658</b>	<b>3,536</b>
<b>TOTAL ASSETS</b>		<b>74,136</b>	<b>75,884</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	8	5,854	5,851
Unrestricted equity	8	39,086	39,177
<b>Equity</b>		<b>44,940</b>	<b>45,028</b>
<b>Untaxed reserves</b>		<b>230</b>	<b>230</b>
Interest-bearing liabilities	5	25,924	27,502
<b>Non-current liabilities</b>		<b>25,924</b>	<b>27,502</b>
Interest-bearing liabilities	5	2,986	2,793
Non-interest-bearing liabilities		56	330
<b>Current liabilities</b>		<b>3,042</b>	<b>3,123</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,136</b>	<b>75,884</b>

# Notes

## NOTE 1 ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim financial information for the Group for the three month period ended March 31, 2022 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, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 *Reporting for legal entities* and other statements issued by the Swedish Financial Reporting Board. In all respects other than those described below, Tele2 has presented the financial statements for the period ended March 31, 2022 in accordance with the accounting policies and principles applied in the Annual and Sustainability Report 2021. The description of these principles and definitions are found in Note 1 in the Annual and Sustainability Report 2021. 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 IFRSs applicable from January 1, 2022 have no effects to Tele2's financial reports for the three month period ended March 31, 2022.

Figures presented in this report refer to January 1 – March 31 (Q1), 2022 and continuing operations unless otherwise stated. Figures shown in parentheses refer to the comparable periods in 2021.

## NOTE 2 REVENUE AND SEGMENTS

### Revenue per segment

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Sweden	5,364	5,335	21,522
Lithuania	812	692	3,028
Latvia	386	353	1,508
Estonia	211	197	850
<b>Total including internal sales</b>	<b>6,773</b>	<b>6,577</b>	<b>26,908</b>
Internal sales, elimination	-29	-26	-119
<b>TOTAL</b>	<b>6,744</b>	<b>6,550</b>	<b>26,789</b>

### Internal sales

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Sweden	2	2	10
Lithuania	14	14	60
Latvia	10	9	39
Estonia	2	2	10
<b>TOTAL</b>	<b>29</b>	<b>26</b>	<b>119</b>

### Revenue split per category

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Sweden Consumer</b>			
End-user service revenue	3,006	3,020	12,229
Operator revenue	188	174	733
Equipment revenue	438	492	1,901
Internal sales	0	0	1
<b>Total</b>	<b>3,632</b>	<b>3,686</b>	<b>14,864</b>
<b>Sweden Business</b>			
End-user service revenue	973	946	3,836
Operator revenue	25	25	97
Equipment revenue	458	445	1,664
Internal sales	1	1	3
<b>Total</b>	<b>1,457</b>	<b>1,416</b>	<b>5,600</b>
<b>Sweden Wholesale</b>			
Operator revenue	274	231	1,052
Internal sales	1	1	6
<b>Total</b>	<b>275</b>	<b>232</b>	<b>1,058</b>
<b>Lithuania</b>			
End-user service revenue	497	409	1,779
Operator revenue	52	59	220
Equipment revenue	248	210	968
Internal sales	14	14	60
<b>Total</b>	<b>812</b>	<b>692</b>	<b>3,028</b>
<b>Latvia</b>			
End-user service revenue	261	224	958
Operator revenue	35	45	166
Equipment revenue	81	75	344
Internal sales	10	9	39
<b>Total</b>	<b>386</b>	<b>353</b>	<b>1,508</b>
<b>Estonia</b>			
End-user service revenue	145	130	546
Operator revenue	21	24	99
Equipment revenue	43	41	194
Internal sales	2	2	10
<b>Total</b>	<b>211</b>	<b>197</b>	<b>850</b>
Internal sales, elimination	-29	-26	-119
<b>CONTINUING OPERATIONS</b>			
<b>End-user service revenue</b>	<b>4,881</b>	<b>4,730</b>	<b>19,349</b>
<b>Operator revenue</b>	<b>595</b>	<b>557</b>	<b>2,368</b>
<b>Equipment revenue</b>	<b>1,268</b>	<b>1,263</b>	<b>5,072</b>
<b>TOTAL</b>	<b>6,744</b>	<b>6,550</b>	<b>26,789</b>

### Underlying EBITDAaL

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Sweden	1,965	1,864	7,756
Lithuania	305	271	1,112
Latvia	154	134	592
Estonia	47	45	179
<b>TOTAL</b>	<b>2,471</b>	<b>2,314</b>	<b>9,639</b>

### NOTE 3 PROFIT AFTER FINANCIAL ITEMS

#### Reconciling items to reported profit after financial items

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Underlying EBITDAaL</b>	<b>2,471</b>	<b>2,314</b>	<b>9,639</b>
Reversal lease depreciation and interest	327	316	1,260
<b>Underlying EBITDA</b>	<b>2,798</b>	<b>2,630</b>	<b>10,900</b>
Acquisition costs	0	-6	-11
Restructuring costs	-47	-61	-251
Disposal of non-current assets	2	-1	-40
Other items affecting comparability	—	—	-80
<b>Items affecting comparability</b>	<b>-46</b>	<b>-69</b>	<b>-382</b>
<b>EBITDA</b>	<b>2,752</b>	<b>2,561</b>	<b>10,517</b>
Depreciation/amortization	-1,520	-1,372	-5,952
Result from shares in associated companies and joint ventures	1,671	13	221
<b>Operating profit</b>	<b>2,903</b>	<b>1,202</b>	<b>4,787</b>
Net interest and other financial items	-231	-130	-480
<b>Profit after financial items</b>	<b>2,673</b>	<b>1,072</b>	<b>4,307</b>

In Q2 2021 our consumer premium brands Com Hem and Tele2 were merged. The brand positioning led to a reassessment of the useful life of the Com Hem brand, from previous indefinite to a definite useful life of 10 years. Accordingly, amortization of the Com Hem brand book value was initiated in Q2 2021. In Q1 2022 the impact was SEK -135 million on operating profit and SEK -107 million on net result. For further information, see Note 11 in the Annual and Sustainability Report 2021.

In September 2021 Tele2 AB and Deutsche Telekom entered into an agreement to sell T-Mobile Netherlands to funds advised by Apax Partners LLP and Warburg Pincus LLC for an enterprise value of SEK 5.1 billion. The divestment was completed on March 31, 2022. Tele2 received SEK 9.0 billion for its 25% share in T-Mobile Netherlands. The capital gain amounted to SEK 1.6 billion, reported under Result from shares in associated companies and joint ventures.

#### Acquisition costs

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Network JO's, Baltics	—	-6	-11
Other	0	—	-0
<b>Acquisition costs<sup>1)</sup></b>	<b>0</b>	<b>-6</b>	<b>-11</b>

<sup>1)</sup> Reported as other operating expenses.

#### Restructuring costs

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Redundancy costs	-6	-29	-114
Other employee and consultancy costs	-14	-22	-81
Exit of contracts and other costs	-27	-10	-57
<b>Restructuring costs</b>	<b>-47</b>	<b>-61</b>	<b>-251</b>
Reported as:			
– Cost of services provided	-8	-30	-46
– Selling expenses	-15	-21	-105
– Administrative expenses	-25	-10	-100

The restructuring costs are solely related to the ongoing business transformation program in Sweden.

#### Disposal of non-current assets

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Closure of projects and systems	—	—	-42
Other	2	-1	1
<b>Disposal of non-current assets<sup>2)</sup></b>	<b>2</b>	<b>-1</b>	<b>-40</b>

<sup>2)</sup> Reported as other operating income and other operating expenses.

#### Other items affecting comparability

Continuing operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Contract termination fees, Sweden	—	—	-20
Provision for legal dispute, Sweden	—	—	-20
Inventory adjustment, Sweden	—	—	-32
Other	—	—	-8
<b>Total</b>	<b>—</b>	<b>—</b>	<b>-80</b>
Reported as:			
– Cost of services provided	—	—	-20
– Selling expenses	—	—	-40
– Administrative expenses	—	—	-20

### NOTE 4 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

SEK million	Mar 31 2022	Mar 31 2021	Dec 31 2021
<b>T-Mobile Netherlands</b>			
Cost at January 1	—	7,011	7,011
Share of profit for the year	—	12	221
Exchange rate differences	—	140	134
<b>Total T-Mobile Netherlands</b>	<b>—</b>	<b>7,163</b>	<b>7,366</b>
Other associated companies and joint ventures	6	7	7
<b>Total shares in associated companies and joint ventures pre reclassification</b>	<b>6</b>	<b>7,170</b>	<b>7,373</b>
Reclassified to asset held for sale	—	—	-7,366
<b>Total shares in associated companies and joint ventures</b>	<b>6</b>	<b>7,170</b>	<b>7</b>

In Q3 2021, Tele2's 25% share in T-Mobile Netherlands was reclassified to Asset held for sale, following the announced divestment. The transaction is now completed, see also Note 3, 9 and 10.

### NOTE 5 FINANCIAL ASSETS AND LIABILITIES

#### Financing

SEK million	Mar 31 2022	Dec 31 2021
Bonds	19,128	21,326
Commercial papers	1,249	400
European Investment Bank (EIB)	1,292	1,278
Nordic Investment Bank (NIB)	1,991	1,990
Other	102	178
<b>Total liabilities to financial institutions</b>	<b>23,761</b>	<b>25,173</b>
Provisions	1,571	1,610
Lease liabilities	5,180	5,414
Other interest-bearing liabilities	440	250
<b>Total interest-bearing liabilities</b>	<b>30,952</b>	<b>32,447</b>

Average maturity and average interest rate (including derivatives) for outstanding debt to financial institutions at March 31, 2022 amounted to 4.1 years and 1.15 percent, respectively.

As of the date of this report, Tele2 has a credit facility with a syndicate of ten banks maturing in 2024.

#### 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 accounts payables. For the category "Liabilities to financial institutions and similar liabilities" the reported value amounted on March 31, 2022 to SEK 23,761 (December 31, 2021: 25,173) million and the fair value to SEK 23,649 (December 31, 2021: 25,752) million.

During 2022, no transfers have been made between the different levels in the fair value hierarchy and no significant changes were made to valuation techniques, inputs used or assumptions.

## NOTE 6 RELATED PARTIES

Tele2's share of cash and cash equivalents in joint operations (Svenska UMTS-nät AB, Celestine Hill and Net4Mobility HB, Sweden and SIA Centuria, Latvia and Lithuania), for which Tele2 has limited disposal rights was included in the Group's cash and cash equivalents and amounted at March 31, 2022 to SEK 37 (December 31, 2021: 43) million. Other transactions with joint operations and other related parties are presented in Note 34 of the Annual and Sustainability Report 2021.

## NOTE 7 CONTINGENT LIABILITIES

As of March 31, 2022, Tele2 had no material contingent liabilities.

## NOTE 8 EQUITY, NUMBER OF SHARES AND INCENTIVE PROGRAMS

### Number of shares

	Mar 31 2022	Dec 31 2021
Total number of shares	695,021,597	692,821,597
Number of treasury shares	-5,112,106	-2,912,106
<b>Number of outstanding shares</b>	<b>689,909,491</b>	<b>689,909,491</b>
Number of outstanding shares, weighted average	689,909,491	689,463,621
Number of shares after dilution	693,369,682	693,458,249
Number of shares after dilution, weighted average	693,413,964	693,182,102

In Q1 2022, Tele2 issued, and immediately repurchased, 2,200,000 new C shares to be used for future exercises of LTIs, resulting in an increase in share capital of SEK 3 million.

In addition, 281 class A shares were reclassified into class B shares and 2,480,000 class C shares were reclassified into class B shares. Changes in shares during previous year are stated in Note 23 in the Annual and Sustainability Report 2021.

### Outstanding share right programs

	Mar 31 2022	Dec 31 2021
LTI 2021	1,374,800	1,414,817
LTI 2020	1,107,306	1,142,715
LTI 2019	978,085	991,226
<b>Total outstanding share rights</b>	<b>3,460,191</b>	<b>3,548,758</b>

All outstanding long-term incentive programs (LTI 2019, LTI 2020 and LTI 2021) are based on the same structure, except for that LTI 2020 and LTI 2021 have an operating cash flow performance condition, in addition to Total Shareholder Return metrics. Additional information regarding the objective, conditions and requirements related to the LTI programs is stated in Note 31 of the Annual and Sustainability Report 2021. During the first three months in 2022, the total cost including social security costs for the long-term incentive programs (LTI) amounted to SEK 34 (32) million before tax.

## LTI 2019

The exercise of the share rights in LTI 2019 was conditional upon the fulfilment of certain retention and performance based conditions, measured from April 1, 2019 until March 31, 2022. The outcome of these performance conditions was in accordance with below and the outstanding 978,085 share rights, to be adjusted for dividend compensation in May 2022, are expected to be exchanged for shares in Tele2 during Q2 2022.

Series	Retention and performance based conditions	Minimum hurdle (50%)	Stretch targets (100%)	Performance	Allotment
Series A	Total Shareholder Return Tele2 (TSR)	—	>=0%	41.2%	100%
Series B	Total Shareholder Return Tele2 (TSR) compared to a peer group	>0%	>=20%	34.5%	100%

## Dividend

To the Annual General Meeting on April 28, 2022, Tele2's Board of Directors proposes for the financial year 2021 an ordinary dividend of SEK 6.75 per share (SEK 4.7 billion), to be paid in two tranches of SEK 3.40 in May and SEK 3.35 in October 2022. Tele2's Board of Directors also proposes an extraordinary dividend of SEK 13.00 per share (SEK 9.0 billion) related to the completed T-Mobile Netherlands divestment, to be paid in connection with the first tranche of the ordinary dividend in May 2022.

## NOTE 9 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Acquisitions</b>			
Other minor acquisitions	-6	—	—
<b>Total acquisition of shares and participations</b>	<b>-6</b>	<b>—</b>	<b>—</b>
<b>Divestments</b>			
Tele2 Germany	—	—	93
T-Mobile Netherlands	8,993	—	—
Tele2 Switzerland, settlement Swisscom	—	—	209
<b>Total sale of shares and participations</b>	<b>8,993</b>	<b>—</b>	<b>302</b>
<b>TOTAL CASH FLOW EFFECT</b>	<b>8,987</b>	<b>—</b>	<b>302</b>

In Q1 2022, the divestment of T-Mobile Netherlands was completed. The cash proceeds for Tele2's 25% share of the company amounted to SEK 9.0 billion. In addition, FX hedges attached to the transaction have affected exchange rate differences in the cash flow statement with SEK -153 million in Q4 2021 and SEK -121 million in Q1 2022. In Q2 2022, such exchange rate differences of SEK 234 million are expected, with no impact on net result, equity or net debt. For further information related to the divestment, see Note 3.

Information on acquisitions and divestments made in 2021 is provided in the Annual and Sustainability Report 2021, Note 14 and Note 33.



## NOTE 10 DISCONTINUED OPERATIONS

### 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.

So far Tele2 has received accumulated earnout payments of SEK 93 million. No payments have been received in Q1 2022. On March 31, 2022 the estimated fair value of the future cash flows amounted to SEK 96 million (December 31, 2021; SEK 92 million).

### Tele2 Kazakhstan

Tele2 was notified in April 2019 that the Swedish Tax Agency has rejected Tele2's claim for a deduction of an exchange loss related to a conversion of a shareholder loan to the joint venture MTS in Kazakhstan from USD to Kazakh Tenge in connection with the establishment of Tele2's previous joint venture in Kazakhstan. After appealing the decision, the Administrative Court has in December 2020 partly ruled in favour of Skatteverket. The remaining additional tax claim amounted at March 31, 2022 to SEK 241 million and a tax surcharge and interest of SEK 119 million. Tele2 has appealed the decision to the Administrative Court of Appeal. Based on the ruling in the Administrative Court it is Tele2's and its advisors' opinion that, it is uncertain whether Tele2 ultimately will succeed in the dispute. Consequently, a provision was recognized in Q4 2020 under discontinued operations. At March 31, 2022 the provision amounted to SEK 360 million (December 31, 2021; SEK 359 million).

### Income statement

All discontinued operations are included below. Tele2 Germany and Tele2 Croatia were divested in 2020, while Tele2 Netherlands and Tele2 Kazakhstan were divested in 2019. Tele2 Switzerland was divested in 2008, but a legal settlement attached to this Swiss operation was reached in 2021.

Further information about effects in the income statement under discontinued operations in 2021 is provided in Note 33 of the Annual and Sustainability Report 2021.

Discontinued operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Administrative expenses	—	—	-3
<b>Operating profit</b>	—	—	-3
Interest expenses	-1	-1	-4
<b>Profit/loss after financial items</b>	<b>-1</b>	<b>-1</b>	<b>-8</b>
Income tax from the operation	—	—	—
<b>Net profit/loss from the operation</b>	<b>-1</b>	<b>-1</b>	<b>-8</b>
<b>Profit/loss on disposal of operation including sales costs and cumulative exchange rate gain</b>	<b>4</b>	<b>-1</b>	<b>354</b>
– of which Germany	4	3	46
– of which Croatia	-0	-1	-13
– of which Netherlands	-0	-3	128
– of which Switzerland	—	—	193
<b>NET PROFIT/LOSS</b>	<b>3</b>	<b>-2</b>	<b>346</b>
<i>Attributable to:</i>			
Equity holders of the parent company	3	-2	346
<b>NET PROFIT/LOSS</b>	<b>3</b>	<b>-2</b>	<b>346</b>
Earnings per share (SEK)	0.01	0.00	0.51
Earnings per share, after dilution (SEK)	0.01	0.00	0.50

### Balance sheet

Assets and liabilities associated with assets held for sale as of March 31, 2022 refer to earnouts, provisions and other liabilities related to divested operations. In addition, in Q3 2021 the shares in T-Mobile Netherlands were reclassified to assets held for sale, following the announced divestment. The divestment is now completed.

Discontinued operations SEK million	Mar 31 2022	Dec 31 2021
<b>ASSETS</b>		
Shares in associated companies and joint ventures	—	7,366
Financial assets	66	78
<b>Non-current assets</b>	<b>66</b>	<b>7,444</b>
Current receivables	30	14
<b>Current assets</b>	<b>30</b>	<b>14</b>
<b>Assets classified as held for sale</b>	<b>96</b>	<b>7,458</b>
<b>LIABILITIES</b>		
Interest-bearing liabilities	51	49
<b>Non-current liabilities</b>	<b>51</b>	<b>49</b>
Interest-bearing liabilities	55	55
Non-interest-bearing liabilities	358	358
<b>Current liabilities</b>	<b>413</b>	<b>413</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>464</b>	<b>462</b>

### Cash flow statement

Discontinued operations SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash flow from operating activities	—	-0	-3
Cash flow from investing activities	—	—	329
Cash flow from financing activities	—	—	—
<b>Net change in cash and cash equivalents</b>	<b>—</b>	<b>-0</b>	<b>327</b>

# 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 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/amortization, 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 reorganizations 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	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating profit	2,903	1,202	4,787
Reversal:			
Result from shares in associated companies and joint ventures	-1,671	-13	-221
Depreciation and amortization	1,520	1,372	5,952
<b>EBITDA</b>	<b>2,752</b>	<b>2,561</b>	<b>10,517</b>
Reversal, items affecting comparability:			
Acquisition costs	-0	6	11
Restructuring costs	47	61	251
Disposal of non-current assets	-2	1	40
Other items affecting comparability	—	—	80
<b>Total items affecting comparability</b>	<b>46</b>	<b>69</b>	<b>382</b>
<b>Underlying EBITDA</b>	<b>2,798</b>	<b>2,630</b>	<b>10,900</b>
Lease depreciation	-308	-301	-1,197
Lease interest costs	-19	-15	-63
<b>Underlying EBITDAaL</b>	<b>2,471</b>	<b>2,314</b>	<b>9,639</b>
Revenue	6,744	6,550	26,789
<b>Revenue excluding items affecting comparability</b>	<b>6,744</b>	<b>6,550</b>	<b>26,789</b>
<b>Underlying EBITDAaL margin</b>	<b>37%</b>	<b>35%</b>	<b>36%</b>

### 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 capitalized on the balance sheet.

SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>TOTAL OPERATIONS</b>			
Additions to intangible and tangible assets	-756	-1,086	-3,328
Sale of intangible and tangible assets	3	0	1
<b>Capex paid</b>	<b>-753</b>	<b>-1,086</b>	<b>-3,327</b>
This period's unpaid capex and reversal of paid capex from previous period	81	52	-185
Reversal received payment of sold intangible and tangible assets	-3	-0	-1
<b>Capex intangible and tangible assets</b>	<b>-674</b>	<b>-1,035</b>	<b>-3,513</b>
Additions to right-of-use assets	-162	-258	-1,306
<b>Capex</b>	<b>-836</b>	<b>-1,292</b>	<b>-4,819</b>
<b>CONTINUING OPERATIONS</b>			
Additions to intangible and tangible assets	-756	-1,086	-3,328
Sale of intangible and tangible assets	3	0	1
<b>Capex paid</b>	<b>-753</b>	<b>-1,086</b>	<b>-3,327</b>
This period's unpaid capex and reversal of paid capex from previous period	81	52	-185
Reversal received payment of sold intangible and tangible assets	-3	-0	-1
<b>Capex intangible and tangible assets</b>	<b>-674</b>	<b>-1,035</b>	<b>-3,513</b>
Additions to right-of-use assets	-162	-258	-1,306
<b>Capex</b>	<b>-836</b>	<b>-1,292</b>	<b>-4,819</b>

### 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	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Underlying EBITDAaL	2,471	2,314	9,639
Capex excluding spectrum and leases	-670	-702	-3,158
<b>Operating cash flow</b>	<b>1,801</b>	<b>1,613</b>	<b>6,482</b>

### 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 amortization of lease liabilities.

SEK million	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>TOTAL OPERATIONS</b>			
Cash flow from operating activities	2,046	2,287	10,297
Capex paid	-753	-1,086	-3,327
Amortization of lease liabilities	-382	-381	-1,185
<b>Equity free cash flow (eFCF)</b>	<b>910</b>	<b>820</b>	<b>5,785</b>
eFCF per share (SEK)	1.32	1.19	8.39
eFCF per share after dilution (SEK)	1.31	1.18	8.34
<b>CONTINUING OPERATIONS</b>			
Cash flow from operating activities	2,046	2,287	10,272
Capex paid	-753	-1,086	-3,327
Amortization of lease liabilities	-382	-381	-1,185
<b>Equity free cash flow (eFCF)</b>	<b>910</b>	<b>820</b>	<b>5,760</b>
eFCF per share (SEK)	1.32	1.19	8.35
eFCF per share after dilution (SEK)	1.31	1.18	8.31
<b>OUTSTANDING SHARES</b>			
Number of shares	689,909,491	688,650,832	689,909,491
Number of shares after dilution	693,369,682	692,429,603	693,458,249

### 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 derivatives.

*Economic net debt:* Net debt excluding lease liabilities.

Total operations SEK million	Mar 31 2022	Dec 31 2021
Interest-bearing non-current liabilities	26,517	28,332
Interest-bearing current liabilities	4,435	4,116
Reversal provisions	-1,571	-1,610
Cash & cash equivalents, current investments and restricted funds	-9,568	-881
Derivatives	-339	-275
<b>Net debt</b>	<b>19,474</b>	<b>29,681</b>
Reversal:		
Lease liabilities	-5,180	-5,414
<b>Economic net debt</b>	<b>14,294</b>	<b>24,268</b>

### 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 (Q1 2022-financials to the market) on Tele2's website [www.tele2.com](http://www.tele2.com).



Visit our website: [www.tele2.com](http://www.tele2.com)

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