

Tele2 AB
Skeppsbron 18
P.O Box 2094
SE-103 13 Stockholm, Sweden
Telephone +46 8 5620 0060
Fax: +46 8 5620 0040
www.tele2.com

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PRESS RELEASE

Interim Report Second Quarter 2020

Stockholm – Tele2 AB (“Tele2”) (Nasdaq Stockholm: TEL2 A and TEL2 B) today announces its consolidated results for the second quarter 2020.

CEO comment by Anders Nilsson

“Thanks to our efforts to refocus the company to defend underlying EBITDAaL, Tele2 fared relatively well in a quarter that has been difficult for the sector and society as a whole. We took a major step to assert our position as a leading telecommunications provider as we launched Sweden’s first public 5G network in the quarter. We saw continued progress on our fixed mobile convergence (FMC) strategy with 242,000 customers now on FMC-offers and we continued to execute on the planned backbook price adjustments in Sweden. With a better view of the pandemic impact and a solid plan of mitigations we are reinstating our guidance for 2020 and planned extraordinary dividend.”

Highlights

- End-user service revenue of SEK 4.9 billion, a decline by 2% compared to Q2 2019 on an organic basis mainly due to negative impacts from the pandemic.
- Revenue of SEK 6.7 billion, a decline by 2% compared to Q2 2019 on an organic basis.
- Underlying EBITDAaL of SEK 2.3 billion, an organic increase of 4% compared to Q2 2019 driven by cost reductions from 2019 and activities to mitigate the pandemic impact.
- Profit after financial items (EBT) was SEK 1.1 billion, increased by SEK 0.7 billion compared to Q2 2019, mainly due to an impairment in Tele2 Estonia during Q2 2019.
- Net profit from total operations of SEK 0.9 billion (SEK 1.29 per share), SEK 1.2 billion lower compared to Q2 2019 as net profit last year included capital gains from the divestment of the Kazakhstan operation of SEK 1.6 billion.
- Equity free cash flow from continuing operations of 1.0 billion, flat compared to Q2 2019. Equity free cash flow from continuing operations for the last twelve months of SEK 5.3 billion or roughly SEK 7.70 per share.
- Financial guidance for 2020 reinstated; underlying EBITDAaL roughly flat compared to 2019 and capex excluding spectrum and leases of SEK 2.5–3.0 billion. Mid-term guidance reiterated.
- The Board’s proposal of an extraordinary dividend of SEK 3.50 per share reinstated.
- Tele2 established 5G leadership in Sweden through launch of Sweden’s first public 5G network.
- Continued progress on the fixed mobile convergence (FMC) strategy in Sweden with 242,000 customers now on FMC-offers.
- Kjell Morten Johnsen will replace Anders Nilsson as President and CEO of Tele2 on September 15, 2020.

Teleconference and webcast

Tele2 will host a teleconference and webcast with presentation at 10:00 CEST (09:00 BST, 04:00 EDT) on Wednesday, 15 July 2020. The presentation will be held in English and will be available as a webcast at www.tele2.com.

The logo for Tele2, featuring the word "TELE2" in a bold, black, sans-serif font. The "2" is significantly larger and more prominent than the other characters.

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Dial-in information

To make sure you are connected in time for the teleconference, please dial in a few minutes in advance and register your attendance. Use Confirmation Code **6295945**.

Dial-in numbers:

SWE: +46 (0) 8 50 69 21 80

UK: +44 (0) 20 71 92 80 00

US: +1 63 15 10 74 95

For more information, please contact:

Joel Ibson, Head of Corporate Communications, Phone: +46 766 26 44 00

Marcus Lindberg, Head of Investor Relations, Phone: +46 73 439 25 40

This information is information that Tele2 AB 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 above, at 07:00 CEST on 15 July 2020.

Tele2's vision is to be *the smartest telco in the world, creating a society of unlimited possibilities*. Ever since Tele2 was founded in 1993, we have continued to challenge prevailing norms and dusty monopolies. Today, our award winning networks enable mobile and fixed connectivity, telephony, data network services, TV, streaming and global IoT solutions for millions of customers. We drive growth through customer satisfaction and smart combined offerings. Tele2 has been listed on Nasdaq Stockholm since 1996. In 2019, Tele2 generated revenue of SEK 28 billion and reported an underlying EBITDAaL of SEK 9 billion. For latest news and definitions of measures, please see our homepage www.tele2.com.

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