

Prospectus dated 25 September 2019

# TELE2

## TELE2 AB (publ)

*(incorporated with limited liability in the Kingdom of Sweden)*

### €5,000,000,000

## Guaranteed Euro Medium Term Note Programme

### guaranteed by

## TELE2 SVERIGE AB

*(incorporated with limited liability in the Kingdom of Sweden)*

Under the €5,000,000,000 Guaranteed Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), Tele2 AB (publ) (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes guaranteed by Tele2 Sverige AB (the “**Guarantee**” and the “**Guarantor**”, respectively) (the “**Notes**”). The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and the Coupons relating to them as further described in “Terms and Conditions – Guarantee and Status”. The aggregate nominal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or its equivalent in other currencies).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”) of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market (or any other stock exchange).

The Notes may be issued in bearer form or in registered form. Each Series (as defined in “General Description of the Programme – Method of Issue”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depository**”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Overview of Provisions Relating to the Notes while in Global Form”.

Tranches of Notes (as defined in “General Description of the Programme – Method of Issue”) to be issued under the Programme may be rated or unrated. Where a Tranche of Notes issued under the Programme is to be rated, such rating will not necessarily be the same as the relevant rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the “**CRA Regulation**”) will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

This Prospectus will expire 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

#### Arranger

SEB

#### Dealers

Banca IMI

Citigroup

Commerzbank

Crédit Agricole CIB

Danske Bank

DNB Bank ASA

Handelsbanken Capital Markets

ING

Nordea

Swedbank

SEB

*This Prospectus comprises a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and for the purpose of giving necessary information with regard to the Issuer, the Guarantor, the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Notes which, according to the particular nature and circumstances of the Issuer, the Guarantor and the type of Notes, is material to investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor, the rights attaching to the Notes, and the reasons for the issuance and its impact on the Issuer and the Guarantor.*

*Each of the Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Regulation (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantor, the Arranger or any Dealer (as defined in “**General Description of the Programme**”) to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to the Prospectus Regulation, in each case, in relation to such offer. This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “**Documents Incorporated by Reference**”).*

**No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (as defined in “**General Description of the Programme**”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United**

States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

Amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate (“EURIBOR”), the Stockholm Interbank Offered Rate (“STIBOR”) or the Norwegian Interbank Offered Rate (“NIBOR”) which are provided by the European Money Markets Institute (“EMMI”), Financial Benchmarks Sweden AB and the Norske Finansielle Referanser AS (NoRe) respectively. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “BMR”).

Amounts payable under the Notes may be calculated by reference to the London Interbank Offered Rate (LIBOR), which is provided by the ICE Benchmark Administration Limited (“ICE”). As at the date of this Prospectus, ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “BMR”).

As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply such that the above benchmark providers are not currently required to obtain authorisation or registration.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Arranger and Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

**NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS** - Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

**LEGAL INVESTMENT CONSIDERATIONS MAY RESTRICT CERTAIN INVESTMENTS** – The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**MIFID II product governance / target market** – The Final Terms in respect of any Notes and any drawdown prospectus may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The selected financial data set forth in this Base Prospectus includes, in addition to the conventional financial performance measures established by the International Accounting Standards Board (“IFRS”), certain alternative performance measures (such as Underlying EBIDTA and Underlying EBITDA margin) that are presented for the purpose of providing further information as to the Group’s business,

financial condition and results of operations. Such measures should, however, not be considered as a substitute for those required by IFRS.

In connection with the issue of any Tranche (as defined in “General Description of the Programme – Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “U.S. dollars”, “U.S.\$” and “\$” are to United States dollars, to “Sterling” and “£” are to pounds sterling, the lawful currency of the United Kingdom (the “UK”), to “euro” and “€” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, to “Swedish Kronor” and “SEK” are to the currency of the Kingdom of Sweden and to “Norwegian Kroner” are to the currency of the Kingdom of Norway.

This Prospectus will expire 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “EEA”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

## TABLE OF CONTENTS

	<b>Page</b>
RISK FACTORS .....	7
DOCUMENTS INCORPORATED BY REFERENCE.....	22
PROSPECTUS SUPPLEMENT .....	26
GENERAL DESCRIPTION OF THE PROGRAMME .....	27
TERMS AND CONDITIONS OF THE NOTES .....	32
USE OF PROCEEDS .....	58
OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM .....	59
INFORMATION ON TELE2 AB (PUBL).....	65
NON-IFRS FINANCIAL MEASURES .....	79
INFORMATION ON TELE2 SVERIGE AB .....	83
TAXATION .....	84
SUBSCRIPTION AND SALE .....	86
THE DEED OF GUARANTEE .....	90
FORM OF FINAL TERMS.....	94
GENERAL INFORMATION .....	105

## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under or in connection with the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. In each category the most material risks, in the assessment of the Issuer, taking into account the negative impact on the Issuer and the Bonds is presented first. The probability of their occurrence is presented by using a scale of low, medium and high.*

*Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts under or in connection with any Notes for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors which are material to the Issuer**

#### **1 Risks related to strategy and market**

##### ***Acquisitions, divestments, strategic alliances and business combinations***

The Issuer is constantly reviewing the Issuer's asset portfolio. In recent years, the Issuer has made a number of targeted acquisitions and divestments that complement the Group's strategy. The Group may also continue to expand and grow the Issuer's business through business combinations, strategic alliances, etc.

Successful implementation of strategic initiatives by the Issuer is, *inter alia*, dependent on the Issuer's ability to foresee the development of and meet customer needs in the markets where the Issuer operates, as well as transform the organisation and its processes (as needed). Should the Issuer be unable to execute the Issuer's business strategy such as execution of the Fixed Mobile Convergence (FMC) strategy and rollout of 5G technology in the mobile network, it could have an adverse effect on the Group's business, financial condition and result of operations.

Also, the efficient integration of the Issuer and ComHem and the realization of related cost and revenue synergies, as well as the positive development of the acquired operations, are expected to enhance the Group's results of operations both in the long and short term. If, however, the Group encounters unexpected difficulties in integrating or managing any acquired company, strategic alliance or business combination (including a merger) there is a risk that management's attention will be diverted away from other on-going business concerns and also that the expected benefits will not be realised either in the expected timeframe or at all. If any of the risks related to integration and managing growth were to materialise, it could have an adverse effect on the Issuer's business, financial condition and results of operations.

##### ***Risk of closure of the Croatian sale transaction***

On 31 May 2019, the Issuer announced the agreement to sell the Issuer's Croatian business to United Group for an enterprise value of EUR 220 million (approximately SEK 2,320 million as per 30 June 2019). The transaction is subject to regulatory approval. Closing is expected before the end of 2019. There is a risk that the transaction is not approved and cannot be closed which would result in the Group having an exposure towards the risks in the business of the Croatian entity as well as any risks related to the Croatian market in general.

## **2 Risks related to the Group's operations**

### ***Structural subordination and the Guarantee***

Most of the Issuer's operations are conducted through the Issuer's subsidiaries and to a large extent the Issuer depends on the earnings, cash flows, dividends and distributions of these subsidiaries to meet the Issuer's debt obligations, including the Issuer's obligations under the Notes. In addition, the Issuer's subsidiaries' assets constitute a significant part of the Issuer's operating assets.

The Group's subsidiaries occasionally incur financial obligations. In addition, in the future, the Group may finance investments by incurring debt in an appropriate subsidiary.

With the exception of the obligations of the Guarantor pursuant to the Guarantee, the Issuer's subsidiaries have no obligation in respect of any amounts due under the Notes and neither the Issuer nor the Noteholders will have any direct or indirect claim against any of the Issuer's subsidiaries (other than the Guarantor) other than by virtue of the Issuer's shareholding in any such subsidiary. In the event of an insolvency or liquidation of such a subsidiary, creditors of any such subsidiary will have a claim to the assets of that subsidiary that ranks ahead of the Issuer's interest in those assets.

Further, if a Swedish limited liability company such as the Guarantor guarantees its parent company's obligations without deriving sufficient corporate benefit therefrom, the granting of the guarantee may only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the guarantee was provided. If no corporate benefit is derived from the provided guarantee, such guarantee may be limited in validity as aforesaid. Consequently, there is a risk that the Guarantee will be limited in accordance with the aforesaid which could have an adverse effect on the a Noteholder's security position.

## **3 Legal risks related to the Issuer and the Issuer's business**

### ***Regulatory risk***

#### ***The Group is involved in legal proceedings that may disrupt the Issuer's operations and the Issuer's reporting of financial results***

The Group and the Issuer's affiliated companies are involved in a number of litigation and arbitration proceedings under industry-specific and general laws and regulations, including with customers, competitors and regulatory authorities.

The Group has made determinations regarding accounting provisions for these proceedings based on the advice of the Group's legal counsel. However, actual decisions of courts and arbitration tribunals may not match the Group's expectations and could result in large damages awards and/or other remedies against the Group that affect the Group's interests. Any future governmental, legal or other similar proceedings can be costly, divert management attention and may result in reputational damage for the Group. Any unsuccessful litigation or arbitration proceedings (whether based on a judgment or a settlement agreement) or adverse publicity may have an adverse effect on the Group's business, reputation, financial condition and results of operations.

#### ***Impact of regulatory frameworks on the Issuer's business***

The Group's business are regulated in many different jurisdictions. The regulatory framework in which the Group operates may become more restrictive, increasing costs and burden in existing or new markets, and may materially and adversely affect the Issuer's ability to operate the Group's business, for example, by resulting in a decreased level of flexibility in setting tariff structures for interconnection and roaming service. Access regulation, which ensures competition by giving access to incumbents' copper and fiber networks in case of significant market power, may be relaxed with the review of the European Telecoms Regulatory Framework, as a result of which the competitive pressure on the Group's business could increase. It is expected for the industry to see continued downward revenue pressure because of the roaming regulation, "Roam Like At Home" ("RLAH"), meaning the removal of roaming surcharges within the EU/the European Economic Area



(“EEA”) that entered into force in June 2017. Moreover, the EU intends to limit the price that providers may charge on consumers for intra-EU calls and SMS, which can have a negative impact on the Issuer.

The potential regulation of cable services to multi-dwelling units, or conversely the deregulation of current open access to single dwelling units, in Sweden could have an adverse impact on the Issuer’s business. The continued focus of regulators on Net Neutrality could prevent the Issuer from entering into partnerships or developing new pricing models, such as the “zero-rating” of certain data services of the Issuer’s partners. Further changes in consumer protection legislation could affect the market on which the Issuer operates and the terms on which the Issuer can offer services bundled with hardware over fixed-term contract periods.

If the Issuer is unable to effectively respond to regulatory changes, it could have an adverse effect on the Issuer’s business, financial condition and result of operations.

***The Issuer is subject to resolutions and investigations by authorities and governmental bodies that may change their interpretation of current legislation***

The telecommunications sector is a priority for various regulatory authorities. The Group’s operations is dependent on such authorities’ interpretations of the current laws, treaties and regulations in the countries where the Group operates. Contractual conditions and fees in agreements that are included in the Issuer’s operations, are subject to general EU and Swedish competition law. The Swedish Competition Authority (Sw. *Konkurrensverket*) (the “SCA”), as well as the EC and/or other national competition authorities, have the power to initiate ex-post regulation procedures and to instruct the Issuer to cease applying contractual terms and fees that are found to be anti-competitive and also impose administrative fines on the Issuer.

The wholesale and retail termination fees charged by the Issuer are subject to regulatory adjustment by the SCA, PTS or the EU and hence the Issuer may be restricted from imposing or enforcing certain pricing mechanisms, including volume-based discounts and exclusivity provisions. In the event that the contractual conditions and associated fees for some television channels were reduced to a level that cannot be justified as being non-discriminatory, the Issuer may be exposed to claims from other television channel providers or the SCA for equal treatment or alleged abuse of the Issuer’s position on the market. If these contractual conditions and fee structures are successfully challenged, the Issuer could, under certain circumstances, be found liable for fines or damages.

PTS may also impose on operators of public electronic communications networks with significant market power (“SMP”) the obligation to grant access to network components and facilities, and to offer the re-sale of their electronic communications services on a wholesale basis. The Issuer has been found to have SMP in certain markets and we could in the future be found to have SMP in additional markets.

Furthermore, PTS may require an operator to provide access to wiring inside buildings where it is justified on the grounds that duplication of the infrastructure would be economically inefficient or physically impracticable. Additionally, a network operator shall upon written request of an undertaking providing or authorization to provide public communications networks, meet all reasonable requests for access to our physical infrastructure under fair and reasonable terms and conditions. Furthermore, every public communications network provider has the right to access any existing in-building physical infrastructure with a view to deploying a high-speed electronic communication network if duplication is technically impossible or economically inefficient.

Moreover, in January 2018, the Swedish Post and Telecom Authority (“PTS”) submitted a proposal to the Swedish Government which, if implemented, would give PTS powers to impose fines for infringements of the Swedish Electronic Communications Act (2003:389) (*lag om elektronisk kommunikation*) (the “**Electronic Communications Act**”) amounting to 10 per cent. of the entity’s annual revenue.

If any of the above risks would materialise, this could have a material adverse impact on the Issuer’s business, financial condition and results of operations.

#### **4 Risks related to financing, internal control, financial reporting and tax**

##### ***Risks related to the Issuer's past or current tax position being challenged or changed***

The Issuer operates through a number of subsidiaries in several countries. The Group's tax position rests on the Issuer's interpretations of the current tax laws, treaties and regulations in the countries where the Group operates and the requirements of the relevant tax authorities. The Issuer and the Issuer's subsidiaries are from time to time subject to tax reviews. There is a risk that tax audits or reviews may result in the reduction of tax loss carry forwards or the imposition of additional tax, in particular due to the Issuer's acquisitions and sales of shares, financing, intra-group reorganisations, application of transfer pricing and the structure of the Group.

In 2017, the Administrative Court in Stockholm rejected the Guarantor's claims for a deduction of interest expenses on intra-group loans related to the years 2013 and 2014 according to interest limitation rules introduced in 2013. The Group has appealed the Administrative Court's rulings. The Swedish Tax Agency has also challenged deduction for interest expenses for 2015 to 2017. Total provisions in relation to the tax disputes as of 31 December 2018 amounted to SEK 361 million.

Further, the Issuer was notified in April 2019 that the Swedish Tax Agency has rejected the Issuer'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 the Issuer's divested joint venture in Kazakhstan. The additional tax claim amounts to SEK 396 million and a tax surcharge of SEK 162 million. The Issuer has appealed the decision in July 2019 to the Administrative Court in Stockholm. No provision has been made in the accounts.

In the event that the Issuer's interpretation of tax laws, treaties and regulations or their applicability is incorrect, or if one or more governmental authorities successfully make negative tax adjustments with regard to an entity of the Group, the Group's past or current tax position may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could have an adverse effect on the Group's business, financial condition and results of operations.

##### ***Currency risk***

Currency risk is the risk of changes in exchange rates having a negative impact on the Group's performance and equity value. Currency exposure is associated with payment flows in foreign currency (transaction exposure) and the translation of foreign subsidiaries' balance sheets and income statements to SEK (translation exposure). The Group does not generally hedge transaction exposure. When considered appropriate, the Group hedges the Issuer's translation exposure related to some investments in foreign operations by issuing debt or entering into derivative transactions in the currencies involved. A five per cent. currency fluctuation against the Swedish krona would affect the Group's total net assets by SEK 662 million. A strengthening of the SEK towards other currencies would impact net assets negatively. This could have an adverse effect on the Group's business, financial condition and results of operations.

##### ***Risks related to material weaknesses in internal control over financial reporting***

Due to legal requirements to fulfil requirements of the US Securities and Exchange Commission in connection with the Merger, the financial statements for the years ended 31 December 2015, 2016, 2017 and 2018 that were included in the registration statement were required to be audited in accordance with the auditing standards applicable in the United States, as a result of which, certain material weaknesses in internal control over financial reporting were identified; indicating a reasonable possibility that a material misstatement in financial statements will not be prevented or detected on a timely basis.

The material weaknesses relate specifically to (i) the lack of review and supporting documentation of manual journal entries, (ii) accounting for significant and complex transactions and judgements, particular in the areas of deferred tax, leases, business combinations and hedge accounting; and (iii) Deficiencies in the application of

the risk assessment and control activities components of the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”) in Internal Control – Integrated Framework (2013).

If the Issuer is unable to successfully remediate material weaknesses or if the Issuer identifies additional material weaknesses, and if the Issuer is unable to produce accurate and timely financial statements, the Issuer’s financial statements could contain material misstatements that, when discovered in the future, could cause them to fail to meet their future reporting obligations.

***The Group is subject to the covenants in relation to the Issuer’s financing arrangements***

Under the terms of the Issuer’s financing arrangements the Group must comply with certain covenants. If the Group breaches any covenant and fails to receive a waiver regarding such breach from the Issuer’s lenders or sign an amendment modifying any such covenant, the Group’s debt obligations under the Issuer financing arrangements may be accelerated or further credit may be withheld.

The restrictions under the Issuer’s financing arrangements could make it more difficult for the Group to expand, finance the Issuer’s operations or engage in business activities that may be of interest to it, any of which could have an adverse effect on the Group’s operations, result, financial position and the Issuer’s ability to make payments under the Issuer’s financing arrangements and the Notes.

## **Factors which are material to the Guarantor**

### **5 Risks related to strategy and market**

#### *Competition and price pressure*

The markets on which the Guarantor operates is highly competitive. The Guarantor's ability to compete successfully depends on a number of factors besides competition, including changes to current market participant strategies (such as consolidation and M&A activity), new entrants, new products and market dependency. These factors could force the Guarantor to make adjustments in the business model or changes in the company's business and pricing strategy. Increased competition could also lead to the development of new market segments (e.g. IoT) or new forms of connectivity (e.g. VoIP, embedded SIM, 5G, fiber replacing cable), changed customer behaviour or lead to a decrease in customer growth rates and loss of market share and competitive position.

The Group has undergone a profound change for the Swedish consumer business in 2018, as it made the transition to become a full-service provider of mobile, fixed and digital entertainment services to Swedish consumers through the merger with Com Hem Holding AB (publ) ("**Com Hem**") which was undertaken by way of absorption with the Issuer as absorbing company and Com Hem as the transferring company (the "**Merger**"), thereby adapting to a market mechanism of providers of telecommunication services selling Fixed Mobile Convergence (FMC) offerings. Also, the Swedish business (B2B) segment is going through a period of restructuring in order to focus on higher margin, network-based ICT services, with an aim to make structural cost savings and improve revenue growth trends. These developments also expose the Guarantor to competition and price erosion risks in a relatively flat Fixed Mobile Convergence (FMC) market in Sweden.

Also in Sweden, in contrast to many other markets, the infrastructure upon which the Guarantor relies to provide the Guarantor's services is largely overbuilt by the infrastructure of competitors, allowing existing or potential customers to select their provider from among several different operators. Similarly, low switching costs in the mobile market, such as the legal requirement for a customer to be able to retain their mobile number when switching providers, could result in significant customer churn in the event that the Guarantor's mobile service offerings become uncompetitive.

If the Group's response to this competitive environment is unsuccessful or does not occur in a timely manner it may lead to a loss of customers and market shares which in turn will have an adverse effect on the Group's earnings.

#### *Risks related to changing technology*

The Guarantor operates in markets characterized by rapidly changing technology. This may result in price erosion and increased price competition for the Guarantor's products and services. The new technology in the telecommunications market includes, for example, OTT Services, embedded SIMs and 5G rollout. The Guarantor may be adversely affected by development of new technologies, for example, developments in OTT services may exceed the technological capabilities of the Guarantor's broadband network and offer content that meets customer demands while being unavailable via the the Guarantor's digital TV& play offering, each resulting in a decline for the Guarantor's services.

Development of new technologies may furthermore require a review of the life cycles of the Guarantor's assets and may result in additional depreciation or impairment costs, and there is a risk that the Guarantor will not be able to focus on the right projects for innovation or successfully obtain contracts vital for the the Group to offer products and services in line with market demands.

For example, the customer base for digital terrestrial television throughout Sweden has generally been declining. The Guarantor risks losing customers of pay-TV services and there is a risk that the structural digital terrestrial television decline will accelerate, without replacement by a different service offered by the Guarantor. Another example is that fiber may be further deployed with the result that the Guarantor's current cable

customers may replace their subscriptions of cable services with fiber services, entailing a decrease in cable. Furthermore, customers may choose to obtain broadband services from a competitor with actual or perceived faster download and upload speeds, increasing pressure on prices and margins and leading the Guarantor to incur significant capital expenditures to match the the Guarantor's competitors' service offerings.

If the Guarantor is unable to anticipate, respond to and keep up with new technology and compete effectively, it could have a material adverse effect on our business, financial condition and results of operations.

#### ***Risk due to changes in consumer behaviour trends***

The Guarantor's results and cash flow depend on the general demand for its products and services. Changes in customer behaviour may have a material adverse effect on the demand for broadband, digital TV and fixed-telephony services. As 5G mobile networks are developed and adopted, the performance of a 5G mobile service offered by the Guarantor may become comparable to the performance of the Guarantor's existing fixed broadband services and also negatively impact the competitiveness of the Guarantor's digital TV & play services that are offered to customers connected to the Guarantor's fixed network. In the future, the Guarantor may experience some cannibalization of existing customer demand for the Guarantor's existing fixed broadband and digital TV & play services as it rolls out 5G mobile services. The Guarantor is exposed to changes in the demand for these services in both the business-to-customer (B2C) sector as well as in the business-to-business (B2B) sector. If demand for broadband, digital TV& play and fixed-telephony services in the B2C sector and the B2B sector does not develop as expected, if the Guarantor is no longer able to sell combinations of these services in bundles at adequate prices, or if the roll out of 5G mobile services generally diverts demand from the Guarantor's other products and services, and the Guarantor is unable to compete effectively as a result, this could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

#### ***Investments in networks, licences, new technology and start-up operations***

In recent years, the Guarantor has made substantial investments in telecom networks and licences and also expects to invest substantial amounts over the coming years in the upgrading, maintaining and expansion of networks. The Group also has had to and may in the future have to pay fees to acquire new licences or to renew or maintain the Guarantor's existing licences. The success of these investments will depend on a variety of factors some of which will be beyond the Group's control, including the cost of acquiring, renewing or maintaining licences, the cost of new technology, availability of new and attractive services, the costs associated with providing these services, the timing of their introduction, the market demand and prices for such services, and competition. Any failure to realise in full the benefits expected by the Group from these investments may adversely affect the Group's results of operations and financial position.

Further, if the Group fails to develop, or obtain timely access to, new technologies or equipment, or if the Group fails to obtain the necessary licences or spectrum to provide services using these new technologies, the Group may lose customers and market share and become less profitable, which could have a material adverse effect on the Group's business, financial condition and results of operations.

## **6 Risks related to the Group's operations**

### ***Limited number of suppliers***

The Group is reliant upon a limited number of handset manufacturers for attracting customers, suppliers of equipment and network for rolling out networks and supplier of terrestrial digital TV to be able to offer good quality services. Also, the Guarantor is dependent on agreements with other network operators to provide services in major parts of the Tele2 network. If the Guarantor's existing suppliers are unable to satisfy the Group's requirements, there is a risk that the Guarantor would fail to obtain network equipment, handsets or services from alternative suppliers in order to fulfil its obligations towards its customers on a timely basis. In addition, like the Guarantor's competitors, the Group currently outsources many of the Group's key support services, including network construction and maintenance of most of the Group's operations.

Also, the Guarantor has lease agreements with several facility providers such as municipalities and individual suppliers, for example, relating to the lease of cable duct space, dark fiber and in some instances coaxial cables as well as facilities for headends and hubs. A service provider agreement is also in place in respect of the distribution of the television services provided by Boxer TV-Access AB (“**Boxer**”) using the DTT network. The Group’s ability to offer the Guarantor’s services to the Guarantor’s customers depends on the performance of contract counterparties and their affiliates in carrying out their respective obligations under certain agreements and such contract counterparties’ rights of use.

The limited number of suppliers and unfavourable changes to the terms of the Guarantor’s arrangements with current and future suppliers, could adversely affect the Guarantor’s business, thereby restricting the Guarantor’s operational flexibility and the Guarantor’s ability to meet customer demands and expectations. This could drive shift in customer preference towards the Group’s competitors, thereby affecting the Guarantor’s revenue and profitability.

#### ***Shareholder matters in relation to associated companies***

The Group conducts certain of the Group’s activities through associated companies in which the Group does not have a controlling interest. Such companies include Svenska UMTS-nät AB and Net4Mobility HB in the Nordic region, T-Mobile Netherlands after the merger with Tele2 Netherlands and the network sharing joint venture with Bite in Latvia and Lithuania. The Group may enter into further similar arrangements in the future. As a result of these activities being conducted through such associated companies, the Group has limited influence over the conduct of these businesses. In these jointly controlled ventures, there is a risk that the partners may disagree on important matters, including the funding of the venture, approval of business plans, budgets, dividends or other cash distributions. This risk may be greater where the parties are competitors. A disagreement or deadlock regarding the venture or a breach by one of the parties of the material provisions of the cooperation arrangements could have a material adverse effect on the Group’s business interests as well as the Group’s strategy and actions in relation to any of these associated companies.

#### ***Risk related to access to television content***

The Guarantor relies on the Guarantor’s ability to provide a wide selection of popular content and cutting-edge services to the Guarantor’s customers. The Guarantor does not produce the Guarantor’s own content and is therefore dependent upon broadcasters and content providers for programming.

The Guarantor licenses certain programs for the Guarantor’s digital TV services. Rights with respect to a significant amount of premium and/or high definition (“**HD**”) content are sometimes already held by competing distributors and, to the extent such competitors stop wholesaling such content or wholesale such content to distributors other than the Guarantor, the Guarantor’s ability to obtain any highly rated content could be limited. Further, as the Guarantor continually develops the Guarantor’s digital TV & play services, which includes e.g. traditional television content, VoD libraries, OTT content and applications, the Guarantor’s ability to source content for the TV service is increasingly important and depends on the Guarantor’s ability to maintain relationships and cooperation with content providers and broadcasters for both standard and HD content. The Guarantor may incur additional licensing and/or other fees for content distributed over the Guarantor’s platforms. In addition, content providers may elect to distribute their content exclusively through distribution platforms other than the Tele2 digital TV network, including satellite or internet-based platforms, or through other distributors.

The risks described above could reduce the demand for the Guarantor’s existing and future television services, thereby limiting the Guarantor’s ability to maintain or increase revenue from these services. This could have an adverse effect on the Guarantor’s business, financial condition and results of operations.

#### ***Risk related to contracts with landlords of multi-dwelling units***

A majority of Guarantor’s current customers that use Com Hem offerings live in multi-dwelling units (“**MDUs**”) and contracts with landlords of these MDUs form the basis of these Com Hem customer

relationships. The Guarantor's ability to renew existing contracts with landlords of MDUs, and to enter into contracts with new landlord partners, is important to the Guarantor's business. Contracts with landlords are important to provide the Guarantor with network access to individual tenants and households within MDUs because in-house wiring is owned by landlords. The Guarantor could lose the Guarantor's direct subscriber relationships with end-users if landlords terminate or fail to renew the contracts that are in place and the Guarantor is unable to migrate MDU customers to alternative services via open networks. Based on historical loss of 1 to 2 per cent. of landlord contracts each year, with approximately the same amount being gained in new landlord contracts per year, the Guarantor could lose landlord contracts in the future. The pace of contract renegotiation and/or loss of contracts could also accelerate in the future.

The Guarantor's inability to maintain or renew existing agreements with landlords or enter into new contracts on commercially favourable terms could lead to reduced sales, lower margins and a decrease in our customer base, any of which could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### **7 Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

The Issuer may issue Notes at a substantial premium or discount to their nominal amount. The market values of such securities tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. The longer the remaining term of the securities, the greater the price volatility may be as compared to conventional interest-bearing securities with comparable maturities.

#### *Risks related to potential conflicts of interest on the part of the Calculation Agent*

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### **8 Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### *The regulation and reform of benchmarks may adversely affect the value of Notes referencing such benchmarks*

Interest rates and indices which are deemed to be “benchmarks” such as the London Interbank Offered Rate (“LIBOR”) and the Euro Interbank Offered Rate (“EURIBOR”) are the subject of recent national and



international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes referencing a benchmark, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

On 27 July 2017, the UK Financial Conduct Authority (the “**FCA**”) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Subsequent announcements by the FCA have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark may have the effect, amongst other things, of: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing a benchmark.

Any changes to the administration of LIBOR or EURIBOR or the emergence of alternatives to LIBOR or EURIBOR as a result of these reforms, may cause LIBOR or EURIBOR to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of LIBOR or EURIBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to LIBOR or EURIBOR. The development of alternatives to LIBOR or EURIBOR may result in Notes linked to or referencing LIBOR or EURIBOR performing differently than would otherwise have been the case if such alternatives to LIBOR or EURIBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked to LIBOR or EURIBOR.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from

reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (including paying a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser to be applied to such Successor Rate or Alternative Rate. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Accrual Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Accrual Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Accrual Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of

Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of floating rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is either LIBOR or EURIBOR Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If either LIBOR or EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the floating rate Notes.

#### *Bearer Notes where denominations involve integral multiples*

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### *Modification and waivers*

The Terms and Conditions of the Notes (the “**Conditions**”) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *Change of law*

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

## **9 Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are

designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

## **10 Risks related to Taxation**

### *The Proposed Financial Transactions Tax (“FTT”)*

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the original Commission's Proposal, the FTT could apply in certain circumstances to person both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and additional EU Member States may decide to participate.

Until recently, the FTT proposal was at a standstill at the level of the European Council. Following the meeting of the Council of the EU of 14 June 2019, the FTT currently being considered by the participating Member States would be levied on the acquisition of shares of listed companies which have their head office in a member

state of the EU (and market capitalisation in excess of €1 billion on 1 December of the preceding year), rather than on any type of financial instrument. In order to reach a final agreement among the member states participating in the enhanced cooperation, further work in the Council and its preparatory bodies will be required in order to ensure that the competences, rights and obligations of non-participating EU member states are respected.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) The section entitled “Terms and Conditions of the Notes” on pages 25 to 48 of the Prospectus dated 29 April 2016 (<https://www.tele2.com/globalassets/documents/investors/dept-financing/document-incorporated-by-reference-prospectus-dated-29-april-2016-2018-10-22.pdf>) and on pages 29 to 61 of the prospectus dated 22 October 2018 ([https://www.tele2.com/globalassets/documents/investors/dept-financing/tele2\\_ab\\_prospectus\\_2018.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/tele2_ab_prospectus_2018.pdf)), both as amended by the Notice of Amendment dated 5 March 2019 ([https://www.tele2.com/globalassets/documents/investors/dept-financing/notice\\_of\\_amendment\\_5\\_march\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/notice_of_amendment_5_march_2019.pdf));
- (ii) the audited consolidated financial statements of the Issuer for the financial year ended 2017 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as set out in the Information to the Shareholders of Tele2 AB (publ) and Com Hem Holding AB (publ) regarding the Merger (the “**Issuer’s Merger Document**”) (<https://www.tele2.com/globalassets/documents/general-shareholders-meetings/2018-egm/tele2---com-hem---merger-document-eng.pdf>);
- (iii) the pro forma financial information of the Issuer comprised of (i) the pro forma condensed consolidated income statement for the year ended 31 December 2017, after giving effect to the Merger as if it had occurred on 1 January 2017, (ii) the pro forma condensed consolidated income statement for the six months ended 30 June 2018, after giving effect to the Merger as if it had occurred on 1 January 2017 and (iii) the pro forma condensed consolidated balance sheet as of 30 June 2018, as if the Merger had occurred on 30 June 2018 (together, the “**Pro Forma Financial Information**”) together with the auditor’s report thereon, as set out in the Issuer’s Merger Document (<https://www.tele2.com/globalassets/documents/general-shareholders-meetings/2018-egm/tele2---com-hem---merger-document-eng.pdf>);
- (iv) the translation of the audited consolidated financial statements of the Issuer for the financial year ended 2018 together with the auditor’s report thereon, as set out in the Issuer’s Annual Report 2018 (the “**2018 Issuer’s Annual Report**”) ([https://www.tele2.com/globalassets/documents/reports/annual-reports/2018/tl2\\_ar\\_2018\\_eng\\_190330\\_index.pdf](https://www.tele2.com/globalassets/documents/reports/annual-reports/2018/tl2_ar_2018_eng_190330_index.pdf));
- (v) the translations of the audited non-consolidated financial statements of the Guarantor for the financial years ended 2017 and 2018, respectively, together in each case with the auditor’s report thereon, as set out in the Guarantor’s Annual Report 2017 ([https://www.tele2.com/globalassets/documents/investors/dept-financing/annual\\_report\\_tele2\\_sverige\\_ab\\_2017.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/annual_report_tele2_sverige_ab_2017.pdf)) and the Guarantor’s Annual Report 2018 ([https://www.tele2.com/globalassets/documents/investors/dept-financing/annual\\_report\\_tele2\\_sverige\\_ab\\_2018.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/annual_report_tele2_sverige_ab_2018.pdf)), respectively (the “**2017 and 2018 Guarantor’s Annual Reports**”); and
- (vi) the translation of the unaudited interim consolidated financial statements of the Issuer for the six months ended 30 June 2019, as set out in the Issuer’s interim report second quarter 2019 (the “**Q2 2019 Issuer Interim Report**”) ([https://www.tele2.com/globalassets/documents/reports/2019/tele2\\_q2-19\\_eng\\_190717\\_final.pdf](https://www.tele2.com/globalassets/documents/reports/2019/tele2_q2-19_eng_190717_final.pdf)),

which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF. The Issuer’s Merger Document, the 2018 Issuer’s Annual Report, the 2017 and 2018 Guarantor’s Annual Reports and the Q2 2019 Issuer Interim Report are incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any

statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Each of the Issuer and the Guarantor takes responsibility for the correctness of the translations of the documents incorporated by reference.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer, the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or the website of the Issuer (*www.tele2.com*). The tables below sets out the relevant page references for (i) the audited consolidated financial statements of the Issuer for the financial year ended 2017, as set out in the Issuer’s Merger Document, (ii) the audited Pro Forma Financial Information of the Issuer, as set out in the Issuer’s Merger Document, (iii) the audited consolidated financial statements of the Issuer’s for the financial year ended 2018, as set out in the Issuer’s Annual Report 2018 and (iv) for the audited non-consolidated financial statements of the Guarantor for the financial years ended 2017 and 2018, respectively, as set out in the Guarantor’s Annual Report 2017, and the Guarantor’s Annual Report 2018, respectively, and (iv) the unaudited interim consolidated financial statements of the Issuer for the six months ended 30 June 2019, as set out in the Q2 2019 Issuer Interim Report. The information incorporated by reference that is not included in the tables below is considered additional information and is not required by the relevant annexes of Commission Delegated Regulation (EU) 2019/980.

For the avoidance of doubt, any documents themselves incorporated by reference in the documents incorporated by reference into this Prospectus shall not form part of this Prospectus.

**Audited (restated) consolidated financial statements of the Issuer for the financial years ended 2017**

**Issuer’s Merger Document**

Consolidated Income Statement.....	Page F-2
Consolidated Comprehensive Income.....	Page F-3
Consolidated Balance Sheet.....	Pages F-4 to F-5
Consolidated Cash Flow Statement.....	Page F-6
Change in Consolidated Equity.....	Page F-7
Accounting Principles.....	Pages F-8 to F-15
Notes to the Consolidated Financial Statements.....	Pages F-8 to F-51
Auditor’s Report.....	Page F-52
Definitions.....	Pages A-1 to A-3

**Pro Forma Financial Information of the Issuer**

**Issuer’s Merger Document**

Accounting Principles and Other Information.....	Page 72
Pro Forma Condensed Consolidated Income Statement for the Year Ended 31 December 2018.....	Page 73
Pro Forma Condensed Consolidated Income Statement for the Six Months Ended 30 June 2019.....	Page 73
Pro Forma Condensed Consolidated Balance Sheet for the Six Months Ended 30 June 2019.....	Pages 74

Notes to the Pro Forma Condensed Financial Statements .....	Pages 75 to 77
Auditor's Report on the Pro Forma Financial Information .....	Page 78

**Audited consolidated financial statements of the Issuer for the financial year ended 2018**

**2018 Issuer's Annual Report**

Profit and Loss Statement.....	Pages 29 to 30
Balance Statement .....	Pages 31 to 32
Report on Changes in Equity.....	Page 34
Cash-Flow Analysis.....	Page 33
Notes .....	Pages 35 to 76
Auditor's Report.....	Pages 84 to 86
Definitions.....	Pages 87 to 88

**Audited non-consolidated financial statements of the Guarantor for the financial years ended 2017 and 2018, respectively**

**Tele2 Sverige AB Annual Report 2017**

Profit and Loss Statement.....	Page 6
Balance Statement .....	Pages 7 to 8
Report on Changes in Equity.....	Page 9
Cash-Flow Analysis.....	Page 10
Additional Information.....	Pages 11 to 12
Notes .....	Pages 13 to 18
Auditor's Report.....	Pages 19 to 20

**Tele2 Sverige AB Annual Report 2018**

Profit and Loss Statement.....	Page 4
Balance Statement .....	Pages 5 to 6
Report on Changes in Equity.....	Page 7
Cash-Flow Analysis.....	Page 8
Additional Information.....	Pages 9 to 11
Notes .....	Pages 12 to 19
Auditor's Report.....	Pages 20 to 21



**Unaudited interim consolidated financial statements of the Issuer for the six months ended 30 June  
2019**

**Q2 2019 Issuer Interim Report**

Income Statement .....	Page 19
Comprehensive Income .....	Page 20
Balance Sheet .....	Page 21
Cash Flow Statement .....	Page 22
Change in Equity .....	Page 23
Notes .....	Pages 25 to 30

## **PROSPECTUS SUPPLEMENT**

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by the Prospectus Regulation.

Each of the Issuer and the Guarantor has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Prospectus which may affect the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the Guarantor (as applicable), the rights attaching to the Notes and the reasons for the issuance of the Notes and its impact on the Issuer, the Issuer and/or the Guarantor shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement or replacement Prospectus as such Dealer may reasonably request.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description is qualified in its entirety by the remainder of this Prospectus.*

<b>Issuer:</b>	Tele2 AB (publ)
<b>Guarantor:</b>	Tele2 Sverige AB
<b>Description:</b>	Guaranteed Euro Medium Term Note Programme
<b>Issuer Legal Entity Identifier (LEI)</b>	Tele2 AB (publ): 213800EKD193RVI9HL76 Tele2 Sverige AB: 213800PP7RCOOKTCKJ34
<b>Website:</b>	Tele2 AB (publ): www.tele2.com Tele2 Sverige AB: www.tele2.com
<b>Programme Limit:</b>	Up to €5,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger:</b>	Skandinaviska Enskilda Banken AB (publ)
<b>Dealers:</b>	Banca IMI S.p.A. Citigroup Global Markets Europe AG Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Danske Bank A/S DNB Bank ASA ING Bank N.V. Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ)
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “ <b>Permanent Dealers</b> ” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “ <b>Dealers</b> ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Fiscal Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where

necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “**Final Terms**”).

**Issue Price:**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount, as specified in the Final Terms.

**Form of Notes:**

The Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in “ – Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “**Global Certificates**”.

**Clearing Systems:**

Clearstream, Luxembourg and Euroclear and such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, if the relevant Global Note is an NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealer.

<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.
<b>Specified Denomination:</b>	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or</li> <li>(ii) by reference to LIBOR, EURIBOR, STIBOR or NIBOR as adjusted for any applicable margin.</li> </ul> <p>Interest periods will be specified in the relevant Final Terms.</p>
<b>Zero Coupon Notes:</b>	Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Redemption:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have

a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

**Redemption upon a Change of Control:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the holders upon the occurrence of a Change of Control Put Event as further described in “Terms and Conditions – Redemption at the Option of Noteholders on a Change of Control”.

**Status of Notes and Guarantee:**

The Notes and the Guarantee will constitute unsubordinated and (save to the extent specified in “Terms and Conditions – Negative Pledge”) unsecured obligations of the Issuer and the Guarantor, respectively, all as described in “Terms and Conditions of the Notes – Guarantee and Status”.

The Guarantee will be limited if required by application of the provisions of the Swedish Companies Act (*Sw. aktiebolagslagen*) regulating transfers of value (*Sw. värdeöverföringar*). For a description of the Guarantee see “The Deed of Guarantee”.

**Negative Pledge:**

Applicable. See “Terms and Conditions of the Notes – Negative Pledge”.

**Cross Default:**

Applicable. See “Terms and Conditions of the Notes – Events of Default”.

**Ratings:**

Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes issued under the Programme is to be rated, such rating will not necessarily be the same as the relevant rating assigned to the Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Early Redemption:**

Except as provided in “– Optional Redemption” and “– Redemption upon a Change of Control” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.

**Withholding Tax:**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Sweden, as the case may be, unless the withholding is required

by law. In such event, the Issuer or the Guarantor (as the case may be) shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in “Terms and Conditions of the Notes – Taxation”.

**Governing Law:**

English law, save that the provisions of Condition 3(c) (and related provisions of the Deed of Guarantee) relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law.

**Listing and Admission to Trading:**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

**Selling Restrictions:**

The United States, the Public Offer Selling Restriction under the Prospectus Regulation (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, the Kingdom of Sweden and Japan. See “Subscription and Sale”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) (“TEFRA D”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“TEFRA C”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Bearer Notes or on the Certificates relating to Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Amended and Restated Agency Agreement (the “**Agency Agreement**”) dated 25 September 2019 between Tele2 AB (publ) (the “**Issuer**”), Tele2 Sverige AB (the “**Guarantor**”), BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other agents named in it and with the benefit of an Amended and Restated Deed of Covenant (the “**Deed of Covenant**”) dated 25 September 2019 executed by the Issuer and the Guarantor in relation to the Notes and an Amended and Restated Deed of Guarantee (the “**Deed of Guarantee**”) dated 25 September 2019 executed by the Guarantor in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

In these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### 1 Form, Denomination and Title

The minimum denomination per Note will be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes). The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.



In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations scheduled to the Agency Agreement may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. The rules and procedures of Euroclear are available on Euroclear’s website, [www.euroclear.eu](http://www.euroclear.eu).
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of part of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the

Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

### 3 **Guarantee and Status**

- (a) **Guarantee:** Subject to Condition 3(c) below, the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and the Coupons relating to them. Its obligations in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee.
- (b) **Status of Notes and Guarantee:** The Notes and the Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor, respectively, present and future.
- (c) **Limitations:** Pursuant to the Deed of Guarantee, the obligations of the Guarantor shall be limited, if (and only if) required by the mandatory provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) (the “**Swedish Companies Act**”) regulating unlawful distribution of assets and transfer of value (Chapter 17, Sections 1 to 4) (or its equivalent from time to time) and the liability of the Guarantor under the Deed of Guarantee will exist only to the extent permitted by the above mentioned provisions of the Swedish Companies Act.

### 4 **Negative Pledge**

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement) neither the Issuer nor the Guarantor will create, or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Notes and the Coupons the benefit of the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In this Condition, “**Relevant Indebtedness**” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

### 5 **Interest and other Calculations**

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).
- (b) **Interest on Floating Rate Notes:**
  - (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as

a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
  - (1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at (i) 11.00 a.m. (London time in the case of LIBOR, Central European time in the case of EURIBOR, or Stockholm time in the case of STIBOR) or (ii) 12.00 noon (Oslo time) in the case of NIBOR on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Issuer and/or Guarantor shall request, if the Reference Rate is (i) LIBOR, the principal London office of each of the Reference Banks; (ii) EURIBOR, the principal Euro-zone office of each of the Reference Banks; (iii) STIBOR, the principal Stockholm office of each of the Reference Banks, or (iv) NIBOR, the principal Oslo office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is (A) LIBOR, at approximately 11.00 a.m. (London time); (B) EURIBOR, at approximately 11.00 a.m. (Central European time); (C) STIBOR, at approximately 11.00 a.m. (Stockholm time); or (D) NIBOR, as at approximately 12.00 noon (Oslo time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer and/or the Guarantor by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is (i) LIBOR, at approximately 11.00 a.m. (London time); (ii) EURIBOR, at approximately 11.00 a.m. (Central European time); (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time); or (iv) NIBOR, at approximately 12.00 noon (Oslo time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is (A) LIBOR, the London inter-bank market; (B) EURIBOR, the Euro-zone inter-bank market; (C) STIBOR, the Stockholm inter-bank market; or (D) NIBOR, the Norwegian inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is (i)

LIBOR, at approximately 11.00 a.m. (London time); (ii) EURIBOR, at approximately 11.00 a.m. (Central European time); (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time); or (vi) NIBOR, at approximately 12.00 noon (Oslo time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is (A) LIBOR, the London inter-bank market; (B) EURIBOR, the Euro-zone inter-bank market; (C) STIBOR, the Stockholm inter-bank market; (D) if the Norwegian inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to but excluding the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in

accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the countries of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the

obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **“Actual/365 (Sterling)”** is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**“Y<sub>1</sub>”** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**“Y<sub>2</sub>”** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**“M<sub>1</sub>”** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**“M<sub>2</sub>”** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30

- (viii) if “**Actual/Actual-ICMA**” is specified hereon,



if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date and

**“Determination Date”** means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

**“EURIBOR”** means the Euro-zone inter-bank offered rate

**“Euro-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

**“Interest Accrual Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro, provided that if STIBOR is used, the day falling two Stockholm Business Days prior to the first day of such Interest Accrual Period and if NIBOR is used, the day falling two Oslo Business Days prior to the first day of such Interest Accrual Period or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and

including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified thereon

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

“**LIBOR**” means the London inter-bank offered rate

“**NIBOR**” means the Norwegian inter-bank offered rate

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions specified hereon

“**Reference Banks**” means, in the case of a determination of (a) LIBOR, the principal London office of four major banks in the London inter-bank market; (b) EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; (c) STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market; or (d) NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market, in each case selected by the Issuer and/ or the Guarantor

“**Reference Rate**” means the rate specified as such hereon

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, option, column or other part of a particular information service)

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

“**STIBOR**” means the Stockholm inter-bank offered rate

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

- (j) **Benchmark discontinuation:**

(A) **Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in

accordance with Condition 5(j)(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(j)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(j)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this Condition 5(j)(A) shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(j)(A).

**(B) Successor Rate or Alternative Rate**

If the Independent Adviser, determines that:

- (vii) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)); or
- (viii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(j)).

**(C) Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

**(D) Benchmark Amendments**

If any Successor Rate, or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(j) and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition

5(j)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(j)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

**(E) Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(j) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(j); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

**(F) Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 5(j) (A), (B), (C) and (D), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii)(B)(y) and (z) will continue to apply unless and until a Benchmark Event has occurred.

**(G) Definitions:**

As used in this Condition 5(j):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines, acting in good faith, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt

capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied); or

- (iii) the Independent Adviser, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(j)(B) is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(j)(D).

“**Benchmark Event**” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (5) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that in the case of sub-paragraphs (2), (3) and (4), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(j)(A).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate

(as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 6 **Redemption, Purchase and Options**

### (a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

### (b) **Early Redemption:**

#### (i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the

Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two duly authorised officers of the Issuer (or the Guarantor, as the case may be) stating that the Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)) together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together (where applicable) with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of Noteholders upon a Change of Control:** If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a “**Change of Control Put Option**”) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A “**Change of Control Put Event**” will be deemed to occur if:

- (i) any person or group of persons acting in concert (as defined below), in each case either directly or indirectly, shall acquire ownership of, or otherwise control, one or more classes of the shares in the capital of the Issuer carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (the “**Change of Control**”); and
- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:
- (A) an investment grade credit rating (*Baa3/BBB-*, or their respective equivalents, or better), from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (*Ba1/BB+*, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or
- (B) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (*from Baa1 to Baa2 being or such similar lowering*) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or
- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,
- provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and
- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Further, if at the time of the occurrence of the Change of Control the Notes carry a Non-Investment Grade Rating or no credit rating, a Change of Control Put Event will be deemed to occur upon the occurrence of a Change of Control alone.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 14 giving details of the relevant Change of Control Put Event and the procedure for exercising the Change of Control Put Option.



To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Change of Control Put Period**”) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Change of Control Put Notice**”). The Note should be delivered together (if applicable) with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the “**Change of Control Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the Relevant Date, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem the relevant Notes on the Change of Control Put Date unless previously redeemed and cancelled.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption.

If the rating designations employed by any of Moody’s, S&P or Fitch are changed from those which are described in paragraph (ii) of the definition of “Change of Control Put Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody’s, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, S&P or Fitch and this Condition 6(f) shall be construed accordingly.

In this Condition 6(f):

“**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition of shares in the Issuer, to obtain control of the Issuer;

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under

consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a “**Negative Rating Event**” shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

“**Rating Agency**” means Moody’s Investors Service, Inc. (“**Moody’s**”), Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies Inc. (“**S&P**”) or Fitch Ratings Limited (“**Fitch**”) or any of their respective successors or any rating agency (a “**Substitute Rating Agency**”) substituted for any of them by the Issuer from time to time;

“**Relevant Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

- (g) **Purchases:** The Issuer and its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

In these Conditions “**Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 7 **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
  - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed one or more Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agent(s) would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** All payments are subject in all cases to (i) any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of any payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
  - (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as

the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or

deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of the Note or Coupon or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions (and save as provided in Condition 9), “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the applicable Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

- (a) **Non-Payment:** default is made for more than 14 days in the payment on the due date of interest or principal in respect of any Note or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in respect of the Notes which default is incapable of remedy or is not remedied within 30 days after written notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder or
- (c) **Cross-Default:** (A) any other Indebtedness for Borrowed Money of the Issuer or the Guarantor becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money provided that the aggregate amount of the relevant Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds the higher of SEK400,000,000 or Euro40,000,000 or its equivalent (on the basis of the middle spot rate for the relevant

currency against the euro as quoted by any leading bank on the day on which this paragraph operates) or

- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or the Guarantor and is not discharged or stayed within 60 days or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future with respect to all or substantially all of the assets of the Issuer or the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and is not discharged within 60 days or
- (f) **Insolvency:** the Issuer or the Guarantor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor or
- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor, or the Issuer or the Guarantor applies or petitions for a winding-up or administration order in respect of itself (save for a solvent merger (*Sw. fusion*)) or ceases to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders or
- (h) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of England is not taken, fulfilled or done or
- (i) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or
- (j) **Guarantee:** the Guarantee is not or ceases to be (or is claimed by the Guarantor not to be) in full force and effect or
- (k) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In these Conditions, “**Indebtedness for Borrowed Money**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed or (ii) liabilities under or in respect of any acceptance or acceptance credit.

## 11 Meeting of Noteholders and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in

nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification of Agency Agreement:** The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## 12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Paying Agent in Luxembourg (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

## 14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

## 15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor, as the case may be, shall only constitute a discharge to the Issuer or the Guarantor to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's or the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

## 16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them are, governed by, and shall be construed in accordance with, English law, save that the provisions of Condition 3(c) (and related provisions of the Deed of Guarantee) relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of



England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (c) **Service of Process:** Each of the Issuer and the Guarantor irrevocably appoints Business Sweden of 5 Upper Montagu Street, London W1H 2AG as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing in this condition shall affect the right to serve process in any manner permitted by law.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes.

## OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depository or Common Safekeeper, as the case may be, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3 Exchange**

#### **3.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

#### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided in paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so ; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### **3.3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

### 3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

### 3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is an NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.6 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

### 4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is an NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of

payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Conditions 8 and 9).

#### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is an NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

#### **4.8 NGN nominal amount**

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of a Deed of Covenant executed as a deed by the Issuer and the Guarantor on 25 September 2019 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **4.10 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

## 5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum provision was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.



## INFORMATION ON TELE2 AB (PUBL)

### General

The Issuer's legal and commercial name is Tele2 AB (publ) ("Tele2"). The Issuer was incorporated under the laws of Sweden on 19 November 1990 and is a public limited liability company registered in Sweden with registration number 556410-8917. The registered office of the Issuer is c/o Box 2094, SE-103 13, Stockholm, Sweden, and its telephone number is +46 8 5626 4000.

### Historical Development

In 1993 Tele2 started conducting its telecom business. During the same year fixed telephony was launched in Sweden. In 1996 Tele2 was listed on the O-list of Nasdaq Stockholm, Stockholmsbörsen. During the period from 1996 to 2000, Tele2's international expansion started with the launch of operations in the Netherlands, Estonia, Lithuania and Latvia. Tele2 was awarded a 3G licence in Sweden in 2000 and established a joint 3G network company with TeliaSonera in Sweden the following year. Tele2 has also expanded its operations into Eurasia with the acquisition of mobile operations in Kazakhstan in 2009. Since 2009, Tele2 has also operated a joint 4G network company with Telenor in Sweden. In 2016, Tele2 was able to offer 4G mobile services throughout its footprint.

During 2016, Tele2 took the strategic decision to focus its long term capital allocation to Sweden and the Baltic countries where Tele2 holds attractive market positions with the ambition create value via in-market consolidation and enhance shareholder return.

In 2016, Tele2 contributed its Kazakh business to create a JV together with Kazakhtelecom's mobile business under the brand Altel in Kazakhstan limiting future funding and providing an opportunity to extract synergies via a mobile to mobile merger. The same year, Tele2 completed its acquisition of TDC Sweden to further strengthen the B2B offering in Sweden.

In 2017, Tele2 divested its Austrian business to Drei Austria and announce the agreement to contribute Tele2's business in the Netherlands to T-Mobile Netherlands to become 25% owner of the combination of Tele2 Netherlands and T-Mobile Netherlands.

In January 2018 the merger with Com Hem was announced and thereafter closed in November 2018, following approval by shareholders and competition authorities providing Tele2 with improved scale in Sweden and ability to provide fixed and mobile offering on a national level.

The merger of Tele2 Netherlands and T-Mobile Netherlands was approved by competition authorities and conclude in the beginning of January 2019. Through the merger the new company is expected to extract significant synergies and become a stronger challenger to the dominant FMC players in the Dutch market, to the benefit of the Dutch consumers.

At the start of 2019, Tele2 initiated the exit process from Kazakhstan and completed the exit in June 2019 concluding the exit envisaged already when creating the JV in Kazakhstan in 2016.

In May 2019, Tele2 announced the agreement to divest Tele2 Croatia to United Group. The divestment is currently being reviewed by the relevant competition authorities. The sale is expected to be concluded during the fourth quarter of 2019.

Following these changes, the Group's footprint will be dominated by the Swedish business which contributed 81 percent of the Group's revenue on a pro forma basis in 2018. During the year, the Swedish business was split into two reporting segments Sweden Consumer and Sweden Business. The three Baltic operations in Lithuania, Latvia and Estonia contributed 16 per cent of the Group's revenue on a pro forma basis, with the remaining revenue coming mainly from Germany and IoT.

Following the successful geographic consolidation strategy which has transformed the company has a clear focus on the Baltic Sea region and set the stage for an FMC focused strategy in Sweden.

Tele2, together with its subsidiaries and affiliates taken as a whole, is a European telecommunications operator and the second largest operator in Sweden in terms of mobile service revenue. The Group offers mobile services, fixed broadband, TV, fixed telephony, data network services, and global IoT (as defined below) solutions in five countries (excluding Croatia who is reported as discontinued operations).

In 2018, the Group generated revenue of SEK 27.8 billion and an underlying EBITDA of SEK 8.7 billion, corresponding to an Underlying EBITDA margin of 31.4 per cent on a pro-forma basis including Com Hem.

As of 31 December 2018, the Group had 5,184 employees, with the majority of these employed in Sweden.

### Share Capital and Shareholders

As at the day of this Prospectus, Tele2's share capital amounts to SEK 862,926,996.25, with a total of 690,341,597 outstanding shares, of which 22,606,922 are class A shares which grant 10 votes per share, 665,835,675 class B shares which grant 1 vote per share and 1,899,000 class C shares which grant 1 vote per share.

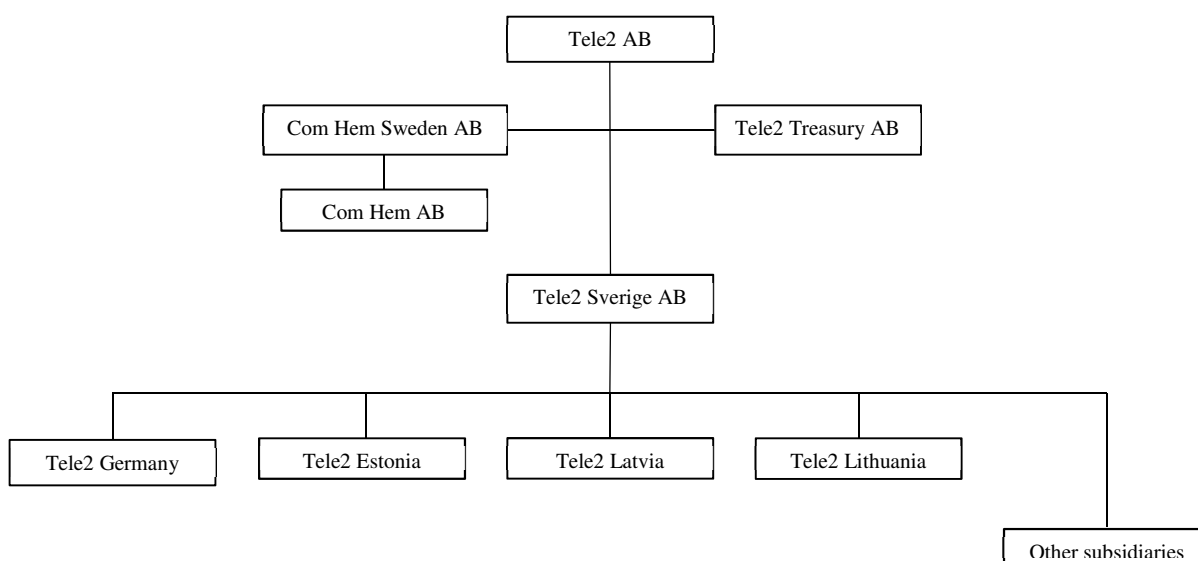
Tele2's A shares and B shares are listed on the Nasdaq Stockholm Large Cap list under the ticker symbols TEL2 A and TEL2 B. As at 31 December 2018 the 15 largest shareholders held in aggregate shares corresponding to 51 per cent. of the share capital and 63 per cent. of the voting rights, of which Investment AB Kinnevik (publ) ("Kinnevik") held 30 per cent. of the share capital and 48 per cent. of the voting rights. No other shareholder owns, directly or indirectly, more than 10 per cent. of the shares in Tele2.

Kinnevik's largest shareholder is Verdere S.à r.l. which as at 31 December 2018 owned 5.0 per cent. of the share capital and 18.5 per cent. of the voting rights in Kinnevik.

As far as the board of directors is aware, there are no shareholder agreements or other agreements between Tele2's shareholders aimed at exercising joint control over the Company and there are no further agreements or similar arrangements that may result in any changes in the control over the Company.

### Group Structure

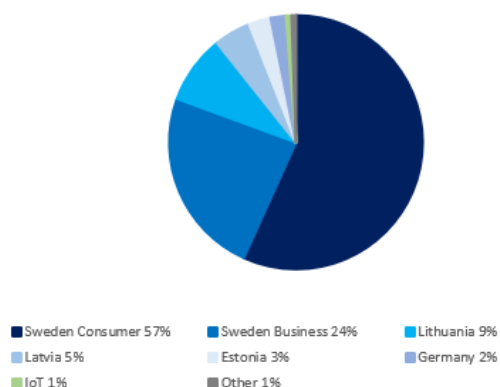
Tele2 is, indirectly, the ultimate holding company of all the companies in the Group and its key assets are the shares in such companies. It does not conduct any operations and accordingly depends on the income derived from the other members of the Group and revenues received from them.



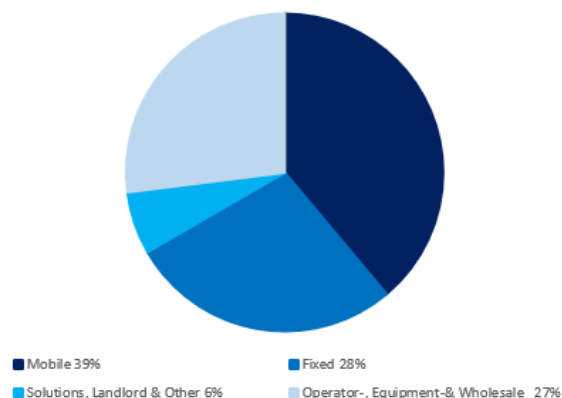
In most of its markets, the Group pursues a mono brand strategy. However, in order to be able to take into account certain specific market conditions its mobile prepaid services are offered under brands in addition to the Tele2 brand in certain markets such as Comviq in Sweden, Pildyk in Lithuania, and ZeltaZivtina in Latvia.

## Business of the Group

Revenue per segment, 2018, pro-forma Com Hem



Revenue by services, 2018, pro-forma Com Hem



Note: Continuing operations

Tele2 is a Swedish telecommunication company focused on mobile and fixed connectivity on own infrastructure. This is complemented by a number of related services, including TV and play offerings, specific Business-to-Business (“B2B”) services and IoT solutions.

Following a restructure of the Group in recent years, Tele2 now generates the vast majority of revenues in Sweden. After the merger with Com Hem in 2018, Tele2 is a full-service provider in Sweden with the ability to cater for all of our customers’ telecommunication needs.

The operations in the Baltics continue to be an integral part of the Group. In Estonia, Latvia and Lithuania, Tele2 mainly focus on mobile connectivity on own infrastructure.

Tele2 Germany offers fixed telephony and broadband and mobile services as an MVNO. The focus continues to be on profitability and cash contribution for the existing customer base, without any significant investments into the business.

Following the merger between Tele2 Netherlands and T-Mobile Netherlands which was completed in 2019, Tele2 maintains 25 per cent. ownership in the enlarged T-Mobile Netherlands. The Company offers fixed and mobile services, including TV in the Netherlands.

The table below specifies the Group’s revenue per segment and by services and provides an overview of the different services in each segment.

### Revenue by segment and by services, full year 2018 including pro forma for Com Hem

	Mobile	Fixed	Solutions, Landlord & Other	Operator, Equipment & Wholesale	Internal Sales	Total
	<i>(SEK million)</i>					
Sweden Consumer .....	5,881	6,243	721	2,985	—	15,831
Sweden Business .....	1,905	1,238	1,051	2,444	4	6,642
Lithuania.....	1,329	—	—	1,071	31	2,430

	Mobile	Fixed	Solutions, Landlord & Other	Operator, Equipment & Wholesale	Internal Sales	Total
	<i>(SEK million)</i>					
Latvia.....	768	—	—	523	17	1,309
Estonia.....	431	20	—	330	6	787
Germany.....	310	226	—	3	—	539
IoT.....	200	—	—	—	—	200
Other.....	—	—	—	152	—	152
International sales, elimination.....	—	—	—	—	-58	-58
<b>Total.....</b>	<b>10,824</b>	<b>7,726</b>	<b>1,772</b>	<b>7,509</b>	<b>—</b>	<b>27,832</b>

Note: Continuing operations

## Products and Services

### *Mobile voice, messaging and data*

Tele2 offers mobile telephony and handset related data services in all its markets. These services include:

- Mobile voice;
- Handset data services, i.e. access to the internet using a mobile handset;
- Messaging services such as SMS and MMS; and
- Value-added services such as handset insurance, antivirus and content services.

The development of this service area is mainly impacted by increased smartphone penetration and other connected devices, increased data consumption as a result of improved quality and capabilities of devices, increased use of data intensive applications such as video streaming as well as the improved user experience new generations of mobile networks enable.

### *Fixed broadband and fixed telephony*

Tele2 offers fixed broadband and voice services to households and businesses mainly in Sweden. The broadband service delivered to households is mainly based on FiberCoax technology, but Tele2 also offers fiber and DSL based services in selected areas.

Fixed broadband services in Sweden are today provided through the Com Hem, Tele2, Boxer and Phonera brands. Each brand targets specific segments of the Swedish market, but together cover practically all segments and geographical areas in Sweden, including both Multi-Dwelling Units and Single-Dwelling-Units.

The interest in fixed telephony services is declining, although it is still a source of profit for Tele2. With the necessary infrastructure already in place, limited investments are required, making fixed telephony a declining but profitable business for years to come.

### ***TV & Play services***

Tele2 offer TV & Play services through the Com Hem and Boxer brands in Sweden. This includes Digital-TV, Over-The-Top (“OTT”) and SVoD (“**Subscription Video on Demand**”) services and TV services over the Swedish Digital Terrestrial network provided by Teracom. In addition, Tele2 provides landlords in Sweden with a basic TV offering.

### ***Mobile broadband***

Tele2 offers mobile broadband in most of its markets. Mobile broadband provides high speed connectivity for laptops, tablets and routers and is an easy and cost-efficient way to connect to the internet.

### ***B2B services***

Tele2 targets business customers in most of its markets. The typical services offered are:

- Mobile telephony and data;
- Fixed broadband;
- Fixed telephony;
- Specific B2B telecommunication services (such as secure and encrypted connections and company-specific mobile network access points, etc.);
- Cloud services (such as voice switching, data centre services, business productivity solutions, etc.); and
- Communication as a service, whereby the Group hosts and manages equipment used by the customer rather than selling the equipment to the customer.

In Sweden, the Group offers full-scale mobile and fixed business services, to small and large companies as well as public institutions.

In October 2016, the Group completed the acquisition of TDC Sweden, which further strengthened the offering to Swedish business customers, in particular within the large enterprise segment, and allowed the Group to expand its customer offering within, for example, network as a service, unified communication and hardware.

In other markets, the Group offers fixed or mobile business services depending on its infrastructure and customer needs.

### ***Internet of Things (“IoT”)***

The Group delivers IoT services through a dedicated business unit, Tele2 IoT, which focuses on European sales but with service provisioning capability in a global footprint.

Through Tele2’s IoT solution, business critical information can be delivered in real time, allowing customers to automate events and alarms, manage fleets of vehicles and equipment installed at remote locations, and be protected from technological malfunction or fraud, ensuring that they stay on top of their business. In addition, the Group’s offering within IoT contains a number of value-added services that support the customer’s extraction and enhancement of data from devices, such as:

- Customer specific APN/VPN connections (secure data connectivity solutions);
- Management of multiple connectivity types and services (connected device management);
- Customer branded SIM cards (customer defined graphics on the SIM card); and
- Professional services to support customers with customisation or integration to the Tele2 platform.

## Overview by business segment

### *Sweden including pro forma for Com Hem*

	2018	2017	Growth
	<i>(SEK million)</i>		
Revenue .....	22,473	22,193	1.3%
of which end-user service revenue.....	17,039	17,249	-1.2%
Underlying EBITDA.....	7,215	7,071	2.0%

Tele2 Sweden operates a joint 3G network as well as a joint 2G/4G network through two separate joint operations, Svenska UMTS-nät AB (together with Telia Company) and Net4Mobility HB (together with Telenor). In December 2016, Tele2 and Telenor signed an agreement to build a common nationwide network with 5G technology within the scope of the Net4Mobility HB joint operation.

Through the merger with Com Hem in 2018, Tele2 Sweden offers the Group's full product range of mobile-, fixed telephony, fixed-, mobile broadband and digital entertainment services to the Swedish consumers.

### *Sweden Consumer including, pro forma for Com Hem*

	2018	2017	Growth
	<i>(SEK million)</i>		
Number of RGUs (in thousands) .....	5,157	5,303	-2.8%
Revenue.....	15,831	15,488	2.2%
of which end-user service revenue .....	12,846	12,878	-0.2%
Underlying EBITDA.....	5,764	5,637	2.3%

### *The Group's consumer operations in Sweden*

Sweden Consumer is the largest segment for the Group in terms of revenue and accounted for 57 per cent. of the Group's revenue in 2018.

During 2018, Sweden Consumer's revenue amounted to SEK 15,832 million (compared to SEK 15,488 million in 2017) and underlying EBITDA amounted to SEK 5,764 million (compared to SEK 5,637 million in 2017), equivalent to an underlying EBITDA margin of 36.4 per cent. (compared to 36.4 per cent. in 2017).

In 2018, following the merger with Com Hem, the Swedish consumer business made a big transition to become a full-service provider of mobile, fixed and digital entertainment services. Through cross-selling of mobile services to the fixed customer base, cross-selling of fixed services to the mobile customer base, and through increased customer loyalty as a result of the broadened service offering which is expected to reduce customer churn, revenue synergies are expected.

Revenue in the mobile consumer business was stable compared with the previous year. Data consumption continued to grow strongly, resulting in upselling opportunities including upselling to Tele2's Unlimited offering

### *Strategic priorities – Sweden Consumer*

Recent priorities include continued data monetisation and maximisation of Tele2 Sweden's dual brand strategy by positioning Tele2 Sweden as the natural brand of choice for a connected life and Comviq as the modern mobile price fighter. In the Sweden Consumer segment the main focus is on driving Fixed Mobile Convergence

(FMC) through the more-for-more strategy, with an aim to increase customer satisfaction. The initiative to offer mobile customers under the Tele2 brand who are also fixed-line customers under the Com Hem brand an opt in for benefits such as increased speed or data volume was launched.

***Sweden Business including pro forma for Com Hem***

	<b>2018</b>	<b>2017</b>	<b>Growth</b>
		<i>(SEK million)</i>	
Number of Mobile RGUs (in thousands) .....	889	821	8.3%
Revenue.....	6,642	6,705	-0.9%
of which end-user service revenue .....	4,193	4,371	-4.1%
Underlying EBITDA.....	1,451	1,434	1.2%

***The Group's business operations in Sweden***

Tele2 offers Swedish businesses full-scale mobile and fixed business services, to small and large companies as well as public institutions. In October 2016, the Group completed the acquisition of TDC Sweden, which further strengthened the offering to Swedish business customers, in particular within the large enterprise segment, and allowed the Group to expand its customer offering within, for example, network as a service, unified communication and hardware.

In 2018, Tele2 won significant new and extended contracts with customers in both the private and the public sector.

Sweden Business is the second largest segment for the Group in terms of revenue and accounted for 24 per cent of the Group's revenue in 2018.

During 2018, Sweden Business' revenue amounted to SEK 6,642 million (compared to SEK 6,705 million in 2017) and underlying EBITDA amounted to SEK 4,193 million (compared to SEK 4,371 million in 2017), equivalent to an underlying EBITDA margin of 21.8 per cent. (compared to 21.4 per cent. in 2017).

***Strategic priorities – Sweden Business***

Tele2 aims to continue the positive momentum in mobile customer intake in the business segment and monetize mobile data through unlimited data offers and cross-selling of fixed and mobile products. The offering of IoT-services a number of value-added services that support the customers' needs. Another important priority has been continued strengthening of the B2B segment with particular focus on the large enterprise segment.

***Lithuania***

	<b>2018</b>	<b>2017</b>	<b>Growth</b>
		<i>(SEK million)</i>	
Number of RGUs (in thousands) .....	1,861	1,791	3.9%
Revenue .....	2,430	1,958	24.1%
of which end-user service revenue.....	1,329	1,120	18.7%
Underlying EBITDA.....	817	651	25.5%

Lithuania is the third largest segment for the Group in terms of revenue and accounted for 9 per cent. of the Group's revenue in 2018.

Tele2 Lithuania offers mobile voice, messaging and mobile data, mobile broadband and B2B services.

During 2018, Tele2 Lithuania's revenue was SEK 2,430 million (compared to SEK 1,958 million in 2017) and underlying EBITDA amounted to SEK 817 million (compared to SEK 651 million in 2017), equivalent to an underlying EBITDA margin of 33.6 per cent. (compared to 33.2 per cent. in 2017).

Tele2 Lithuania reported the highest mobile revenue among all three operators in Lithuania in 2017, supported by the strong 4G network coverage in the country. According to the national regulatory authority, Tele2 Lithuania's 4G network covered 99 per cent. of the Lithuanian territory by the end of 2017.

In 2017, Tele2 Lithuania was named the country's most transparent company by Transparency International Lithuania, based on a review of organisational, financial and anti-corruption transparency among all of the country's large companies. In 2018, Tele2 Lithuania was recognised as the Best Employer in the Baltics based on AON Hewitt research, and was recognised as a technology leader by business daily Verslo Žinios for a second year in a row. The Tele2 campaign titled Tele2 Flying House was also shortlisted in Cannes Lions International Festival of Creativity.

#### *Strategic priorities - Lithuania*

Recent strategic priorities include (i) data monetisation with gradual renewals of the company's commercial propositions in the different segments of the customer base on the back of the strong 4G network coverage and long-term evolution ("LTE") advanced upgrades completed, (ii) the launch of a platform for instant mobile payments was launched together with the other two mobile operators, (iii) continued focus on quality, for example insourcing of customer care to increase quality and response speed, and (iv) and at the end of 2018, a platform for instant mobile payments was successfully launched, jointly managed by the three operators in Lithuania.

#### *Latvia*

	<b>2018</b>	<b>2017</b>	<b>Growth</b>
	<i>(SEK million)</i>		
Number of RGUs (in thousands) .....	951	952	-0.1%
Revenue .....	1,309	1,177	11.2%
of which end-user service revenue.....	768	671	14.5%
Underlying EBITDA.....	474	417	13.7%

The Latvian segment is the fifth largest market for the Group in terms of revenue and accounted for 5 per cent. of the Group's revenue in 2018.

Tele2 Latvia offers mobile voice, messaging and mobile data, mobile broadband and B2B services.

During 2018, Tele2 Latvia's revenue amounted to SEK 1,309 million (compared to SEK 1,177 million in 2017) and underlying EBITDA amounted to SEK 474 million (compared to SEK 417 million in 2017), equivalent to an underlying EBITDA margin of 36.2 per cent. (compared to 35.4 per cent. in 2017).

Tele2 Latvia commercially introduced LTE technology in 2014, and has subsequently continued to roll out LTE Advanced technology in response to a growing mobile data demand. At the end of 2017, Tele2 Latvia's 4G network reached 99 per cent. population coverage and 97 per cent. geographical coverage, making Tele2 Latvia the market leader in terms of coverage as well as in mobile data performance, according to regulatory measurements during 2017. In Latvia, the Group has also secured valuable 5G frequency spectrum for future business development.

#### *Strategic priorities - Latvia*

Recent priorities include (i) execution of a focused data monetisation strategy, (ii) continued focus on Tele2 Latvia's strong postpaid commercial presence in the market, including a transition of customers from prepaid



to postpaid, and (iii) as well as a growing market for mobile broadband. In addition, Tele2 Latvia has continued its 4G network performance development to further improve its already strong network position with the fastest network with the best coverage.

#### *Estonia*

	<b>2018</b>	<b>2017</b>	<b>Growth</b>
		<i>(SEK million)</i>	
Number of RGUs (in thousands) .....	437	464	-5.8%
Revenue .....	787	744	5.8%
of which end-user service revenue.....	451	455	-0.9%
Underlying EBITDA.....	167	186	-10.2%

The Estonian segment is the second smallest market for the Group in terms of revenue and accounted for 3 per cent. of the Group's revenue in 2018.

Tele2 Estonia offers mobile voice, messaging and mobile data, mobile broadband and B2B services with a limited number of fixed product customers.

During 2018, Tele2 Estonia's revenue was SEK 787 million (compared to SEK 744 million in 2017) and underlying EBITDA amounted to SEK 167 million (compared to SEK 186 million in 2017), equivalent to an underlying EBITDA margin of 21.2 per cent. (compared to 25.0 per cent. in 2017).

#### *Strategic priorities - Estonia*

Recent strategic priorities include network modernisation and roll-outs, with focus on commercialisation and monetisation of data. In 2018, Tele2 discontinued their cold call strategy of unsolicited telemarketing, and has adapted a leading customer focused profile, with the goal to provide the best value, customer service and network experience. Other recent focus areas include (i) expansion of Tele2 Estonia's B2B offering through a full FMC product portfolio, (ii) continued focus on the mobile broadband segment, and (iii) adding 4G base stations on new frequencies to further increase capacity and coverage.

#### *Germany*

	<b>2018</b>	<b>2017</b>	<b>Growth</b>
		<i>(SEK million)</i>	
Number of RGUs (in thousands) .....	311	368	-15.5%
Revenue .....	539	611	-11.8%
of which end-user service revenue.....	536	608	-11.8%
Underlying EBITDA.....	248	264	-6.1%

The German segment is the smallest market for the Group in terms of revenue and accounted for 2 per cent. of the Group's revenue in 2018.

Tele2 Germany offers fixed broadband and telephony and mobile MVNO services. In 2015, Tele2 Germany implemented a new strategy focused on profitability and cash contribution.

During 2018, Tele2 Germany's revenue amounted to SEK 539 million (compared to SEK 611 million in 2017) and underlying EBITDA amounted to SEK 248 million (compared to SEK 264 million in 2017), equivalent to an underlying EBITDA margin of 46.0 per cent. (compared to 43.2 per cent. in 2017).

### *Strategic priorities - Germany*

Following the strategic shift in 2015, Tele2 Germany has continued its focus on profitability and cash contribution for all product segments with the main focus on the existing customer base and the operational initiatives centred on maximisation of customer lifetime value. Several initiatives have been implemented and the local organisation has been reduced in size.

### *Netherlands*

In December 2017, Tele2 announced an agreement with Deutsche Telekom to combine their operations in the Netherlands, Tele2 Netherlands and T-Mobile Netherlands (the third largest national mobile business, fully owned by Deutsche Telekom). The transaction was approved by the relevant competition authorities at the end of 2018 and the transaction was completed in early 2019. Tele2 now owns a 25 per cent. share in the combined company which is subject to a three year lock-up period. Tele2 manages its interest in the company via Tele2's representation in the company's supervisory board.

The enlarged T-Mobile Netherlands offers mobile and fixed line telecommunications services to consumers and businesses in the Netherlands. The enlarged company has more than 5 million mobile subscribers and approximately 32 per cent. mobile postpaid market share in Netherlands. The company operates under the T-Mobile brand, the Tele2 brand, and a third brand (BEN) to serve low arpu consumer segments.

The merger of T-Mobile Netherlands and Tele2 Netherlands is expected to provide material operational synergies improving profitability and cash flow.

### *Strategic priorities – T-Mobile Netherlands*

The company focuses on integrating Tele2 Netherlands business into T-Mobile Netherlands to extract synergies, and to develop improved customer offerings based on the new capabilities of enlarged company.

## **Board of Directors**

As at the date of this Prospectus, the Directors of Tele2, their functions and the principal outside activities (if any) performed by them are as follows:

<b>Directors</b>	<b>Role</b>	<b>Principal activities outside the Group</b>
Georgi Ganev <sup>1)</sup>	Non-Executive Director, Chairman of the Nomination Committee	Chief Executive Officer of Kinnevik AB (publ). Member of the Board of Global Fashion Group and Babylon Health.
Carla Smits-Nusteling	Chairman, Non-Executive Director, Member of the Audit Committee	Member of the Board of Directors of Nokia Oyj, Non-Executive Director at ASML, member of the management board of the Foundation Unilever NV Trust Office and Lay judge of the Enterprise Court of the Amsterdam Court of Appeal.
Anders Björkman	Non-Executive Director, Member of the Remuneration Committee	Chairman of the Board of Maintrac AB and Maven Wireless AB. Member of the Board of Directors of Allgon AB.
Cynthia Gordon <sup>1)</sup>	Non-Executive Director, Member of the Audit Committee	Chairman of the Board of Global Fashion Group.

Lars-Åke Norling <sup>1)</sup>	Non-Executive Director, Member of the Remuneration Committee and the Audit Committee	Chief Executive Officer of Nordnet AB. Chairman of the Board of Milvik AB. Member of the Board of Directors of Millicom International Cellular S.A.
Andrew Barron	Deputy Chairman of the Board, Non-Executive Director, Chairman of the Remuneration Committee	Member of the Board of Directors of Ocean Outdoor Limited and of Arris International plc.
Eva Lindqvist	Non-Executive Director, Chairman of the Audit Committee	Member of the Board of Directors of SWECO AB (publ), Chip First AB, Tarsier Studios AB, Bodycote plc and Keller Group plc. Elected member of the Royal Swedish Academy of Engineering Sciences.

---

Notes:

- 1) Not independent in relation to Tele2's major shareholders.

The business address (in respect of Tele2's business) of each of the above Directors is c/o Box 2094, 103 13, Stockholm, Sweden. The Directors are available at Tele2's main office at Skeppsbron 18, SE-111 30 Stockholm, Sweden.

There are no conflicts of interest or potential conflicts of interest between the duties of any Director to Tele2 and their private interests or other duties.

## Legal Proceedings

### *Dispute in Sweden*

The Swedish copyright organisation Copyswede claims royalty payments of 3 SEK/GB for iPhones that Tele2 and other MNO's import and sell on the Swedish market. Copyswede claims that iPhones are designed and suited for private copying of copyright protected material and that the importer of the phones therefore shall do royalty payments to Copyswede when the imported phones are sold. Tele2 and all other MNO's have challenged Copyswede's position. Copyswede has initiated a pilot dispute resolution case towards Telia where the courts have found that iPhones can be considered designed and suited for private copying and therefore are subject to the system with royalty payments. In a judgement during the fourth quarter of 2018 in the Telia-dispute the County Court has - on questionable grounds - ruled that the size of the payments shall be 3 SEK/GB per iPhone sold as requested by Copyswede. Telia has appealed that judgement. CopySwede is requesting retroactive royalty payments for iPhones already sold by Tele2 as from 2009 (with a cost of 3 SEK/GB that would imply a total exposure for Tele2 of app. 23 MEUR + interest). As a consequence of the judgment in the fourth quarter of 2018 - which substantially has increased Tele2's exposure - a provision has now been made with 2 SEK/GB for every iPhone sold from 2009 until 31 December 2018. The provision is hence now 15,3 MEUR but will continue to increase as new iPhones are being sold.

### *Tax - Interest deduction*

Tele2 currently has tax disputes in both the Administrative Court of Stockholm and the Administrative Court of Appeal regarding interest expense deductions on debt to Tele2 in Luxembourg. In total for the financial years 2013 to 2018 (no deductions will be made as from 2019) Tele2 has made interest expense deductions on debt to Tele2 in Luxembourg of SEK 1,591 million with a tax value of SEK 350 million. An amount of SEK 362

million, including interest to the Swedish Tax Agency (SEK 12 million), has been provisioned for in the accounts.

The Administrative Court of Stockholm and Administrative Court of Appeal have decided to postpone Tele2's tax disputes until further notice. The reason is that the Supreme Administrative Court has granted leave to appeal in a tax dispute where the Swedish interest limitation rules consistency with EU law will be decided.

#### ***Tax – Exchange loss deduction***

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 divested joint venture in Kazakhstan. The additional tax claim amounts to SEK 396 million and a tax surcharge of SEK 162 million. Tele2 has appealed the decision.

The background is that in conjunction with the forming of Tele2's joint venture in Kazakhstan with Kazakhtelecom in 2015, Kazakhtelecom requested that the parties should finance the joint venture with shareholder loans denominated in Kazakh Tenge. Tele2 therefore needed to convert a shareholder loan that Tele2 previously had provided to its Kazakh joint venture from USD to Kazakh Tenge. The Kazakh Tenge was thereafter weakened compared to Tele2's accounting currency SEK and Tele2 therefore made a deduction for an exchange loss in its tax return for 2015. The Tax Agency is however of the opinion that by executing the conversion of the loan Tele2 has voluntarily incurred the exchange loss and that the conversion from USD to Kazakh Tenge was not commercially motivated. Tele2 does not at all share this view and has appealed the decision.

Although the current situation, to our knowledge, has not been the subject of judicial review in any higher court, it is Tele2's and its advisors opinion that, considering everything that has been presented in the case so far, the likelihood of Tele2 ultimately gaining success in the dispute is higher than the probability that the Tele2 will lose the process. Should Tele2 be successful in the process, the applied tax surcharge will also be removed. Consequently, no provision has been made in the accounts.

#### ***Dispute in the Netherlands***

KPN has initiated legal proceedings against Tele2 regarding the rental fees of copper lines, which Tele2 Netherlands uses as part of its fixed network operations, for the time period from 2009 – July 2014, with a total claim from KPN amounting to EUR 23.2 million (approximately SEK 223 million) plus interest. The amount is subject to pending appeals and court cases which are expected to go on for several years. In relation to this dispute, Tele2 reported a provision of EUR 7.8 (SEK 75 million), including interest of EUR 1.1 million (SEK 11 million). In connection with the sale of Tele2 Netherlands to T-Mobile Netherlands, Tele2 agreed to indemnify T-Mobile Netherlands for any negative outcome of the dispute.

#### ***Dispute in Croatia***

Tele2 Croatia has as part of its ordinary course of business entered into factoring agreements with Croatian banks, whereby Tele2 assigns to the banks some of its accounts receivables relating to third party distribution of prepaid vouchers. One of the third-party distributors, Tisak, is part of the Croatian Agrokor Group that is currently facing liquidity and solvency problems. Since the banks have not been able to collect payment for assigned and due accounts receivables from Tisak, they have instead requested payment from Tele2. A provision for doubtful receivables was recorded affecting the net profit negatively by EUR 10 million. The collection process is still ongoing with a number of different activities in process.

#### **Leverage target and shareholder remuneration framework**

On 10 January 2018, together with the announcement of the Merger, Tele2 outlined a preliminary financial target framework for Enlarged Tele2. On 23 April 2018, the Board of Directors of Tele2, in agreement with the

Board of Directors of Com Hem, decided to update the preliminary financial target framework for Enlarged Tele2, by introducing new and more specific policies for financial leverage and shareholder remuneration.

For 2019, Tele2's financial policy has been updated to reflect the implementation of the IFRS 16 accounting standard applicable as of 1 January 2019. The changes are currently not expected to have any implications for the level of borrowings or shareholder remuneration of Tele2.

The new financial leverage target and shareholder remuneration framework are as follows:

- Tele2 will seek to operate within a range for economic net debt to underlying EBITDaAL of between 2.5-3.0x and 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 per cent. 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.

Based on this policy, Tele2 is expected to distribute in excess of 100 per cent. of equity free cash flow to shareholders, through a combination of dividends and/or share repurchases.

## **Market overview of Tele2**

### ***Key telecommunication industry trends and drivers in Europe***

Tele2 has identified the following key market trends that are expected to continue to influence the telecommunications industry and Tele2's business.

#### *Growing importance of data*

In recent years, data consumption has grown significantly due to faster networks, improved smartphones, increased number of connected devices and, as a result of this, changed customer behaviour.

According to Ericsson, global mobile data traffic is forecasted to grow at a compound annual growth rate ("CAGR") of 30 per cent. between 2018 and 2024. Regional variations in data usage exist, with Western Europe expected to increase almost 5 times between 2018 and 2024, compared to 4 times in Central and Eastern Europe and more than 5 times in North America.

Tele2 believes that the growing importance of data presents both challenges and opportunities for telecommunication operators in the coming years and that the key success factor will be telecommunication operators' ability to monetise the strong growth in data traffic whilst catering for the increased demands from the customers.

#### *Consolidation*

Pressure for consolidation remains high in the European telecommunications industry, in particular as a result of high investment needs for network build-out in the transition to 5G and fiber and increased fixed-mobile convergence. In addition, digitalisation of the entire society, exponential growth in data usage as well as an ever growing demand for higher download and upload speeds, further feeds the need for network investments.

Merger notifications in the electronic communications sector have been subject to close scrutiny over the last few years at both the Swedish and European Union level.

The EC closely investigates mobile mergers where the number of operators in a country is reduced from four to three, and is prepared to intervene when the executive body sees no direct benefits for end customers and foresees higher retail prices for customers. This led to the failed merger between Telia Company and Telenor in Denmark in the second half of 2015 and the disapproval of a merger between Hutchison 3G and O2 in the UK

in the second quarter of 2016. However, the EC assesses notified concentrations on a case-by-case approach, and did approve the merger between Hutchison and Veon in Italy, be it under the condition of significant remedies. It also approved the deal between Hutchison and O2 in Ireland (second quarter 2014), Hutchison and Orange in Austria (first quarter 2013) and Telefonica Deutschland and E-Plus in Germany (second half 2014) with only light remedies imposed. Moreover, the EC has assessed fixed-mobile mergers on a number of occasions. For example, in August 2016, the merger of Vodafone's and Liberty Global's operations in the Netherlands was cleared by the EC with the remedy that Vodafone divest its competing retail consumer fixed line business. The EC also approved British Telecom's takeover of Everything Everywhere in the first half of 2016 as well as Vodafone's takeover of Kabel Deutschland in Germany in the second half of 2013.

#### *Continued network development and technology innovation*

As demand for data increases rapidly in the coming years, telecommunication operators will have to continue to be at the forefront in terms of network performance to be able to provide customers with a customer experience in line with their expectations. Tele2 expects focus to be on network development around mobile and fixed access solutions that enables even faster, more flexible and secure transfer of data. 5G is the key shift for mobile networks, which will enable higher throughput, lower latency and a more reliable customer experience. The first 5G launches were made in 2018/2019 and is expected to continue to be rolled-out for a number of years. For Fixed networks, increased build-out of fiber is expected in many countries to cater for the increased need for data traffic transfer.

#### *Fixed-mobile convergence*

Fixed mobile convergence is a growing trend across Western Europe, with operators combining wireless and fixed businesses in countries such as the UK, Germany, Spain and the Netherlands to offer consumers bundled telecommunication products. This has been driven by the consumers desire to receive services from a single operator with an "all-in-one" price. Services can be offered via "double play" (two products bundled together e.g. mobile and broadband), "triple play" (three products bundled together e.g. mobile, broadband and TV) and "quad play" (all four telecommunications products in one bundle e.g. mobile, broadband, TV and fixed telephony).

GSMA notes several benefits of fixed-mobile convergence including improved customer retention for those receiving bundled products, enhanced user experience as well as future proofing against disruptive technology.

#### *Internet of Things*

The IoT market is experiencing a strong growth that is forecasted to continue over a foreseeable future. Ericsson forecast that global IoT connections will increase from 8.6 billion in 2018 to 22.3 billion in 2024. The IoT market is still in an early phase, with technical standards being developed by a need for low power and low cost sensors. The IoT value chain is composed of hardware, connectivity, value added services, system integration and vertical application suppliers.

#### *Viewing preferences and new TV services*

Across the industry there has been a general shift of viewing habits for consumers. The amount of content being consumed in linear form has been flat or is declining, whilst so called Over-the-top ("**OTT**") services and SVoD ("**Subscription Video on Demand**") have been increasing. Increasing smartphone penetration and smart TVs have caused a shift in viewing patterns for customers. According to Ericsson, 60 per cent. of mobile data traffic was generated by video services in 2018. According to Analysys Mason, global SVoD video retail revenue will more than double from 2018 to 2023, with a CAGR of 16 per cent. Since Western Europe already has higher penetration of these services, the trend is similar but slightly lower. SVoD retail revenue is expected to almost double and grow with a CAGR of 14 per cent. between 2018 and 2023.

## NON-IFRS FINANCIAL MEASURES

The Group uses certain measures derived from consolidated financial data but not presented in its financial statements prepared in accordance with IFRS. The following measures are considered “non-IFRS financial measures” under the European prospectus rules and are included because Tele2 believes that they are important supplemental measures of operating performance and liquidity:

This Prospectus contains financial measures which are used by Tele2 to assess the financial performance of its businesses. These measures include EBITDA, underlying EBITDA, underlying EBITDA margin, underlying EBITDAaL, underlying EBITDA excluding IFRS 16, equity free cash flow, operating cash flow, CAPEX paid, CAPEX, net debt, economic net debt, economic net debt to adjusted EBITDA and are included because Tele2 believes that they are important supplemental measures of operating performance and liquidity. These measures are presented based on information derived from Tele2’s financial statements and other historical accounting records. These measures of operating performance and liquidity are not required by or presented in accordance with IFRS and should not be considered a substitute to Tele2’s financial statements prepared in accordance with IFRS. Other companies may calculate non-IFRS measures differently than Tele2 does.

The following table sets forth a reconciliation of underlying EBITDA and underlying EBITDA margin for the periods indicated:

<b>Continuing operations</b>	<b>Six months ended 30 June</b>		<b>Year ended 31 December</b>	
<i>SEK million</i>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
<b>Operating profit</b>	<b>1,478</b>	<b>1,709</b>	<b>3,291</b>	<b>3,472</b>
Reversal				
Results from shares in joint ventures and associated companies	63	-13	-9	0
Depreciation/amortization/impairments	2,974	984	2,352	2,013
<b>EBITDA</b>	<b>4,515</b>	<b>2,680</b>	<b>5,635</b>	<b>5,485</b>
Reversal, items affecting comparability:				
Acquisition costs	86	160	305	20
Integration costs	382	39	311	145
Disposal of non-current assets	3	15	58	-4
Other items affecting comparability	61	-	76	77
<b>Total items affecting comparability</b>	<b>532</b>	<b>214</b>	<b>750</b>	<b>238</b>
<b>Underlying EBITDA</b>	<b>5,048</b>	<b>2,894</b>	<b>6,386</b>	<b>5,723</b>
Lease depreciation (according to IFRS 16)	-570	-	-	-
Lease interest costs (according to IFRS 16)	-39	-	-	-
Underlying EBITDAaL	4,438	2,894	4,438	2,894
<b>Underlying EBITDA</b>	<b>5,048</b>	<b>2,894</b>	<b>8,768</b>	<b>8,448</b>
Adjustment to report lease according to IAS 17	-566	-	-	-
Underlying EBITDA excluding IFRS 16	4,482	2,894	8,768	8,448
Revenue	13,537	10,107	27,832	26,916
Reversal, items affecting comparability	-	-	-	-
Revenue excluding items affecting comparability	13,537	10,107	27,832	26,916
Underlying EBITDA margin	37%	29%	32%	31%

(a) *Acquisition costs*: Acquisition costs include the acquisition of Com Hem.

(b) *Integration cost*: Integration costs include redundancy costs, other employee and consultancy costs, and costs associated with the exit of contracts related to the Com Hem merger.

(c) *Other items affecting comparability*: Other items affecting comparability consists of provisions.

EBITDA Tele2 considers EBITDA to be relevant measure to present profitability aligned with industry standard.

EBITDA: Operating profit/loss before depreciation/amortization, impairment as well as results from shares in joint ventures and associated companies.

Underlying EBITDA and underlying EBITDA margin

Tele2 considers underlying EBITDA and underlying EBITDA margin to be relevant measures 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 EBITDA margin: Underlying EBITDA in relation to revenue.

Underlying EBITDAaL Tele2 considers underlying EBITDAaL to be a relevant measure of the business performance since it 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 EBITDA excluding IFRS 16 Tele2 considers underlying EBITDA excluding IFRS 16 to be a relevant measure to present during 2019 for comparability with 2018 and 2017 since IFRS 16 Leases has not been adopted retrospectively. Underlying EBITDA excluding IFRS 16: Underlying EBITDA applying IAS17 accounting standard for leases for all periods.

## CAPEX paid and CAPEX

SEK million	Six months ended 30 June		Year ended 31 December	
	2019	2018	2018	2017
<b>TOTAL OPERATIONS</b>				
Additions to intangible and tangible assets	-2,396	-1,534	-3,424	-3,225
Sale of intangible and tangible assets	6	19	21	12
<b>CAPEX Paid</b>	<b>-2,391</b>	<b>-1,515</b>	<b>-3,403</b>	<b>-3,213</b>
This period's unpaid CAPEX and paid CAPEX from previous periods	<b>875</b>	<b>166</b>	<b>-698</b>	<b>264</b>
Received payments of sold intangible and tangible assets	<b>-6</b>	<b>-19</b>	<b>-21</b>	<b>-12</b>
<b>CAPEX in intangible and tangible assets</b>	<b>-1,521</b>	<b>-1,367</b>	<b>-4,122</b>	<b>-2,961</b>
<b>Additions to right-of-use assets</b>	<b>-851</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPEX</b>	<b>-2,373</b>	<b>-1,367</b>	<b>-4,122</b>	<b>-2,961</b>

*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, tangible assets and right-of-use assets (lease) that are capitalized on the balance sheet.

Tele2 considers CAPEX paid relevant to present as it provides an indication of how much the company invests organically on 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 on intangible and tangible



assets as well as on right-of-use assets (lease) to maintain and grow its business which is not dependent on the timing of cash payments.

### Equity Free cash flow

<i>SEK million</i>	Six months ended 30 June		Year ended 31 December	
	2019	2018	2018	2017
<b>TOTAL OPERATIONS</b>				
Cash flow from operating activities	4,602	2,094	5,160	5,732
CAPEX paid	-2,391	-1,515	-3,403	-3,213
<i>Amortization of lease liabilities</i>	-679	-1	-	-
<b>Equity free cash flow (EFCF)</b>	<b>1,533</b>	<b>578</b>	<b>1,757</b>	<b>2,519</b>
<b>CONTINUING OPERATIONS</b>				
Cash flow from operating activities	4,085	1,630	3,789	4,560
Capex Paid	-2,164	-780	-1,791	-1,446
Amortization of lease liabilities	-594	-	-	-
<b>Equity Free cash flow (EFCF)</b>	<b>1,326</b>	<b>850</b>	<b>1,998</b>	<b>3,113</b>

Tele2 considers equity free cash flow to be relevant to present as it provides a view of funds generated from operating activities which 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.

### Operating cash flow

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 paid.

<i>SEK million</i>	Six months ended 30 June		Year ended 31 December	
	2019	2018	2018	2017
<b>Continuing Operations</b>				
Underlying EBITDAaL	4,438	2,894	6,386	5,723
CAPEX paid	-2,164	-780	-1,791	-1,446
<b>Operating cash flow</b>	<b>2,274</b>	<b>2,114</b>	<b>4,595</b>	<b>4,277</b>

### Net debt and economic net debt

<i>SEK million</i>	Six months ended 30 June		Year ended 31 December	
	2019	2018	2018	2017
Interest-bearing non-current liabilities	29,559	11,044	23,238	11,565
Interest-bearing current liabilities	2,927	2,607	6,763	820
Reversal equipment financing	-136	-	-	-8
Reversal provisions	-2,363	-1,126	-1,695	-1,080
Cash & cash equivalents, current investments, and restricted funds	-3,715	-320	-406	-806
Derivatives	-180	-	-33	-17
Net debt for assets classified as held for sale	2,000	-	1,013	-
<b>Net debt</b>	<b>28,093</b>	<b>12,205</b>	<b>28,881</b>	<b>10,474</b>
Reversal:				
- lease liabilities	-6,041	-	-17	-
- liabilities to Kazakhtelecom	-	-31	-30	-26
- loan guaranteed by Kazakhtelecom	-	-259	-764	-246

SEK million	Six months ended 30 June		Year ended 31 December	
	2019	2018	2018	2017
- liability for earn-out obligation Kazakhstan	-	-558	-221	-432
<b>Economic net debt</b>	<b>22,051</b>	<b>11,341</b>	<b>27,849</b>	<b>9,770</b>

*Net debt:* Interest-bearing non-current and current liabilities excluding equipment financing, provisions, less cash and cash equivalents, current investments restricted cash and derivatives.

*Economic net debt:* Net debt excluding lease liabilities. Prior to the completion of the Kazakhstan divestment, liabilities to Kazakhtelecom, loan guaranteed by Kazakhtelecom and liability for earn-out obligation in Kazakhstan.

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.

### **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.

## INFORMATION ON TELE2 SVERIGE AB

### General

The Guarantor's legal and commercial name is Tele2 Sverige AB ("**Tele2 Sverige**"). Tele2 Sverige was incorporated under the laws of Sweden on 31 October 1985 and is a private limited liability company registered in Sweden with number 556267-5164. The registered office of Tele2 Sverige is at Box 62, SE-164 94, Kista, Sweden, with telephone number +46 8 5626 4000.

Tele2 Sverige is the entity through which all Tele2 operations in Sweden are conducted. Tele2 Sverige is engaged in fixed and mobile telephony, and provides data networks and internet services.

Tele2 Sverige's share capital amounts to SEK 150,000,000 with a total of 1,500,000 shares outstanding at 31 December 2018. The Issuer is the ultimate parent company of Tele2 Sverige. Tele2 Sverige is, indirectly or directly the parent company of all operating subsidiaries within the Group.

### Board of Directors

As at the date of this Prospectus, the Directors of Tele2 Sverige, their functions and the principal outside activities (if any) performed by them are as follows:

<b>Directors</b>	<b>Role</b>	<b>Principal activities outside Tele2 Sverige</b>
Anders Nilsson	Chairman, Non-Executive Director	President and Group Chief Executive Officer of Tele2, Charman of the Board of , Member of the Board of Directors of Alstad Förvaltnings AB, Alstadholm AB, Söderslättskem AB. Various directorships in companies within the Group.
Stefan Backman	Non-Executive Director	Executive Vice President of Tele2, Group General Counsel, Member of the Board of Directors of, Svenska UTMS-nät Holding AB, Various directorships in companies within the Group.
Mikael Larsson	Non-Executive Director	Executive Vice President of Tele2, Group Chief Financial Officer, Chairman of the Board of Hittapunktse, Wave BidCo AB. Member of the Board of Directors of Wave HoldCO AB. Deputy member of the Board of Directors of Itsperfect Software Europe AB, Bokadirekt I Stockholm AB. Various directorships in companies within the Group.

The business address (in respect of Tele2 Sverige's business) of each of the above Directors is Box 62, 164 94, Kista, Sweden.

There are no conflicts of interest or potential conflicts of interest between the duties of any Director to Tele2 Sverige and their private interests or other duties.

## TAXATION

### Swedish Taxation

*The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary does not address, inter alia, situations where the Notes are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.*

#### **Holders not tax resident in the Kingdom of Sweden**

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a holder of Notes should not be subject to Swedish income tax, provided that such a holder (i) is not resident in the Kingdom of Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in the Kingdom of Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see “Holders tax resident in the Kingdom of Sweden” below).

#### **Holders tax resident in the Kingdom of Sweden**

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in the Kingdom of Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on a Note due to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by such legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

#### **Payments under the Guarantee**

If the Guarantor makes any payments under the Guarantee, for Swedish tax purposes such payments will be subject to the same tax treatment as if they were made by the Issuer. Please see the relevant section above.

### Luxembourg

#### **Withholding tax and self-applied tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Pursuant to the Luxembourg law of 23 December 2005, as amended (the “**Law**”), interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax (the “**20 per cent. Luxembourg Withholding Tax**”).

In accordance with the Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20 per cent. tax (the “**20 per cent. Tax**”) on interest payments made by paying agents located in an EU Member State other than Luxembourg, or a Member State of the European Economic Area other than an EU Member States.

The 20 per cent. Luxembourg Withholding Tax or the 20 per cent. Tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the course of their private wealth (and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg). Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis; if applicable, the 20 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability.

### **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from these Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 25 September 2019 (the “**Dealer Agreement**”) between the Issuer, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

Each of the Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S, under the Securities Act (“Regulation S”).

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder. The applicable terms of the Bearer Notes will identify whether TEFRA C or TEFRA D applies or whether TEFRA is not applicable.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer or sell, or in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of closing of the offering within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the offer and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (i) the expression "retail investor" means a person who is one (or more) of the following:
  - a. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
  - b. a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - c. not a qualified investor as defined in the Prospectus Regulation; and
- (ii) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, in relation to each Member State of the European Economic Area that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Norway**

Each Dealer has represented and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definite document in relation to any such offer, invitation or sale in Norway except (i) to "qualified investors" as defined in section 7-2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/ECText with EEA relevance (the "**Prospectus Regulation**") as incorporated to Norwegian law through the Norwegian Securities Trading Act (*Verdipapirhandelloven*) section 7-1; or (ii) with minimum subscription amount and allotment of at least EUR 100,000 per investor, such that no such offer, invitation or sale of the Notes in Norway will result in a requirement to prepare a prospectus pursuant to the provisions of the Norwegian Securities Trading Act (*Verdipapirhandelloven*) chapter 7 or the Prospectus Regulation.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;



- (v) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (vi) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

#### **General**

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Subscription Agreement issued in respect of the issue of such Notes or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms, in all cases at its own expense.

## THE DEED OF GUARANTEE

*The following is the text of the Deed of Guarantee which has been entered into by Tele2 Sverige.*

“**This Amended and Restated Deed of Guarantee** is made on 25 September 2019 by Tele2 Sverige AB (the “**Guarantor**”) in favour of the Holders and the Relevant Account Holders.

### **Whereas:**

- (A) Tele2 AB (publ) (the “**Issuer**”) proposed to issue euro medium term notes guaranteed by the Guarantor (the “**Notes**”, which expression shall, if the context so admits, include the Global Notes (in temporary or permanent form) to be initially delivered in respect of the Notes and any related coupons and talons) pursuant to an amended and restated agency agreement, as amended or supplemented from time to time dated 25 September 2019 between, among others, the Issuer, the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as Fiscal Agent (the “**Fiscal Agent**”).
- (B) The Issuer has, in relation to the Notes issued by it, entered into an amended and restated deed of covenant (as amended and supplemented from time to time, the “**Deed of Covenant**”) dated 25 September 2019.
- (C) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of the Notes to the holders of any Notes (the “**Holders**”) issued by it and under the Deed of Covenant to the Relevant Account Holders (the “**Guarantee**”) and entered into a deed of guarantee dated 13 April 2012 (the “**Original Deed of Guarantee**”), as amended and supplemented from time to time, most recently amended and restated by an Amended and Restated Deed of Guarantee dated 22 October 2018.
- (D) It has been decided to amend and restate the Original Deed of Guarantee. Therefore, with effect from the date hereof, the Original Deed of Guarantee shall for all purposes be amended and restated as set out in this Amended and Restated Deed of Guarantee (the “**Deed**”) and, accordingly, this Deed will apply to Notes issued under the Programme on or after the date of this Deed, except those which are expressed to be consolidated and form a single series with Notes issued under the Programme before the date of this Deed.

**This Deed Witnesses** as follows:

### **1 Interpretation**

- 1.1 Defined Terms:** In this Deed, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Deed of Covenant and the Conditions (as defined in the Deed of Covenant).
- 1.2 Headings:** Headings shall be ignored in construing this Deed.
- 1.3 Contracts:** References in this Deed to “this Deed” or any other document are to this Deed or these documents as amended, supplemented or replaced from time to time in relation to the Programme and includes any document that amends, supplements or replaces them.

### **2 Guarantee and Indemnity**

- 2.1 Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Deed of Covenant or the Notes by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Holder and each Relevant Account Holder before close of business on that date in the city to which payment is so to be made. All payments under this Guarantee by the Guarantor shall be made subject to the Conditions.

- 2.2 Guarantor as Principal Debtor:** As between the Guarantor, the Holders and the Relevant Account Holders but without affecting the Issuer's obligations, the Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Guarantee, the Deed of Covenant or the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Notes, the Deed of Covenant or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Notes, the Deed of Covenant or any of the Issuer's obligations under any of them.
- 2.3 Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Notes, the Deed of Covenant or this Guarantee and no further Notes may be issued by the Issuer under the Programme. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of Guarantor's Rights:** So long as any sum remains payable under the Notes, the Deed of Covenant or this Guarantee, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.
- 2.5 Avoidance of Payments:** The Guarantor shall on demand indemnify the relevant Holder or Relevant Account Holder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Notes or the Deed of Covenant and shall in any event pay to it on demand the amount as refunded by it.
- 2.6 Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer shall not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.
- 2.7 Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, a Holder or a Relevant Account Holder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Holder or Relevant Account Holder (as the case may be) on demand; and (2) as a primary obligation to indemnify each Holder and Relevant Account Holder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee not being paid on the date and otherwise in the manner specified in this Guarantee or in the Conditions or any payment obligation of the Issuer under the Notes, the Deed of Covenant or this Guarantee being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now

known or becoming known to a Holder or a Relevant Account Holder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

- 2.8 Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

### **3 Payments**

- 3.1 Payments Free of Taxes:** All payments by the Guarantor under this Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor shall pay such additional amounts as shall result in receipt by the Holders and Relevant Account Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- 3.1.1** to, or to a third party on behalf of, a Holder or Relevant Account Holder who is liable to such taxes, duties, assessments or governmental charges in respect of the relevant Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of the Note or Coupon; or
- 3.1.2** in respect of any demand for payment made more than 30 days after the Relevant Date except to the extent that the Holder or Relevant Account Holder would have been entitled to such additional amounts on making such demand on the thirtieth such day.

Defined terms used in this Clause 3.1 shall have the meanings given to them in the Conditions.

- 3.2 Stamp Duties:** The Guarantor covenants to and agrees with the Holders and Relevant Account Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax payable in the United Kingdom, the Kingdom of Sweden, Belgium or Luxembourg, as the case may be, or in the country of any currency in which the Notes may be denominated or amounts may be payable in respect of the Notes or any political subdivision or taxing authority thereof or therein in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed and/or any amendment of, supplement to or waiver in respect of this Deed, and shall indemnify each of the Holders and Relevant Account Holders, on an after tax basis, against any liability with respect to or resulting from any delay in paying or omission to pay any such tax, unless the documents relating to the Deed are voluntarily registered in Luxembourg or appended to a document that requires obligatory registration in Luxembourg.

### **4 Limitations**

The obligations of the Guarantor under this Guarantee shall be limited, if (and only if) required by the mandatory provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) (the “**Swedish Companies Act**”) regulating unlawful distribution of assets and transfer of value (Chapter 17, Sections 1 to 4) (or its equivalent from time to time) and the liability of the Guarantor under this Guarantee will exist only to the extent permitted by the above mentioned provisions of the Swedish Companies Act.

### **5 Amendment and Termination**

The Guarantor may not amend, vary, terminate or suspend this Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution to which the special quorum provisions specified in the Notes apply to the holders of each series of Notes outstanding, save that nothing in this Clause shall prevent the Guarantor

from increasing or extending its obligations hereunder by way of supplement to this Guarantee at any time.

## **6 General**

**6.1 Benefit:** This Guarantee shall enure for the benefit of the Holders and the Relevant Account Holders.

**6.2 Deposit of Guarantee:** The Guarantor shall deposit this Deed with the Fiscal Agent, to be held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of each Holder and each Relevant Account Holder to the production of, and to obtain a copy of, this Deed.

## **7 Governing Law and Jurisdiction**

**7.1 Governing Law:** This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law, save that the provisions of Clause 4 relating to limitation of the obligations of the Guarantor are governed by, and shall be construed in accordance with, Swedish law.

**7.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed (“**Proceedings**”) may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Relevant Account Holders and each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**7.3 Agent for Service of Process:** The Guarantor irrevocably appoints Business Sweden of 5 Upper Montagu Street, London, W1H 2AG as its agent in England to receive service of process in any Proceedings in England based on this Deed. If for any reason the Guarantor does not have such an agent in England, it shall promptly appoint a substitute process agent and notify the Noteholders of such appointment in accordance with the Conditions. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**In witness** whereof the Guarantor has caused this Deed to be duly delivered as a deed on the date stated at the beginning.

**TELE2 SVERIGE AB**

By:

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

## FORM OF FINAL TERMS

Final Terms dated [●]

Tele2 AB (publ)

Legal entity identifier: 213800EKD193RVI9HL76

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €5,000,000,000

Guaranteed Euro Medium Term Note Programme guaranteed by

Tele2 Sverige AB

Legal entity identifier: 213800PP7RCOOKIECKJ34

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated 25 September 2019 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on [www.tele2.com](http://www.tele2.com).

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated [29 April 2016/22 October 2018] which are incorporated by reference in the Prospectus dated 25 September 2019. This document constitutes the Final Terms of the Notes described herein for the purposes

of the Prospectus Regulation and must be read in conjunction with the Prospectus dated 25 September 2019 [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation the (“**Base Prospectus**”), save in respect of the Conditions which are extracted from the Prospectus dated [13 April 2012/29 April 2016] [and the supplement(s) to it dated [●]]. The Base Prospectus has been published on [www.tele2.com](http://www.tele2.com).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted. Italics denote guidance for completing the Final Terms.]*

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

1	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(iii) Date on which the Notes become fungible:	[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date]</i> /[the Issue Date]/[exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below which is expected to occur on or about <i>[insert date]</i> ].]/[Not Applicable]
2	Specified Currency or Currencies:	[●]
3	Aggregate Nominal Amount of Notes:	[●]
	[(i) Series:	[●]
	[(ii) Tranche:	[●]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
5	(i) Specified Denominations:	[●]/[€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000]
	(ii) Calculation Amount:	[●]
6	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
7	Maturity Date:	[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
8	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/STIBOR/NIBOR] +/- [●] per cent. Floating Rate] [Zero Coupon]

- (further particulars specified below)  
(See paragraph [13/14/15] below)
- 9 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of the nominal amount  
*[This figure cannot be below 100 per cent.]*
- 10 Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 13 and 14 below and identify there]/[Not Applicable]*
- 11 Put/Call Options: [Investor Put]  
[Issuer Call]  
[Change of Control Put Option]  
[(further particulars specified below)]
- 12 [(i)] [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [●] [and [●], respectively]]  
*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 / 360/360 / Bond Basis]  
[30E/360/Eurobond Basis]  
[30E/360 (ISDA)][Actual/Actual-ICMA]
- (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- 14 **Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[●]], subject to adjustment in accordance with the Business Day Convention set out in (iv)



		below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(ii)	Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(iii)	First Interest Payment Date:	[●]
(iv)	Interest Period Date:	[Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(v)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
(vi)	Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[LIBOR/EURIBOR/STIBOR/NIBOR]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(x)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(xi)	[Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )
(xii)	Margin(s):	[+/-][●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[Actual/Actual / Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360]

		[30/360 / 360/360 / Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
15	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Day Count Fraction in relation to Early Redemption Amounts:	[Actual/Actual / Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
16	<b>Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount]/[Condition 6(b) shall apply]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period	[●] days
17	<b>Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount]/[Condition 6(b) shall apply]
	(iii) Notice period	[●] days
18	<b>Change of Control Put Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Redemption Amount(s) of each Note:	[●] per Calculation Amount
19	<b>Final Redemption Amount of each Note</b>	[●]/[Par] per Calculation Amount

20 **Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount [●]/[Par] per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

21 Form of Notes:

**Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

**Registered Notes:**

[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

22 [New Global Note]/[Note held under the New Safekeeping Structure]: [Yes] [No]

23 Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 14(iv) relates]

24 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

25 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]<sup>1</sup>

**THIRD PARTY INFORMATION**

[(Relevant third party information) has been extracted from (specify source). [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able

<sup>1</sup> A KID may be produced for a particular issue under the programme and the issuer may want to restrict its obligation to update the KID to a certain period of time, consider also including the following option: "Not Applicable [from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [ ] Business Days thereafter]", in which case the selling restriction and legend wording will also need to be amended to reflect the fact that they will apply outside of the time period specified as "Not Applicable" in the final terms.

to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable.]

Signed on behalf of Tele2 AB (publ):

By: .....

Duly authorised

Signed on behalf of Tele2 Sverige AB:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [specify listing venue] and to be admitted to trading on [specify relevant regulated market] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

(ii) Estimate of total expenses related to admission to trading:

[●]

### 2 RATINGS

Ratings:

[[The Notes to be issued [have been/are expected to be] rated]/[The Notes are not expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: [●]]

[Moody’s: [●]]

[[Fitch: [●]]

[[Other]: [●]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*[Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*Insert one (or more) of the following options, as applicable:*

**Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).*

**Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”), although notification of the registration decision has not yet been provided.

**Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).

**Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).

**Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).

**Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]/[Not Applicable]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under the Regulation.)]*

4 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer/use of proceeds: [•]

Estimated net proceeds: [•]

5 **FIXED RATE NOTES ONLY – YIELD**

Indication of yield: [•]/[Not Applicable]

6 **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

FISN: [[•], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]

CFI Code: [[•], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]/[Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered notes]* and does not necessarily mean that the

Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7 **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
  - (A) Names of Managers: [Not Applicable/*give names*]
  - (B) Stabilising Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) US Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
- (v) Prohibition of Sales to EEA Retail Investors [Applicable/Not applicable]

*(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products, “Applicable should be specified.)*



## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
- (2) Each of the Issuer and the Guarantor has obtained all necessary external consents, approvals and authorisations in the Kingdom of Sweden (if any) in connection with the issue and performance of the Notes and (in the case of the Guarantor) the giving of the Guarantee. The establishment of the Programme was authorised by the Board of Directors of the Issuer and passed on 6 February 2012 and the giving of the Guarantee by the Guarantor was authorised by the Board of Directors of the Guarantor and passed on 10 April 2012. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 10 October 2018 and by a resolution of the Board of Directors of the Guarantor passed on 10 October 2018.
- (3) There has been no material adverse change in the prospects of the Issuer, the Guarantor or of the Group since 31 December 2018.
- (4) There has been no significant change in the financial position or financial performance of the Issuer since 30 June 2019, or of the Guarantor or the Group since 31 December 2018.
- (5) Save as disclosed in the section entitled "The Group is involved in legal proceedings that may disrupt the Issuer's operations and the Issuer's reporting of financial results" on page 8 of this Base Prospectus and the section entitled "Legal Proceedings" on page 75 of this Base Prospectus, none of the Issuer, the Guarantor or any other member of the Group is nor has it been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor or the Group.
- (6) Each Bearer Note having a maturity of more than one year and any Coupon and Talon with respect to such a Bearer Note will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records for Notes). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of such Notes will be set out in the relevant Final Terms.  

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
- (9) The Legal Entity Identifier code of the Issuer is 213800EKD193RVI9HL76. The Legal Entity Identifier of the Guarantor is 213800PP7RCOOKTCKJ34.
- (10) The website of the Issuer is [www.tele2.com](http://www.tele2.com). The information on [www.tele2.com](http://www.tele2.com) does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus. Other than the information incorporated by reference, the content of the website of the Issuer has not been scrutinised or approved by the competent authority.

- (11) The website of the Guarantor is [www.tele2.com](http://www.tele2.com). The information on [www.tele2.com](http://www.tele2.com) does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus. Other than the information incorporated by reference, the content of the website of the Guarantor has not been scrutinised or approved by the competent authority.
- (12) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available on the website of the Issuer (<https://www.tele2.com/investors/debt-financing/emtn-programme>):
- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons) ([https://www.tele2.com/globalassets/documents/investors/dept-financing/agency\\_agreement\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/agency_agreement_2019.pdf));
  - (ii) the Deed of Covenant ([https://www.tele2.com/globalassets/documents/investors/dept-financing/deed\\_of\\_covenant\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/deed_of_covenant_2019.pdf));
  - (iii) the Deed of Guarantee ([https://www.tele2.com/globalassets/documents/investors/dept-financing/deed\\_of\\_guarantee\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/deed_of_guarantee_2019.pdf));
  - (iv) the constitutional documents of the Issuer and the Guarantor ([https://www.tele2.com/globalassets/documents/investors/dept-financing/constitutional\\_documents\\_tele2\\_ab\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/constitutional_documents_tele2_ab_2019.pdf)) and ([https://www.tele2.com/globalassets/documents/investors/dept-financing/constitutional\\_documents\\_tele2\\_sverige\\_ab\\_2019.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/constitutional_documents_tele2_sverige_ab_2019.pdf));
  - (v) the published annual report and audited consolidated financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018, respectively ([https://www.tele2.com/globalassets/documents/reports/annual-reports/tele2\\_ar\\_2017\\_eng\\_index.pdf](https://www.tele2.com/globalassets/documents/reports/annual-reports/tele2_ar_2017_eng_index.pdf)) and ([https://www.tele2.com/globalassets/documents/reports/annual-reports/2018/tl2\\_ar\\_2018\\_eng\\_190330\\_index.pdf](https://www.tele2.com/globalassets/documents/reports/annual-reports/2018/tl2_ar_2018_eng_190330_index.pdf));
  - (vi) the published annual report and audited non-consolidated financial statements of the Guarantor for the financial years ended 31 December 2017 and 31 December 2018, respectively ([https://www.tele2.com/globalassets/documents/investors/dept-financing/annual\\_report\\_tele2\\_sverige\\_ab\\_2017.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/annual_report_tele2_sverige_ab_2017.pdf)) and ([https://www.tele2.com/globalassets/documents/investors/dept-financing/annual\\_report\\_tele2\\_sverige\\_ab\\_2018.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/annual_report_tele2_sverige_ab_2018.pdf));
  - (vii) the unaudited interim consolidated financial statements of the Issuer for the six months ended 30 June 2019 ([https://www.tele2.com/globalassets/documents/reports/2019/tele2\\_q2-19\\_eng\\_190717\\_final.pdf](https://www.tele2.com/globalassets/documents/reports/2019/tele2_q2-19_eng_190717_final.pdf));
  - (viii) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity);
  - (ix) a copy of this Prospectus ([https://www.tele2.com/globalassets/documents/investors/dept-financing/2019\\_base\\_prospectus.pdf](https://www.tele2.com/globalassets/documents/investors/dept-financing/2019_base_prospectus.pdf)) together with any Supplement to this Prospectus or further Prospectus; and
  - (x) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus, the Final Terms for Notes that are listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (13) There are no material contracts entered into other than in the ordinary course of the Issuer's or Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (14) Copies of the latest annual consolidated financial statements and the latest interim consolidated accounts of the Issuer and the latest annual non-consolidated financial statements of the Guarantor may be obtained, and copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (15) Deloitte AB of Rehnsgatan 11, SE-113-79 Stockholm have audited, and rendered unqualified audit reports on, (i) the (restated) consolidated financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018, respectively, as set out in the Issuer's Merger Document, (ii) the Pro Forma Financial Information of the Issuer as set out in the Issuer's Merger Document, (iii) the 2018 Issuer's Annual Report and (iv) the 2017 and 2018 Guarantor's Annual Reports. Deloitte AB is regulated by the Swedish Inspectorate of Auditors (Revisorsinspektionen).
- (16) The yield for any particular Series of Fixed Rate Notes will be specified in the relevant Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. The yield specified in the relevant Final Terms in respect of a Series of Fixed Rate Notes will not be indication of future yield.
- (17) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment and/or commercial banking transactions with, and perform services for, or provided financing to, the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and/or their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and/or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of each of the Issuer and/or the Guarantor and/or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph, the term 'affiliates' includes parent companies.
- (18) Any information contained in any other website specified in this Prospectus does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

**Registered Office of the Issuer**

**Tele2 AB (publ)**  
P.O. Box 2094  
SE-10313 Stockholm

**Registered Office of the Guarantor**

**Tele2 Sverige AB**  
P.O. Box 62  
SE-164 94 Kista

**Dealers**

**Banca IMI S.p.A.**  
Largo Mattioli, 3  
20121 Milan  
Italy

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Crédit Agricole Corporate and Investment  
Bank**  
12, Place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**Danske Bank A/S**  
Holmens Kanal 2-12  
DK-1092 Copenhagen K  
Denmark

**DNB Bank ASA**  
Dronning Eufemias gt 30  
N-0021 Oslo  
Kingdom of Norway

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**Nordea Bank Abp**  
Satamaradankatu 5  
Helsinki  
FI-00020 Nordea  
Finland

**Skandinaviska Enskilda Banken AB  
(publ)**  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Sweden

**Svenska Handelsbanken AB (publ)**  
Blasieholmstorg 11  
SE-106 70 Stockholm  
Sweden

**Swedbank AB (publ)**  
SE-105 34  
Stockholm  
Sweden

**Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent**

**BNP Paribas Securities Services, Luxembourg Branch**  
60 avenue J.F. Kennedy  
L-1855 Luxembourg

**Luxembourg Listing Agent**

**BNP Paribas Securities Services, Luxembourg Branch**

60 avenue J.F. Kennedy  
L-1855 Luxembourg

**Auditors of the Issuer and the Guarantor**

**Deloitte AB**

Rehngatan 11  
SE-113-79 Stockholm  
Sweden

**Legal Advisers  
to the Issuer and the Guarantor**

**Advokatfirman Vinge KB**

Smålandsgatan 20  
SE-111 87 Stockholm

**Legal Advisers to the Dealers**

*as to English law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ  
England

*as to Swedish law*

**Linklaters LLP**  
Regeringsgatan 67  
P.O Box 7833  
SE-103 98 Stockholm