



**TELIA COMPANY AB (publ)**

*(incorporated as a company with limited liability in Sweden under registration number 556103-4249)*

**€500,000,000 Subordinated Fixed Rate Reset 6.25 year Non-Call Capital Securities due 2083**

**Issue Price: 99.301 per cent.**

The €500,000,000 Subordinated Fixed Rate Reset 6.25 year Non-Call Capital Securities due 2083 (the "**Capital Securities**") are issued by Telia Company AB (publ) (the "**Issuer**").

References herein to the "**Conditions**" shall be construed as references to the Terms and Conditions of the Capital Securities and references to a numbered "**Condition**" shall be construed accordingly.

Interest will accrue on the Capital Securities from (and including) 31 March 2022 (the "**Issue Date**") to (but excluding) 30 June 2028 (the "**First Reset Date**") at a rate of 2.75 per cent. per annum, and thereafter at the relevant Reset Interest Rate (as defined in Condition 4(d) of the Capital Securities). Interest on the Capital Securities will (subject to deferral, as provided below) be payable annually in arrear on 30 June in each year from (and including) 30 June 2022. The first payment of interest, to be made on 30 June 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 30 June 2022 (short first coupon).

Payments of interest on the Capital Securities may, at the option of the Issuer, be deferred, as set out in the Condition 5(a) of the relevant Capital Securities. Deferred interest, which shall itself bear interest, may be paid at any time at the option of the Issuer (upon notice to the holders of the relevant Capital Securities), and must be paid in the circumstances provided in Condition 5(b) of the relevant Capital Securities.

If the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(e) of the Capital Securities following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) for such Capital Securities shall be increased by 5.000 per cent. per annum with effect from (and including) the day immediately following the Change of Control Step-Up Date, as set out in Condition 4(i).

Unless earlier redeemed or repurchased and cancelled, the Issuer shall redeem the Capital Securities on 30 June 2083. The Issuer will have the right to redeem the Capital Securities in whole, but not in part, on any Optional Redemption Date at the relevant Optional Redemption Amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, as set out in the Conditions. The Issuer may also redeem the Capital Securities upon the occurrence of a Change of Control Event, a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event or a Withholding Tax Event, as set out in the Conditions. The Issuer may in certain circumstances vary the terms of, or substitute, the Capital Securities, as set out in the Conditions.

**Prospective investors should have regard to the factors described in the section headed "*Risk Factors*" herein.**

Application has been made to the Luxembourg Stock Exchange for the Capital Securities to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. This Prospectus constitutes a prospectus for the purpose of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019. References in this Prospectus to Capital Securities being "listed" (and all related references) shall mean that such Capital Securities have been admitted to trading on the Luxembourg

Stock Exchange's Euro MTF market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is neither a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), nor a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA") ("UK MiFIR").

The Capital Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and are subject to United States tax law requirements. The Capital Securities are being offered outside the United States by the Joint Bookrunners (as defined in the section entitled "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**IMPORTANT – EEA RETAIL INVESTORS** – The Capital Securities 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – The Capital Securities 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 United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

The Capital Securities are expected to be rated "Baa3" by Moody's Investors Service España S.A. ("**Moody's**") and "BBB-" by S&P Global Ratings Europe Limited ("**S&P**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each of Moody's and S&P is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List>

registered-and-certified-CRAs) in accordance with the CRA Regulation. Neither Moody's nor S&P is established in the UK or registered under the CRA Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). However, Moody's Investors Service Ltd., which is established in the UK and registered under the UK CRA Regulation, has endorsed the global sale ratings assigned by its non-UK affiliates, including Moody's and S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation, has endorsed the global sale ratings assigned by its non-UK affiliates, including S&P.

The Capital Securities will be issued in bearer form and initially represented by global capital securities which will be deposited on or about the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg (each as defined herein). See "*Summary of provisions relating to the Capital Securities in Global Form*".

***Structuring Agent and Global Coordinator***

**Citigroup**

***Joint Bookrunners***

**Barclays**

**BofA Securities**

**Citigroup**

**Nordea**

## IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (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 is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Bookrunners as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer. Save for the Issuer, no other party has verified the information contained herein.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Bookrunners.

Neither this Prospectus nor any other information supplied in connection with the Capital Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Joint Bookrunners that any recipient of this Prospectus or any other information supplied in connection with the Capital Securities should purchase any Capital Securities. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Capital Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Bookrunners to any person to subscribe for or to purchase any Capital Securities.

Neither the Issuer nor any Joint Bookrunner nor any of their respective affiliates make any representation as to the suitability of the Capital Securities to fulfil any environmental criteria required by any prospective investors. None of the Joint Bookrunners nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Issuer's Green Bond Framework (as defined in "*Use of Proceeds*") or the monitoring of the use of proceeds (or amounts equal thereto), including without limitation in connection with any Eligible Green Projects (as defined under the Issuer's Green Bond Framework), or the allocation of the proceeds to any Eligible Green Projects. Neither the Issuer nor any Joint Bookrunner nor any of their respective affiliates makes any representation as to the suitability of the Issuer's Green Bond Framework and none of the Joint Bookrunners nor any of their respective affiliates makes any representation as to the content of the Issuer's Green Bond Framework or any opinion or certification of any third party (whether or not solicited by the Issuer) (including, without limitation, the Second Party Opinion (as defined in "*Use of Proceeds*")) which may or may not be made available in connection with the issue of the Capital Securities. For the avoidance of doubt, the Issuer's Green Bond Framework and the Second Party Opinion are not, nor shall they be deemed to be, incorporated in and/or form part of this Prospectus.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Capital Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer during the

**life of the Capital Securities. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer when deciding whether or not to purchase any Capital Securities.**

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF CAPITAL SECURITIES GENERALLY

The distribution of this Prospectus and the offer or sale of Capital Securities may be restricted by law in certain jurisdictions. The Issuer and the Joint Bookrunners do not represent that this Prospectus may be lawfully distributed, or that the Capital Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Bookrunners which would permit a public offering of the Capital Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Capital Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Joint Bookrunners have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Capital Securities come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Capital Securities in the United States, United Kingdom and the EEA (see "*Subscription and Sale*" below).

### PRESENTATION OF INFORMATION

References in this document to "SEK" refer to Swedish krona and references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

### STABILISATION

In connection with the issue of the Capital Securities, Citigroup Global Markets Europe AG (the "Stabilisation Manager") (or persons acting on behalf of the Stabilisation Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities 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 Capital Securities 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 Capital Securities and 60 days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and regulations.

### SUITABILITY OF INVESTMENT

The Capital Securities are complex financial instruments and may not be a suitable investment for all investors. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio;**
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including Capital Securities where the currency for principal or interest payments is different from the potential investor's currency;**
- (iv) understands thoroughly the terms of the Capital Securities and is familiar with the behaviour of and relevant indices and financial markets; and**
- (v) is 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.**

**Prospective investors should consult their tax advisers as to the tax consequences of the purchase, ownership and disposition of the Capital Securities.**

**Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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) Capital Securities are legal investments for it, (2) Capital Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.**

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## **Risk Factors**

*In purchasing Capital Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Capital Securities. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Capital Securities are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*References in this Prospectus to "Telia Company" are references to the Issuer and references to the "Group" are references to Telia Company and its subsidiaries.*

### **Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities**

Telia Company operates in a broad range of geographical product and service markets in the highly competitive and regulated telecommunications industry. As a result, Telia Company is subject to a variety of risks and uncertainties. Telia Company has defined risk as anything that could have a material adverse effect on the achievement of Telia Company's goals. Risks can be threats, uncertainties or lost opportunities relating to Telia Company's current or future operations or activities. Set forth below is a description of some of the factors that may affect its business, brand perception, financial position and results of operations.

#### **Strategic risks**

##### ***Investments in business transformation and future growth***

Telia Company is currently investing in business transformation, improving agility and flexibility and reducing cost and complexity to increase its competitiveness, its attractiveness to customers and its financial performance. Telia Company is also investing to grow its connectivity and media businesses as well as working more with more partners in adjacent business in order to better meet evolving customer needs. The success of any such transformation and growth initiatives is dependent, amongst other things, on global economic conditions (as to which please see below under "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities – Operational and societal risks – COVID-19*"), complex project interdependencies, Telia Company's suppliers and partners delivering on their obligations, internal capability shifts and competitor reactions as well as the dynamics of fast-shifting customer behaviour. The growth of Telia Company's connectivity business is also dependent on current and future regulation as well as the outcome and prices set in spectrum permit auctions (as to which please see below under "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities – Legal and regulatory risks – Regulation and licences*").

The failure of any of Telia Company's business transformation or growth initiatives may negatively impact its results of operations and may mean that Telia Company is unable to realise expected efficiency gains from the successful implementation of its transformation and growth initiatives.

## **Financial risks**

### ***Competition and price pressure***

Telia Company's industry is undergoing an historical transformation and Telia Company is subject to new and substantially increasing competition, including from new types of competitors such as hyperscalers in the entertainment, communications and information and communication technology ("ICT") sectors. In addition there is continued price pressure on the services offered by Telia Company.

Failure to anticipate and respond to industry dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, may affect Telia Company's customer relationships, service offerings and position in the value chain. Competition from a variety of sources, including current market participants, new entrants and new products and services, may also adversely affect Telia Company's results.

### ***Impairment losses and restructuring charges***

Factors generally affecting the markets in which Telia Company operates, as well as changes in the economic, regulatory, business or political and societal environment may negatively change management's expectation of future cash flows attributable to certain assets. Telia Company may then be required to recognise asset impairment losses, including but not limited to goodwill and fair value adjustments recorded in connection with historical or future acquisitions.

Significant adverse changes in the economic, regulatory, business, political or societal environment, as well as in Telia Company's business plans, and any consequential impairment losses or restructuring charges, may affect Telia Company's financial position and results of operations.

## **Operational and societal risks**

### ***Security and network quality***

Telia Company's ability to deliver high-quality, secure services and networks is fundamental to its customers and critical for its commercial success. The need for reliable and high-speed networks to support working from home has also increased as a result of the COVID-19 pandemic (such pandemic being generally referred to in this Prospectus as "COVID-19").

Cyber attacks aimed directly at Telia Company and its customers are becoming more sophisticated and threaten the loss of data or damage to its equipment and/or infrastructure.

Failure to meet Telia Company's customers' quality requirements and expectations may have an adverse impact on customer retention and may also result in missed opportunities to grow and stay ahead of its competition. If protective measures fail to prevent or contain a major continuity or security incident Telia Company might incur regulatory fines, contract penalties, significant financial loss, damage to its reputation and loss of market share.

### ***Russian military action in Ukraine***

On 24 February 2022, Russian military forces launched military action against Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market disruption (including as a result of sanctions imposed in response to the conflict). This disruption may include significant volatility in commodity prices, international credit and capital markets, and asset prices, as well as supply chain interruptions and deteriorating financing conditions. Telia Company is actively monitoring the situation in Ukraine and assessing its impact on its business which may include the impact of increased energy prices, disruptions and delays to supplies (in particular from Asia) and a decrease in travel to and from the Nordic and Baltic countries, leading to a potential decrease in roaming revenues. Any of these consequences may have a negative impact on Telia Company's revenues.

## **COVID-19**

COVID-19 has had a significant impact on global financial markets and has also impacted Telia Company and its operations.

Due to the COVID-19 pandemic Telia Company's roaming revenues were around SEK 300 million lower for the first half of 2021 compared to the corresponding period last year. In the second half of 2021 there was no adverse impact from COVID-19 on roaming revenues compared to the corresponding period last year, however, the uncertainty surrounding COVID-19 implies a continued risk going forward.

People's safety is key, and a majority of Telia Company's staff is working from home as of the date of this Prospectus except for employees in business-critical functions. Ensuring business continuity, even with an increased number of employees on sick leave, is a prioritised task. The increased need for network capacity in society, in general, may lead to service disruptions and a degradation in service quality (please see "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities – Operational and societal risks – Security and network quality*").

COVID-19's impact on the global transportation and production systems puts further strain on Telia Company's supply chain which may have an impact on planned infrastructure deliveries and supply of spare parts. For instance, current and past travel restrictions have resulted in a material decline in roaming revenues and ongoing restrictions may impact roaming revenues going forwards. The overall decline in the global economy may also lead to a negative impact on Telia Company's service revenues as well as increased credit losses, or even insolvencies, leading to direct or indirect financial loss for Telia Company.

### ***Customer privacy***

Ensuring the privacy and security of its customers' data is vital for Telia Company's business. Vast amounts of data are generated in and through Telia Company's services and networks and Telia Company has a responsibility to protect this data from misuse, loss, unauthorised disclosure or damage. New ways of connecting as well as data-driven business models increase the complexity of understanding and retaining control over how data is collected and used.

Actual or perceived issues related to network integrity, data security and customer privacy may violate users' privacy rights and lead to an unfavourable perception of how Telia Company handles these matters, which in turn may adversely impact its business. Failing to meet national and EU legislation may give rise to significant financial penalties levied against Telia Company.

### ***Freedom of expression and surveillance privacy***

Freedom of expression and privacy of users from surveillance pose significant challenges to the telecommunications industry. Authorities might make requests without legal reason, or without clear legal reason. Telecommunications companies risk becoming complicit (or being perceived to be complicit) in violations involving extensive or problematic government requests. Telia Company may be legally required to comply with such request and, like other operators, only has limited ability to investigate, challenge or reject such (often strictly confidential) requests.

Actual or perceived failure in respecting freedom of expression and surveillance privacy may harm any person who is entitled to the rights of freedom of expression and/or freedom from surveillance. Actual or perceived failure may also damage the reputation of Telia Company, leading to loss of customer trust and/or exclusion from procurement or institutional investments. Network shutdowns and blocking limits business, which may negatively affect Telia Company's revenue.

### ***Protection of children***

Children and young people are active users of Telia Company's services. Children are particularly vulnerable to online threats such as cyber bullying, grooming and inappropriate content. Telia Company's services may be used for distributing or accessing child sexual abuse material.

Telia Company may (directly or indirectly) cause, contribute or be linked to violations of children's rights if products and services offered by the company or its partners, including network filters, are not properly designed and assessed. This may result in physical, emotional or psychological harm to children. Actual or perceived failure to create a safe online experience for children and young people may also negatively affect Telia Company's brand reputation, resulting in loss of business.

### ***Ability to recruit and retain skilled employees***

People are at the core of everything Telia Company does and their talents enable Telia Company to execute on its strategy. The demand and competition for talents in the ICT sector is becoming increasingly challenging. In order to secure the right talent Telia Company needs to recruit, develop and retain highly skilled employees. Failure to recruit, develop and retain necessary skilled employees may impact Telia Company's ability to develop new or high growth business areas and thereby deliver on its strategy.

### ***Corruption and unethical business practices***

Some of the countries in which Telia Company operates are ranked as having high levels of corruption. The telecommunications industry is particularly susceptible to a range of corrupt practices as it requires government approvals and necessitates large investments. In general, key areas where the threat of corruption is significant include the licensing process, market regulation and price setting, the supply chain, third-party management and customer relations. Mergers and acquisitions in these jurisdictions (which may be necessary as part of Telia Company's strategy in the relevant jurisdiction(s)) may pose additional risks of corruption, fraud and unethical business practices and require extensive buyer/seller due diligence. In addition, as corruption is often a barrier for human rights and equal opportunities, actual corruption or fraud may lead to Telia Company being associated with human rights violations.

Actual or perceived corruption or unethical business practices may damage the reputation of Telia Company and may result in loss of trust and customers, financial penalties and debarment from procurement and institutional investment processes. This may significantly impact Telia Company's financial results.

### ***Responsible sourcing***

Telia Company relies on a vast number of suppliers and sub-contractors, many of which are located in countries or industries with challenges in upholding ethical business practices, human and labour rights, health and safety and environmental protection. Despite efforts to conduct due diligence and audits, suppliers and sub-contractors may be in violation of Telia Company's supplier requirements and/or national and international laws, regulations and conventions. Certain suppliers have access to sensitive information such as personal data related to Telia Company's customers, which increases risks related to security and privacy.

Any failure or perceived failure of Telia Company's suppliers to adhere to relevant laws, regulations and supplier requirements may risk or violate the rights of their employees' or sub-contractors' human and labour rights. Such failure or perceived failure may also damage customers' or other stakeholders' perception of Telia Company and therefore its reputation. Violations of such laws, regulations or supplier requirements put suppliers and sub-contractors at risk of needing to limit or terminate their operations, which may negatively affect how Telia Company is able to deliver its services. Severe violations of such requirements, or disruptions to supplier due diligence or operations caused by restrictions may lead to Telia Company needing to seek new suppliers or sub-contractors which could negatively impact sourcing costs or delivery times, in turn negatively affecting cashflow and revenue.

### ***Environment and climate change***

Telia Company's operations and value chain generate negative environmental impacts, in particular greenhouse gas ("GHG") emissions and electronic waste ("e-waste"). The vast majority of GHG emissions are generated in the supply chain, while e-waste is primarily associated with end of life of mobile devices, routers and network equipment.

Telia Company is seeing increasing requirements and expectations from customers, policy makers, investors and others to manage these negative impacts. There is also increasing regulatory and self-regulatory pressure at both

national and EU level in relation to areas such as energy efficiency in data centres and extending the lifetime of electronic devices. Such requirements may lead to increased costs for Telia Company.

Separately, climate change increases the likelihood and severity of extreme weather events such as heat waves and thunderstorms which may cause severe disruptions to telecommunications and ICT services and have a consequential impact on Telia Company's business. Failure to meet stakeholders' requirements or expectations may lead to reputational loss, loss of business or (where Telia Company's business itself is considered to contribute to climate change) limit access to "green capital". Increasing electricity prices, the availability of renewable energy certificates or carbon taxation could increase operational costs for Telia Company. More extreme weather may also drive the need for additional investments in cooling technology and other more resilient infrastructure. Any failure by Telia Company to implement circular business models such as leasing programmes for consumer electronics such as mobile phones and routers or the re-use of network equipment may lead to lost opportunities for cost savings and a failure to realise additional revenue.

## **Legal and regulatory risks**

### ***Regulation and licenses***

Telia Company operates in a highly regulated industry, and regulations impose significant limits on Telia Company's flexibility to manage its business. In a number of countries, Telia Company entities are designated as a party with significant market power in one or several telecom submarkets. As a result, Telia Company is required to provide certain services on regulated terms and prices, which may differ (potentially in a way that is adverse to Telia Company) from the terms on which it would otherwise have provided those services. Effects from regulatory intervention may be both retroactive and prospective.

Changes in regulation affecting Telia Company's business activities, as well as decisions by regulatory authorities or courts, including granting or amending telecom licences and spectrum permits and increasing national security requirements, may adversely affect Telia Company's ability to carry out its business and subsequently adversely affect its results of operations.

### ***Legal, governmental and administrative proceedings***

A number of investigations have been conducted in recent years in respect of Telia Company's operations in Eurasia by authorities in Sweden, the Netherlands and the United States.

There is always a risk that actions may be taken by the police, prosecution or regulatory authorities in other jurisdictions against Telia Company's operations or transactions, or against third parties, whether they be Swedish or non-Swedish individuals or legal entities, and that this might directly or indirectly harm Telia Company's business, results of operations, financial position, cash flows or brand reputation.

### **Actions by the largest shareholder**

As of 31 December 2021, the Swedish State held 39.5 per cent. of Telia Company's outstanding shares. Accordingly, the Swedish State, acting alone, may have the power to influence any matters submitted for a vote of shareholders. The interests of the Swedish State in deciding these matters could be different from the interests of Telia Company's other shareholders or from the interests of Holders.

## **Financial risk management**

Telia Company is exposed to financial risks such as credit risk, liquidity risk, currency risk, interest rate risk, financing risk and pension obligation risk. Financial risk management is centralised in the Group Treasury unit and is described more fully in "*Telia Company AB (publ) – Financial risk management*". Failure to effectively manage and hedge these financial risks could have a negative impact on Telia Company's financial position and results of operations. Please also see above "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities – Operational and societal risks – COVID-19*".

## **Factors which are material for the purpose of assessing the market risks associated with the Capital Securities**

### **Risks related to the Capital Securities generally**

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

#### ***The Conditions contain provisions which may permit their modification without the consent of all investors***

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

#### ***Investors who purchase Capital Securities in denominations that are not an integral multiple in excess of €100,000 may be adversely affected if definitive Capital Securities are subsequently required to be issued***

The Capital Securities have denominations consisting of a minimum of €100,000 and integral multiples of €1,000 in excess thereof up to and including denominations of €199,000. It is possible that the Capital Securities may be traded in amounts that are not integral multiples of €100,000. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than €100,000 in their account with the relevant clearing system at the relevant time may not receive a definitive Capital Security in respect of such holding (should definitive Capital Securities be printed) and would need to purchase a principal amount of Capital Securities such that its holding amounts to the €100,000 (as applicable).

If definitive Capital Securities are issued, Holders should be aware that definitive Capital Securities which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and legal risk:

#### ***An active secondary market in respect of the Capital Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Capital Securities***

The Capital Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Capital Securities in the secondary market (in which case the market or trading price and liquidity may be adversely affected) or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### ***The value of the Capital Securities depends on a number of economic, financial and political factors***

The value of the Capital Securities depends on a number of interrelated factors, including economic, financial and political events in Sweden or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Capital Securities are traded. The price at which a Holder will be able to sell the Capital Securities prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Holder.

***If an investor holds Capital Securities which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Capital Securities could result in an investor not receiving payments on those Capital Securities***

The Issuer will pay principal and interest on the Capital Securities in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro would decrease (1) the Investor's Currency-equivalent yield on the Capital Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (3) the Investor's Currency-equivalent market value of the Capital Securities.

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

***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) Capital Securities are legal investments for it, (2) Capital Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

***Any decline in credit ratings assigned to the Issuer or the Capital Securities may affect the market value of the Capital Securities and may not reflect all the risks associated with an investment in the Capital Securities and changes in rating methodologies may lead to the early redemption of the Capital Securities***

The Capital Securities have been assigned ratings by S&P and Moody's. The rating granted by each of S&P and Moody's or any other rating assigned to the Capital Securities may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time and without notice. Any such revision, suspension or withdrawal of such credit rating could adversely affect the value of the Capital Securities.

In addition, each of S&P and Moody's or any other rating agency may change their methodologies or their application for rating securities with features similar to the Capital Securities in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Capital Securities, sometimes called "notching". If the rating agencies were to change their practices or their application for rating such securities in the future and the ratings of the Capital Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Capital Securities.

If the Issuer has, directly or via publication by such Rating Agency, received confirmation, and notified the Holders in accordance with Condition 17 that it has so received confirmation from any Rating Agency that, due to any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, (a) all or any of the Capital Securities will no longer be eligible (or if the Capital Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Capital Securities would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the

interpretation had they not been re-financed), for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Capital Securities at the Issue Date (or, if "equity credit" is not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time), or (b) the length of time the Capital Securities are assigned a particular level of "equity credit" by that Rating Agency is shortened as compared to the length of time they were assigned that level of "equity credit" by that Rating Agency under its prevailing methodology on the Issue Date (or if "equity credit" was not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time), the Issuer may redeem the Capital Securities in whole, but not in part, as further described in the Conditions.

### ***CRA Regulation***

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Capital Securities changes for the purposes of the CRA Regulation or the UK CRA Regulation, regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Capital Securities may have a different regulatory treatment, which may impact the value of the Capital Securities and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

### ***The value of the Capital Securities could be adversely affected by a change in English law or Swedish law or administrative practice***

The Conditions are based on and governed by English law (other than Condition 3, which is based on and governed by Swedish law). No assurance can be given as to the impact of any possible judicial decision or change to the laws of England and Wales or Sweden or administrative practice after the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

***The Global Capital Securities are held by or on behalf of Euroclear and Clearstream, Luxembourg, meaning investors will have to rely on their procedures for transfer, payment and communication with the Issuer***



The Capital Securities will be represented by the Global Capital Securities except in certain limited circumstances described in each Permanent Global Capital Security. The Global Capital Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in each Permanent Capital Global Security, investors will not be entitled to receive Definitive Capital Securities. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Capital Securities. While the Capital Securities are represented by the Global Capital Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Capital Securities are represented by the Global Capital Securities, the Issuer will discharge its payment obligations under the Capital Securities by making payments to or to the order of the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Capital Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Capital Securities. Holders of beneficial interests in the Global Capital Securities will not have a direct right to vote in respect of the Capital Securities. Instead, such Holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg.

***The Capital Securities may not be a suitable investment for all investors seeking exposure to green assets***

It is the Issuer's intention to invest an amount equal to the net proceeds from the issue of the Capital Securities into one or more Eligible Green Projects (as defined under the Issuer's Green Bond Framework available on its website). For the avoidance of doubt, neither the proceeds of the Capital Securities nor any amount equal to such proceeds will be segregated by the Issuer from its capital and other assets and there will be no direct or contractual link between the Capital Securities and any Eligible Green Projects.

Prospective investors should have regard to the information set out on the Issuer's website and must determine for themselves the relevance of such information for the purpose of any investment in the Capital Securities together with any other investigation such investor deems necessary. For the avoidance of doubt, the Issuer's Green Bond Framework and the Second Party Opinion are not, nor shall they be deemed to be, incorporated in and/or form part of this Prospectus.

In particular no assurance is given by the Issuer that the use of an amount equal to such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) (including, without limitation, the Second Party Opinion) which may be made available in connection with the issue of the Capital Securities and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form

part of this Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any the Capital Securities. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Capital Securities. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that the Capital Securities are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Capital Securities or, if obtained, that any such listing or admission to trading will be maintained for so long as any Capital Securities remain outstanding.

While it is the intention of the Issuer to invest an amount equal to the net proceeds from the issue of the Capital Securities into Eligible Green Projects, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, the intended manner and/or in accordance with any timing schedule and that accordingly such amount will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an event of default under the Capital Securities.

Any such event or failure to invest an amount equal to the net proceeds from the issue of the Capital Securities into Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Capital Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Capital Securities and also potentially the value of any other securities of the Issuer which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The payments of principal and interest on the Capital Securities shall not depend on the performance of the relevant Eligible Green Projects or any other environmental targets of the Issuer, nor will any investors in the same have any preferred right against such assets. The withdrawal of any opinion or certification as described above, or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value of the Capital Securities, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to the Issuer's Green Bond Framework for further information.

## Risks related to the structure of the Capital Securities

***The Capital Securities are subordinated obligations; accordingly, claims in respect of the Capital Securities would rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of an Issuer Winding-up or an Issuer Re-construction***

The Capital Securities are direct, unsecured and subordinated obligations of the Issuer.

In the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an "**Issuer Winding-up**"), Holders will have a claim ranking behind claims of unsubordinated creditors of the Issuer and creditors of the Issuer in respect of all Subordinated Indebtedness, *pari passu* without any preference among themselves and with any present and future outstanding Parity Securities of the Issuer and in priority to any present and future claims in respect of (i) any class of share capital of the Issuer and (ii) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security.

In the event of a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (an "**Issuer Re-construction**"), Holders will have a statutory claim ranking behind claims of unsubordinated creditors of the Issuer and creditors of the Issuer in respect of all Subordinated Indebtedness, *pari passu* without any preference among themselves and with any present and future outstanding Parity Securities of the Issuer and in priority to any present and future claims in respect of any obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security. Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.

In the event of an Issuer Re-construction, unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down. All unsecured debt will then be written down pro rata. A debt composition proposal, which involves at least 50 per cent. of the amount of the unsecured debt, shall be deemed to be accepted by the creditors, where three-fifths of the creditors voting have accepted the proposal and their claims amount to three-fifths of the total amount of claims held by the creditors entitled to vote. Where the debt composition percentage is lower, the debt composition proposal shall be deemed to be accepted where three-fourths of the creditors voting have approved the proposal and their claims amount to three-fourths of the total amount of the claims held by the creditors entitled to vote. If a debt composition is approved, all subordinated debt of the Issuer, including the Capital Securities, will be completely written-off. In respect of subordinated debt it is important to note that subordinated creditors may only take part in the creditors' meeting voting on a proposed debt composition provided the unsubordinated creditors consent to such participation. Potential investors should note that claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction. Accordingly, there is a significant risk that the Capital Securities would be, partly or completely, written-off in an Issuer Re-construction resulting in Holders not recovering their investment in Capital Securities upon an Issuer Re-construction. This therefore presents a significant risk for the Holders.

In the event of an Issuer Winding-up or an Issuer Re-construction, there is a risk that Holders will only be eligible to recover any amounts in respect of their Capital Securities if all claims in respect of more senior-ranking obligations of the Issuer (whether secured or unsecured) have first been paid in full. If, on an Issuer Winding-up or an Issuer Re-construction, the assets of the Issuer are insufficient to repay the claims of all senior-ranking creditors in full, the Holders will lose their entire investment in the Capital Securities. If there are sufficient assets to repay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Capital Securities and all other obligations of the Issuer ranking *pari passu* with the Capital Securities, Holders will lose some or substantially all of their investment in the Capital Securities. The Holders therefore face a higher recovery risk than holders of unsubordinated obligations and Subordinated Indebtedness of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to or *pari passu* with the Capital Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date of the Capital Securities.

Furthermore, subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Capital Securities and each Holder shall, by virtue of their holding, be deemed to have waived all such rights of set-off, compensation or retention.

In addition, if the financial condition of the Issuer deteriorates such that an Issuer Winding-up or an Issuer Re-construction may be anticipated, the market price of the Capital Securities can be expected to fall, and such fall may be significant. A Holder that sells its Capital Securities in such an event may lose some or substantially all of its initial investment in the Capital Securities (whether or not an Issuer Winding-up or an Issuer Re-construction subsequently occurs).

***The Capital Securities are long-term securities and therefore an investment in Capital Securities constitutes a financial risk for a long period***

Unless the same have been earlier redeemed or purchased and cancelled, the Capital Securities will be redeemed on 30 June 2083. The Issuer is under no obligation to redeem the Capital Securities at any time before these dates and Holders have no right to call for redemption of the Capital Securities.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Capital Securities for a long period and may not recover their investment before the end of this period.

***The Issuer may defer interest payments***

The Issuer may, at any time and in its sole discretion (except on the Maturity Date of the relevant Capital Securities or any other Interest Payment Date on which the relevant Capital Securities are to be redeemed), elect to defer payment of all (but not some only) of the interest which would otherwise be paid on any Interest Payment Date (as defined in the Conditions), and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date and deferred shall, together with any interest that has accrued on such unpaid and deferred interest, constitute Arrears of Interest and shall be paid in whole or in part, at any time, at the option of the Issuer or on the occurrence of a Deferred Interest Payment Event, as defined in the Conditions.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Capital Securities. In addition, as a result of such interest deferral provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

***The Issuer may redeem the Capital Securities early; investors should consider reinvestment risk***

The Issuer will have the right to redeem the Capital Securities in whole, but not in part, on any Optional Redemption Date (that is, at any time having given sufficient notice of its intention so to redeem the Capital Securities in accordance with the Conditions), in each case at their Optional Redemption Amount together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption.

The Issuer may also, at its option, redeem the Capital Securities in whole, but not in part, upon the occurrence of a Tax Deductibility Event, a Capital Event, a Change of Control Event, a Withholding Tax Event or a Substantial Repurchase Event with respect to the relevant Capital Securities, as further described in the Conditions.

In the case of a Tax Deductibility Event or a Capital Event, such redemption will be at (i) 101 per cent. of the principal amount of the relevant Capital Securities, where such redemption occurs before the First Par Redemption Date, or (ii) 100 per cent. of the principal amount of the relevant Capital Securities, where such redemption occurs on or after the First Par Redemption Date, together in each case with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

In the case of a Withholding Tax Event, a Change of Control Event or a Substantial Repurchase Event, such redemption will be at 100 per cent. of the principal amount of the relevant Capital Securities, together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

The market value of the Capital Securities generally will not rise substantially above the price at which they can be redeemed.

The Issuer might redeem the Capital Securities when its cost of borrowing is lower than the interest rate on the Capital Securities. There can be no assurance that, at the relevant time, Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Capital Securities. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### ***Substitution or variation of the Capital Securities***

There is a risk that, after the issue of the Capital Securities, a Tax Deductibility Event, a Capital Event or a Withholding Tax Event may occur which would entitle the Issuer, without any requirement for the consent or approval of the Holders, to substitute the relevant Capital Securities for, or vary the terms of the relevant Capital Securities so that they become or remain, Qualifying Capital Securities (as defined in the Conditions).

Whilst Qualifying Capital Securities are required to have terms which are not materially less favourable to Holders than the terms of the relevant Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing), there can be no assurance that the Qualifying Capital Securities will not have a significant adverse impact on the price of, and/or the market for, the Capital Securities, nor that there will not be any adverse tax consequences for any Holders of the Capital Securities arising from such substitution or variation.

#### ***Fixed rate securities have a market risk***

The Capital Securities will bear interest at a fixed rate, reset by reference to a mid-swap rate plus a margin on the first reset date for the relevant Capital Securities and on each fifth anniversary of such first reset date. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. A change of the Market Interest Rate may cause the price of such security to change. If the Market Interest Rate increases, the price of such security typically falls. If the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases. Potential investors should be aware that movements of the Market Interest Rate can adversely affect the price of the relevant Capital Securities and can lead to losses for the Holders if they sell such Capital Securities.

Each reset interest rate may be different from the initial interest rate of the relevant Capital Securities and may adversely affect the yield of such Capital Securities.

#### ***Reform and Regulation of "benchmarks"***

Interest rates and indices which are deemed to be "benchmarks" 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 securities linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and became applicable from 1 January 2018. The EU 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 (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/2011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on the Capital Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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.

The potential elimination of the EURIBOR benchmark, or changes in the manner of administration of the benchmark, could (as it forms part of the calculation for the Reset Interest Rate) require an adjustment to the terms and conditions, or result in other consequences, in respect of the Capital Securities. Such factors may have the following effects: (i) discourage market participants from continuing to administer or contribute to EURIBOR, (ii) trigger changes in the rules or methodologies used in EURIBOR or (iii) lead to the disappearance of EURIBOR. 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 the Capital Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms, as applicable, in making any investment decision with respect to the Capital Securities.

If a Benchmark Event (as defined in Condition 4(j)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser (as defined in Condition 4(j)). After consulting with the Independent Adviser (where appointed), the Issuer shall endeavour to determine a Successor Rate or, failing which, an Alternative Rate (each as defined in Condition 4(j)) to be used in place of the relevant Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Reset Interest Rate will result in the Capital Securities performing differently (which may include payment of a lower rate of interest) than they would do if the relevant 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 Issuer, the Conditions of the Capital Securities provide that the Issuer may vary the Conditions of the Capital Securities, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions of the Capital Securities also provide that an Adjustment Spread (as defined in Condition 4(j)) may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the relevant Original Reference Rate with the Successor Rate or the Alternative Rate. However, it

may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Reset Interest Rate. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in the Capital Securities performing differently (which may include payment of a lower rate of interest) than they would if the relevant Original Reference Rate were to continue to apply in its current form.

The Issuer may also not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions of the Capital Securities. Where the Issuer has failed to determine a Successor Rate or Alternative Rate in respect of any given Reset Period, it will continue to attempt to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Reset Periods, as necessary.

If the Issuer fails to determine a Successor Rate or Alternative Rate whilst the Capital Securities are outstanding, the fallback provisions set out in paragraph (b) of the definition of 5 Year EUR Mid-Swap Rate will apply. **This will result in the Capital Securities, in effect, becoming fixed rate securities (subject to the operation of relevant step-ups).**

Any such consequences could have a material adverse effect on the trading market for, liquidity of, value of and return on the Capital Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Capital Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Capital Securities. Investors should consider these matters when making their investment decision with respect to the Capital Securities.

***Holders of the Capital Securities have very limited rights in relation to the enforcement of payments on the Capital Securities***

If a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the rights of the Holders in respect of the Capital Securities are limited to instituting proceedings for an Issuer Winding-up or an Issuer Re-construction, and the Holders may only prove and/or claim in respect of the Capital Securities in an Issuer Winding-up or an Issuer Re-construction.

Whilst the claims of the Holders in an Issuer Winding-up or an Issuer Re-construction are for the principal amount of their Capital Securities together with any Arrears of Interest and any other accrued and unpaid interest, such claims will be subordinated as provided above under "*The Capital Securities are subordinated obligations; accordingly, claims in respect of the Capital Securities would rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of an Issuer Winding-up or an Issuer Re-construction*". The Holders shall not be entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up or an Issuer Re-construction. Furthermore, whilst the Holder may institute other proceedings against the Issuer to enforce the terms of the Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Accordingly, the Holders' rights of enforcement in respect of payments under the Capital Securities are very limited.

***No limitation on issuing or guaranteeing debt ranking senior to or pari passu with the Capital Securities***

There is no restriction in the Conditions on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness that ranks *pari passu* with or senior to the Capital Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable

by Holders on an Issuer Winding-up or an Issuer Re-construction and/or may increase the likelihood of a deferral of interest payments under the relevant Capital Securities.



## General Description of the Capital Securities

*This overview is a general description of the Capital Securities and does not purport to be complete. It is taken from, and is qualified in its entirety by, the remainder of this Prospectus. For a more complete description of the Capital Securities, including definitions of capitalised terms used but not defined in this section, please see the relevant Conditions.*

*Capitalised terms used and not defined in this section shall have the meaning given in the Terms and Conditions of the Capital Securities, and references to a numbered Condition shall be construed accordingly.*

Issuer:	Telia Company AB (publ)
Issuer Legal Entity Identifier (LEI):	213800FSR9RNDUOTXO25
Structuring Agent and Global Coordinator:	Citigroup Global Markets Europe AG
Joint Bookrunners:	Barclays Bank Ireland PLC BofA Securities Europe SA Citigroup Global Markets Europe AG Nordea Bank Abp
Capital Securities:	€500,000,000 Subordinated Fixed Rate Reset 6.25 year Non-Call Capital Securities due 2083 (the " <b>Capital Securities</b> ").
Issue Price:	99.301 per cent.
Issue Date:	31 March 2022
Maturity Date:	30 June 2083
Use of Proceeds:	The Issuer intends to allocate an amount equal to the net proceeds from the issue of the Capital Securities to one or more Eligible Green Projects (as defined under the Issuer's Green Bond Framework available on its website).
Interest:	<p>The Capital Securities will bear interest on their principal amount at the following rates of interest:</p> <ul style="list-style-type: none"><li>(i) from (and including) the Issue Date to (but excluding) 30 June 2028 (the "<b>First Reset Date</b>"), 2.75 per cent. per annum; and</li><li>(ii) thereafter, at a rate (to be reset on the First Reset Date and each fifth anniversary of such date) equal to the 5 Year EUR Mid-Swap Rate plus the applicable Margin.</li></ul> <p>For the purposes of the Capital Securities, the "<b>Margin</b>" means:</p> <ul style="list-style-type: none"><li>(a) in respect of the period from (and including) the First Reset Date to (but excluding) 30 June 2033 (the "<b>2033 Step-up Date</b>"), 1.946 per cent.;</li><li>(b) in respect of the period from (and including) the 2033 Step-up Date to (but excluding) 30 June 2048 (the "<b>2048 Step-up Date</b>"), 2.196 per cent.; and</li><li>(c) in respect of the period from (and including) the 2048 Step-up Date to (but excluding) the Maturity Date, 2.946 per cent.</li></ul>

Interest shall be payable (subject to deferral as provided below) annually in arrear on 30 June of each year, commencing 30 June 2022 (short first coupon). The first payment of interest, to be made on 30 June 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 30 June 2022.

On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser (where appointed)) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with the Conditions.

Optional Interest Deferral:

*Interest deferral*

The Issuer may, at any time and at its sole discretion, by giving notice to the Holders not less than seven Business Days before the relevant Interest Payment Date, elect to defer any interest, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except for interest payable upon maturity or redemption of the Capital Securities).

*No default*

If the Issuer makes such an election to defer interest, the Issuer shall have no obligation to make such payment on the relevant Interest Payment Date and any such non-payment of interest on such date shall not constitute a default by the Issuer or any other breach of obligations under the Capital Securities.

*Arrears of Interest*

Any interest in respect of the Capital Securities which has not been paid at the election of the Issuer in accordance with this paragraph will be deferred and such deferred interest shall itself bear interest (such further interest being an "**Additional Interest Amount**") at the rate of interest prevailing from time to time (which interest shall compound on each Interest Payment Date on which such interest remains unpaid) and, for so long as the same remains unpaid, such deferred interest shall constitute "**Deferred Interest**" (such Deferred Interest, together with the Additional Interest Amount, being "**Arrears of Interest**").

Settlement of Arrears of Interest:

*Optional settlement*

Arrears of Interest may be paid (in whole or in part) at any time at the option of the Issuer upon not less than seven Business Days' notice to the Holders.

If amounts in respect of Deferred Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Deferred Interest shall be payable before any of the Additional Interest Amounts;

- (ii) Deferred Interest accrued for any period shall not be payable until full payment has been made of all Deferred Interest that has accrued during any earlier period and the order of payment of the Additional Interest Amounts shall follow that of the Deferred Interest to which it relates; and
- (iii) the amount of Deferred Interest or Additional Interest Amounts payable in respect of any of the Capital Securities in respect of any period shall be *pro rata* to the total amount of all unpaid Deferred Interest or, as the case may be, Additional Interest Amounts accrued on the Capital Securities in respect of that period to the date of payment.

*Mandatory settlement*

The Issuer shall pay any Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

- (i) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (ii) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant interest period; and
- (iii) the date on which the Capital Securities are redeemed or repaid.

A "**Deferred Interest Payment Event**" means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation,

- reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in the case of (b) above only, any optional partial payment of deferred interest or arrears of interest (howsoever described) on Parity Securities ("**Parity Securities Arrears of Interest**"), provided that any Arrears of Interest on the Capital Securities and all Parity Securities Arrears of Interest on Parity Securities outstanding at such same time are simultaneously paid on a *pro rata* basis;
  - (iii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition is executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; or (3) hedging of convertible securities or hedging of other equity-linked securities; and
  - (iv) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

"**Parity Securities**" has the meaning given in the Conditions.

Status/Ranking:

The Capital Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer.

In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an "**Issuer Winding-up**"), the Holders shall, in respect of their Capital Securities, have a claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (ii) in priority to all present or future claims in respect of (A) any share capital of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and

- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

In the event of a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (an "**Issuer Re-construction**"), the Holders, in respect of their Capital Securities, and the Couponholders, in respect of their Coupons, shall have a statutory claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (ii) in priority to all present or future claims in respect of any obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.

"**Subordinated Indebtedness**" means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up or an Issuer Re-construction to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

No Set-off:

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Capital Securities and each Holder shall, by virtue of its holding, be deemed to have waived all such rights of set-off, compensation or retention.

Form and Denomination:

The Capital Securities will be issued in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including denominations of €199,000.

Final Redemption:

Unless earlier redeemed or purchased and cancelled, the Capital Securities will be redeemed on 30 June 2083 (the "**Maturity Date**"), in each case at their principal amount together with any Arrears of

Interest and any other accrued and unpaid interest up to (but excluding) the applicable maturity date.

Early Redemption at the option of the Issuer:

The Issuer may, upon not less than 10 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all, but not some only, of the Capital Securities then outstanding on the Optional Redemption Date at the relevant Optional Redemption Amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Early Redemption upon a Tax Deductibility Event or a Capital Event:

If a Tax Deductibility Event or a Capital Event (each as defined in the Conditions) has occurred and is continuing, the Issuer may, upon not less than 10 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to certain preconditions as specified in the Conditions of the Capital Securities, redeem all, but not some only, of the Capital Securities at any time at an amount equal to:

- (i) 101 per cent. of their principal amount, where such redemption occurs before the First Par Redemption Date; or
- (ii) 100 per cent. of their principal amount, where such redemption occurs on or after the First Par Redemption Date,

together, in each case, with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Early Redemption upon a Withholding Tax Event, a Change of Control Event or a Substantial Repurchase Event:

If a Withholding Tax Event or a Change of Control Event (as defined in the Conditions) has occurred and is continuing, or if a Substantial Repurchase Event (as defined in the Conditions) has occurred, the Issuer may, upon not less than 10 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to certain preconditions as specified in the Conditions of the Capital Securities, redeem all, but not some only, of the Capital Securities at any time at an amount equal to 100 per cent. of their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

If the Issuer does not elect to redeem the Capital Securities following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the Capital Securities shall be increased by 5.000 per cent. per annum with effect from (and including) the day immediately following the Change of Control Step-up Date.

Substitution or Variation:

If at any time a Tax Deductibility Event, Capital Event or a Withholding Tax Event has occurred and is continuing on or after the Issue Date, then the Issuer may, subject to certain preconditions

as specified in the Conditions of the Capital Securities (and without any requirement for the consent or approval of the Holders or Couponholders), upon not less than 10 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), at any time either:

- (i) substitute all, but not some only, of the Capital Securities for;  
or
- (ii) vary the terms of the Capital Securities with the effect that they remain or become, as the case may be,

Qualifying Capital Securities (as defined in the Conditions).

**Purchase:** The Issuer or any of its subsidiaries may at any time purchase or procure others to purchase beneficially for its account any or all Capital Securities in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons and Talons appertaining thereto.

**Taxation:** All payments of principal, premium and interest (including Arrears of Interest) in respect of the Capital Securities and the Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes or duties ("**Taxes**") of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision of, or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. If such a withholding or deduction is required by law, the Issuer will be required to gross-up payments to the Holders, subject as provided in Condition 12.

**Default:** If a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest or principal in respect of the Capital Securities which is due and payable, then the Issuer shall, be deemed to be in default under the Capital Securities and the Coupons and any Holder may institute proceedings for an Issuer Winding-up or an Issuer Re-construction.

In the event of an Issuer Winding-up or an Issuer Re-construction a Holder may, provided such Holder does not contravene a previously adopted Extraordinary Resolution (if any), prove and/or claim in such Issuer Winding-up or, as the case may be, Issuer Re-construction in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under "Status/Ranking" above.

**Rating:** The Capital Securities are expected to be rated "Baa3" by Moody's and "BBB-" by S&P.

**Governing Law:** The Agency Agreement, the Capital Securities, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, the laws of England and Wales, other than the provisions of Condition 3 and any non-contractual obligations

arising out of or in connection with them which will be governed by, and construed in accordance with, the laws of Sweden.

Listing and Trading:

Application has been made for the Capital Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF market. Such listing and admission to trading are expected to occur as of the Issue Date or as soon as practicable thereafter.

Clearing Systems:

Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Capital Securities in the United States (Reg S, Category 2), the EEA and the UK.



## Documents Incorporated by Reference

The following documents which have previously been published shall be incorporated by reference in, and form part of, this Prospectus:

(a) Annual and Sustainability Report 2020

The Issuer's annual and sustainability report for the year ended 31 December 2020 (the "**2020 Annual Report**"), which contains, amongst other things, the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2020 which appear on pages 108 to 196 and 244 to 247 of the 2020 Annual Report, including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	108
Consolidated Statements of Financial Position.....	109
Consolidated Statements of Cash Flows.....	110
Consolidated Statements of Changes in Equity .....	111
Notes to Consolidated Financial Statements .....	112-196
Auditors' Report.....	244-247
Alternative Performance Measurements.....	251-254
Definitions .....	255-256

(b) Annual and Sustainability Report 2021

The Issuer's annual and sustainability report for the year ended 31 December 2021 (the "**2021 Annual Report**"), which contains, amongst other things, the audited consolidated annual financial statements of the Issuer and auditors report for the financial year ended 31 December 2021 which appear on pages 124 to 217 and 251 to 254 of the 2021 Annual Report, including the information set out at the following pages in particular:

Consolidated Statements of Comprehensive Income.....	124
Consolidated Statements of Financial Position.....	125
Consolidated Statements of Cash Flows.....	126
Consolidated Statements of Changes in Equity .....	127
Notes to Consolidated Financial Statements .....	128-217
Auditors' Report.....	251-254
Alternative Performance Measurements.....	259-262
Definitions .....	263-264

Any documents which have been translated from Swedish to English are accurate translations.

Copies of documents incorporated by reference in this Prospectus are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg.

## Terms and Conditions of the Capital Securities

*The following, except for paragraphs in italics, are the terms and conditions of the Capital Securities which will be endorsed on each Capital Security in definitive form (if issued).*

The issue of the €500,000,000 Subordinated Fixed Rate Reset 6.25 year Non-Call Capital Securities due 2083 (the "**Capital Securities**", which expression shall, unless the context otherwise requires, include any Further Capital Securities issued pursuant to Condition 18 and forming a single series with the Capital Securities) of Telia Company AB (publ) (the "**Issuer**") was authorised by a resolution of the Board of Directors of the Issuer passed on 27 January 2022. The Capital Securities are issued subject to and with the benefit of an Agency Agreement dated 31 March 2022 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, Citibank, N.A., London Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**") and as make-whole calculation agent (the "**Make-Whole Calculation Agent**") and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the "**Paying Agents**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Capital Securities (the "**Holders**") and the holders of interest coupons and the talons ("**Talons**") for further interest coupons appertaining to the Capital Securities (the "**Couponholders**" and the "**Coupons**" (which expressions shall in these Conditions, unless the context otherwise requires, include the holders of the Talons and the Talons respectively) at the specified office of each of the Paying Agents, being at the date of these Conditions at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Fiscal Agent shall provide by email to a Holder or Couponholder a copy of the Agency Agreement following such Holder or Couponholder's prior written request and provision of proof of holding and identity (in a form satisfactory to the Fiscal Agent). The Holders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, the Make-Whole Calculation Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1 Form, Denomination and Title

#### (a) *Form and Denomination*

The Capital Securities are serially numbered and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons and a Talon attached on issue. No definitive Capital Securities will be issued with a denomination above €199,000. Capital Securities of one denomination may not be exchanged for Capital Securities of any other denomination.

#### (b) *Title*

Title to the Capital Securities, Coupons and Talons passes by delivery. The Issuer and any Paying Agent will (except as ordered by a court of competent jurisdiction or as otherwise required by law) deem and treat the bearer of any Capital Security, Coupon or Talon as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

## 2 Status of the Capital Securities and the Coupons

The Capital Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities and the Couponholders in respect of the Coupons, in each case against the Issuer, are subordinated as described in Condition 3(a).

## 3 Subordination and rights on a winding-up or re-construction

### (a) *Rights on a winding-up or re-construction*

In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an "**Issuer Winding-up**"), the Holders, in respect of their Capital Securities, and the Couponholders, in respect of their Coupons, shall have a claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (ii) in priority to all present or future claims in respect of (A) any share capital of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

In the event of a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (an "**Issuer Re-construction**"), the Holders, in respect of their Capital Securities, and the Couponholders, in respect of their Coupons, shall have a statutory claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest) thereon and such claims will rank:

- (iv) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (v) in priority to all present or future claims in respect of any obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and
- (vi) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.

*The Issuer does not intend (without thereby assuming a legal or contractual obligation or restriction) to issue any preference shares that would rank junior to the Capital Securities or any Parity Securities.*

### (b) *Set-off*

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under

or in connection with the Capital Securities or the Coupons and each Holder and Couponholder shall, by virtue of its holding of any Capital Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

#### 4 Interest Payments

##### (a) *Interest Payment Dates*

The Capital Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 31 March 2022 (the "**Issue Date**") up to (but excluding) the Maturity Date in accordance with the provisions of this Condition 4.

Subject to Condition 5, interest shall be payable on the Capital Securities annually in arrear on 30 June in each year (each an "**Interest Payment Date**") from (and including) 30 June 2022.

##### (b) *Interest Accrual*

The Capital Securities (and any unpaid amounts thereon) will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 or the date of substitution or variation thereof pursuant to Condition 7, as the case may be, unless, upon due presentation, payment of all unpaid amounts in respect of the Capital Securities is not made, in which event interest shall continue to accrue in respect of the principal amount of, and any other unpaid amounts on, the Capital Securities, both before and after judgment, and shall be payable as provided in these Conditions up to (but excluding) the Relevant Date.

When interest is required to be calculated in respect of a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, 30 June 2021) to (but excluding) the next (or, as the case may be, the first) scheduled Interest Payment Date (the "**day-count fraction**"). Where it is necessary to compute an amount of interest in respect of any Capital Security for a period of more than one year, such interest shall be the aggregate of the interest computed in respect of a full year plus the interest computed in respect of the period exceeding the full year calculated in the manner as aforesaid.

Interest in respect of any Capital Security shall be calculated per €1,000 in principal amount thereof (the "**Calculation Amount**"). The amount of interest calculated per Calculation Amount for any period shall be equal to the product of the relevant Interest Rate, the Calculation Amount and the day-count fraction for the relevant period and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of a Capital Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Capital Security without any further rounding.

##### (c) *Initial Interest Rate*

The Interest Rate in respect of each Interest Period commencing prior to the First Reset Date is 2.75 per cent. per annum (the "**Initial Interest Rate**").

The Interest Payment in respect of each such Interest Period (other than the first Interest Period) will amount to €27.50 per Calculation Amount (and any such Interest Payment may be deferred in accordance with Condition 5). The first Interest Payment, to be made on 30 June 2022 in respect of the Interest Period

from (and including) the Issue Date to (but excluding) 30 June 2022, will amount to €6.86 per Calculation Amount.

*(d) Reset Interest Rates*

The Interest Rate in respect of each Interest Period falling in a Reset Period shall be the aggregate of the relevant Margin and the relevant 5 Year EUR Mid-Swap Rate for such Reset Period, all as determined by the Calculation Agent (each a "**Reset Interest Rate**").

*(e) Determination of Reset Interest Rates and Calculation of Interest Amounts*

The Calculation Agent shall, at or as soon as practicable after 11.00 a.m. (Central European time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the Reset Period commencing immediately following such Reset Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance with Condition 5) be payable per Calculation Amount in respect of each such Interest Period (the "**Interest Amount**").

*(f) Publication of Reset Interest Rates and Interest Amounts*

Unless the Capital Securities are to be redeemed, the Issuer shall cause notice of each Reset Interest Rate and the related Interest Amount to be given to the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 17, the Holders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Reset Period.

*(g) Calculation Agent*

The Issuer may from time to time replace the Calculation Agent with another independent financial institution. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or fails to determine a Reset Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Conditions), the Issuer shall forthwith appoint another independent financial institution to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Calculation Agent in a timely manner, then the Calculation Agent shall be entitled to appoint as its successor a reputable financial institution of good standing which the Issuer shall approve.

*(h) Determinations of Calculation Agent Binding*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Holders, the Couponholders or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

*(i) Step-up after first Change of Control Event*

Notwithstanding any other provision of this Condition 4, if the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(e) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4, on the Capital Securities shall be increased by 5.000 per cent. per

annum with effect from (and including) the day immediately following the Change of Control Step-up Date.

(j) **Benchmark Discontinuation**

(1) *Independent Adviser*

Notwithstanding Condition 4(d), if a Benchmark Event occurs in relation to an Original Reference Rate when any Reset Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(2)) and, in either case, an Adjustment Spread (if any) (in accordance with Condition 4(j)(3)) and any Benchmark Amendments (in accordance with Condition 4(j)(4)).

An Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Fiscal Agent, the Paying Agents, the Calculation Agent, the Holders or the Couponholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(j).

If the Issuer, following consultation with an Independent Adviser (where appointed), fails to determine a Successor Rate or, failing which, an Alternative Rate (in accordance with Condition 4(j)(2)) prior to the relevant Reset Interest Determination Date, the Reset Interest Rate applicable to the next succeeding Reset Period shall be determined by reference to the fallback provisions set out in paragraph (b) of the definition of 5 Year EUR Mid-Swap Rate. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j).

(2) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(j)(3)) subsequently be used in place of the Original Reference Rate to determine the Reset Interest Rate (or the relevant component part thereof) for all future payments of interest on the Capital Securities (subject to the operation of this Condition 4(j)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(j)(3)) subsequently be used in place of the Original Reference Rate to determine the Reset Interest Rate (or the relevant component part thereof) for all future payments of interest on the Capital Securities (subject to the operation of this Condition 4(j)).

(3) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the

quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(4) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(j) and the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof to the Holders in accordance with Condition 4(j)(5), without any requirement for the consent or approval of the Holders or the Couponholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Fiscal Agent of a certificate signed by two directors of the Issuer pursuant to Condition 4(j)(5), the Fiscal Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Holders or the Couponholders, be obliged to use its reasonable endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement) and the Fiscal Agent shall not be liable to any party for any consequences thereof, provided that the Fiscal Agent shall not be obliged so to implement if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4(j)(4), the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

(5) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(j) will be notified promptly by the Issuer to the Fiscal Agent, the Paying Agents, the Calculation Agent and, in accordance with Condition 17, the Holders. 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 directors of the Issuer:

- (i) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) where applicable, any Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, the Fiscal Agent shall not be liable to the Holders, the Couponholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent, the Holders and the Couponholders.

(6) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 4(j)(1), 4(j)(2), 4(j)(3) and 4(j)(4), the Original Reference Rate and the fallback provisions set out in paragraph (b) of the definition of 5 Year EUR Mid-Swap Rate will continue to apply unless and until a Benchmark Event has occurred and the Fiscal Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be) and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(j)(5).

(7) *Definitions*

As used in this Condition 4(j):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders or Couponholders as a result of the replacement of the Original Reference Rate with 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 Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for international debt capital markets (or alternatively, 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); or (if the Issuer determines that no such industry standard is recognised or acknowledged);
- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

**"Alternative Rate"** means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser (where appointed), and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(j)(2) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the



purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Capital Securities;

**"Benchmark Amendments"** has the meaning given to it in Condition 4(j)(4);

**"Benchmark Event"** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, 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) and (B) the date falling six months prior to the date specified in (ii)(A); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (iv)(A); or
- (v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Capital Securities and (B) the date falling six months prior to the date specified in (v)(A);
- (vi) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, no longer be representative of an underlying market and (B) the date falling six months prior to the date specified in (vi)(A); or
- (vi) it has or will become unlawful for the Fiscal Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Holders or Couponholders using the Original Reference Rate;

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 4(j)(1) and notified in writing to the Fiscal Agent;

**"Original Reference Rate"** means the 5 Year EUR Mid-Swap Rate (or any component part thereof) (provided that if, following one or more Benchmark Events, the 5 Year EUR Mid-Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

**"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; and

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

## 5 Optional Interest Deferral

### (a) *Deferral of Interest Payments*

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on the Maturity Date or any other Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice (a "**Deferral Notice**") of such election to the Holders in accordance with Condition 17, the Fiscal Agent and the Paying Agents not less than seven Business Days prior to the relevant Interest Payment Date.

Any Interest Payment so deferred pursuant to this Condition 5(a) shall, from (and including) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (but excluding) the date on which it is paid in full, itself bear interest (such further interest being an "**Additional Interest Amount**") at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date on which such interest remains unpaid) and, for so long as the same remains unpaid, such deferred interest shall constitute "**Deferred Interest**" (such Deferred Interest, together with the Additional Interest Amount, being "**Arrears of Interest**").

The deferral of an Interest Payment in accordance with this Condition 5(a) shall not constitute a default by the Issuer under the Capital Securities or for any other purpose.

### (b) *Settlement of Arrears of Interest*

#### *Optional Settlement*

Arrears of Interest may, subject as provided in this Condition 5(b), be paid (in whole or in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 17, the Fiscal Agent and the Paying Agents not less than seven Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Arrears of Interest (or part thereof).

If amounts in respect of Deferred Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Deferred Interest shall be payable before any of the Additional Interest Amounts;

- (ii) Deferred Interest accrued for any period shall not be payable until full payment has been made of all Deferred Interest that has accrued during any earlier period and the order of payment of the Additional Interest Amounts shall follow that of the Deferred Interest to which it relates; and
- (iii) the amount of Deferred Interest or Additional Interest Amounts payable in respect of any of the Capital Securities in respect of any period shall be *pro rata* to the total amount of all unpaid Deferred Interest or, as the case may be, Additional Interest Amounts accrued on the Capital Securities in respect of that period to the date of payment.

*Mandatory settlement*

The Issuer shall pay any Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

- (iv) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (v) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (vi) the date on which the Capital Securities are redeemed or repaid in accordance with Condition 6 or Condition 11.

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Condition 17, the Fiscal Agent and the Paying Agents within three Business Days of such Deferred Interest Payment Event.

## **6 Redemption**

*(a) Final Redemption Date*

Unless previously repaid, redeemed or purchased and cancelled as provided in these Conditions, the Capital Securities will be redeemed on the Maturity Date at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the Maturity Date.

*(b) Issuer's Call Option*

The Issuer may, by giving not less than 10 nor more than 60 days' notice to the Fiscal Agent, the Paying Agents and, in accordance with Condition 17, the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all, but not some only, of the Capital Securities then outstanding on the Optional Redemption Date at the relevant Optional Redemption Amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

*(c) Redemption upon a Tax Deductibility Event or a Capital Event*

If a Tax Deductibility Event or a Capital Event has occurred and is continuing, the Issuer may, by giving not less than 10 nor more than 60 days' notice to the Fiscal Agent, the Paying Agents and, in accordance with Condition 17, the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8, redeem all, but not some only, of the Capital Securities at any time at an amount equal to:

- (i) 101 per cent. of their principal amount, where such redemption occurs before the First Par Redemption Date; or
- (ii) 100 per cent. of their principal amount, where such redemption occurs on or after the First Par Redemption Date,

together, in each case, with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

**(d) *Redemption upon a Withholding Tax Event or a Substantial Repurchase Event***

If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 10 nor more than 60 days' notice to the Fiscal Agent, the Paying Agents and, in accordance with Condition 17, the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8, redeem all, but not some only, of the Capital Securities at any time at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

**(e) *Redemption for Change of Control Event***

If a Change of Control Event has occurred and is continuing, the Issuer may, by giving not less than 10 nor more than 60 days' notice (the "**Change of Control Notice**") to the Fiscal Agent, the Paying Agents and, in accordance with Condition 17, the Holders (which notice shall be irrevocable and specify the Change of Control Redemption Date) and subject to Condition 8, redeem all, but not some only, of the Capital Securities at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

The Issuer shall redeem the Capital Securities on the Change of Control Redemption Date, failing which Condition 4(i) shall apply.

*For so long as the Capital Securities remain outstanding, if (i) a Change of Control Event occurs and (ii), as a result of the Change of Control Event, the Issuer elects to redeem the Capital Securities pursuant to Condition 6(e) above, the Issuer intends (without thereby assuming a legal or contractual obligation) to launch a tender offer for its outstanding senior unsecured obligations that do not include a form of holder 'put option' (howsoever defined) exercisable upon the occurrence of an event the same as or substantially similar (as determined by the Issuer) to a Change of Control Event (together, the **Senior Securities**) at 100 per cent. of their aggregate principal amount plus accrued and unpaid interest. Such tender offer shall be made available, subject to all applicable laws, to all holders of the Senior Securities and will be effected in such a manner as to ensure that the purchase of any such Senior Securities, which are validly tendered pursuant to the tender offer, is completed prior to the redemption of the Capital Securities pursuant to Condition 6(e) above.*

## **7 Substitution or Variation**

If at any time a Tax Deductibility Event, a Capital Event or a Withholding Tax Event has occurred on or after the Issue Date and is continuing, then the Issuer may, subject to Condition 8 (without any requirement for the consent or approval of the Holders or Couponholders) and having given not less than 10 nor more than 60 days'

notice to the Fiscal Agent, the Paying Agents and, in accordance with Condition 17, the Holders (which notice shall be irrevocable), at any time either:

- (i) substitute all, but not some only, of the Capital Securities for Qualifying Capital Securities; or
- (ii) vary the terms of the Capital Securities with the effect that they remain or become, as the case may be, Qualifying Capital Securities.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Securities in accordance with this Condition 7.

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

## **8 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation**

Prior to the publication of any notice of redemption pursuant to Condition 6 (other than redemption pursuant to Condition 6(b)) or any notice of substitution or variation pursuant to Condition 7, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating:

- (i) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Capital Securities is satisfied;
- (ii) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it; and
- (iii) in the case of a substitution or variation pursuant to Condition 7, that:
  - (a) the Issuer has determined that the terms of the Qualifying Capital Securities are not materially less favourable to Holders and Couponholders than the terms of the Capital Securities and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
  - (b) the criteria specified in paragraphs (a) to (h) of the definition of Qualifying Capital Securities will be satisfied by the Qualifying Capital Securities upon issue; and
  - (c) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event.

In addition, in the case of a Tax Event or a Withholding Tax Event, the Issuer shall deliver to the Fiscal Agent an opinion of independent legal or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Capital Securities in accordance with Condition 6 shall be conditional on all Arrears of Interest being paid in full in accordance with the provisions of Condition 5(b)(vi) on or prior to the date of such redemption.

## 9 Purchases and Cancellation

### (a) *Purchases*

Each of the Issuer and any of its Subsidiaries may at any time purchase beneficially for its account any or all Capital Securities in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons and Talons appertaining thereto.

All Capital Securities purchased by the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary, be held, reissued, resold or surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons attached to them) to a Paying Agent.

### (b) *Cancellation*

All Capital Securities redeemed or substituted by the Issuer pursuant to Condition 6 or Condition 7, as the case may be, and all Capital Securities purchased and surrendered for cancellation pursuant to Condition 9(a), (in each case, together with all unmatured Coupons and unexchanged Talons relating thereto) will forthwith be cancelled.

Capital Securities held by the Issuer and/or any of its Subsidiaries shall not entitle the Holder to vote at any meeting of Holders and shall be deemed not to be outstanding for the purposes of calculating quorums at meetings of Holders or for any other purpose specified in Condition 14.

## 10 Payments

### (a) *Method of Payment*

- (i) Payments of principal, premium and interest will be made against presentation and surrender of Capital Securities or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Capital Securities. Such payments will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- (ii) Upon the due date for redemption of any Capital Security, unmatured Coupons relating to such Capital Security (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Capital Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iii) On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Capital Securities, the Talon forming part of such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet (to include another Talon for a further Coupon sheet, if appropriate) (but excluding any Coupons that may have become void pursuant to Condition 13).

### (b) *Payments Subject to Fiscal Laws*

Payments will be subject in all cases to any (i) fiscal or other laws and regulations applicable thereto in the place of payment, or other laws and regulations to which the Issuer or the Fiscal Agent are subject, but without prejudice to the provisions of Condition 12 and (ii) withholding or deduction required pursuant

to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA Withholding**").

(c) ***Days for Payments***

A Capital Security or Coupon may only be presented for payment on a day on which commercial banks and foreign exchange markets are open in the place of presentation, London and Stockholm (and, in the case of payment by transfer to a euro account, a day on which the TARGET System is operating) (a "**Payment Day**"). If a due date for payment falls on a day which is not a Payment Day, then the payment shall be available to Holders and Couponholders from the first Payment Day following such due date. No further interest or other payment will be made as a consequence of the day on which the Capital Security or Coupon may be presented for payment under this paragraph falling after the due date.

(d) ***Interpretation of principal, premium and interest***

References in these Conditions to principal, premium, Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any additional amounts which may become payable pursuant to Condition 12.

## **11 Default and Enforcement**

(a) ***Proceedings***

Without prejudice to the Issuer's right to defer the payment of interest under Condition 5(a), if a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Coupons and any Holder may institute proceedings for an Issuer Winding-up or an Issuer Re-construction.

In the event of an Issuer Winding-up or an Issuer Re-construction, a Holder may, provided such Holder does not contravene a previously adopted Extraordinary Resolution (if any), prove and/or claim in such Issuer Winding-up or, as the case may be, Issuer Re-construction in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Condition 3(a).

(b) ***Enforcement***

Any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Securities or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) ***Extent of Holders' Remedy***

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Holders or Couponholders, whether for the recovery of amounts owing in respect of the Capital Securities or the Coupons or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities or the Coupons.

## 12 Taxation

All payments of principal, premium and interest (including Arrears of Interest) in respect of the Capital Securities and the Coupons will be made without withholding or deduction for, or on account of, any present or future taxes or duties ("Taxes") of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders or the Couponholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest (including Arrears of Interest) which would otherwise have been receivable in respect of the Capital Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Capital Security or Coupon:

- (a) presented for payment by or on behalf of a Holder or Couponholder who is liable for such Taxes in respect of such Capital Security or Coupon by reason of such Holder or Couponholder having some connection with Sweden other than the mere holding of such Capital Security or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder would have been entitled to additional amounts on presenting the same for payment on such 30th day assuming that day to have been a Payment Day.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Capital Securities by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to any FATCA Withholding. Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## 13 Prescription

Claims against the Issuer in respect of the Capital Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment or made, as the case may be, within a period of 10 years in the case of Capital Securities (in respect of claims relating to principal and premium) and five years in the case of Coupons (in respect of claims relating to interest, including Arrears of Interest) from the Relevant Date relating thereto. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 or Condition 10(a)(iii).

## 14 Meetings of Holders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Capital Securities, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Holders holding not less than five per cent. in nominal amount of the Capital Securities for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities or Coupons (including, *inter alia*, the provisions regarding subordination referred to in Condition 3, the terms concerning currency and due dates for payment of principal, premium or interest (including Arrears of Interest) in respect of the Capital Securities and reducing or cancelling the principal amount of any Capital Securities, any premium or any Interest Rate), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less



than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Capital Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, and on all Couponholders.

The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the Holders representing 75 per cent. or more in nominal amount of the Capital Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the Holders representing 75 per cent. or more in nominal amount of the Capital Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Holders.

The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Condition 7 in connection with the substitution or variation of the terms of the Capital Securities so that they remain or become Qualifying Capital Securities.

The Fiscal Agent and the Issuer may agree, without the consent of the Holders or Couponholders, to

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Capital Securities, the Coupons or the Agency Agreement which is not, in the reasonable opinion of the Issuer, acting in good faith and a commercially reasonable manner, materially prejudicial to the interests of the Holders (which will not include, for the avoidance of doubt, any provision entitling the Holders to institute proceedings for an Issuer Winding-up or an Issuer Re-construction in circumstances which are more extensive than those set out in Condition 11); or
- (ii) any modification of the Capital Securities, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

In addition, the Fiscal Agent shall be obliged to use its reasonable endeavours to implement any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(j) without the consent of the Holders or Couponholders.

Any such modification, authorisation or waiver shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 17, as soon as practicable.

## **15 Issuer Substitution**

The Issuer, or any previously substituted company, may at any time, without the consent of the Holders or the Couponholders, substitute for itself as principal debtor under the Capital Securities and the Coupons on a subordinated basis equivalent to that referred to in Conditions 2 and 3 such company (the "**Substitute**") in the manner specified in the Agency Agreement, provided that no payment in respect of the Capital Securities or the Coupons is at the relevant time overdue. Such substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (a) the Substitute shall, by means of the Deed Poll, agree to indemnify each Holder and Couponholder against any Taxes which are imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Capital Security or Coupon and which would not have been so imposed had the substitution not been made, as well as against any Taxes and any cost or expense, relating to the substitution;

- (b) in the event that all the assets and liabilities of the Issuer are not assumed by the Substitute, the obligations of the Substitute under the Deed Poll, the Capital Securities and the Coupons shall be unconditionally and irrevocably guaranteed by the Issuer on the same subordinated basis as the Capital Securities under Condition 3 by means of the Deed Poll;
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Capital Securities and Coupons represent valid, legally binding and enforceable obligations of the Substitute and if applicable, of the Issuer have been taken, fulfilled and done and are in full force and effect;
- (d) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (e) each stock exchange which has the Capital Securities listed thereon shall have confirmed that, following the proposed substitution of the Substitute, the Capital Securities would continue to be listed on such stock exchange;
- (f) legal opinions addressed to the Holders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in paragraph (i) above and in England as to the fulfilment of the preceding conditions of this Condition 15 and the other matters specified in the Deed Poll; and
- (g) the Issuer shall have given at least 14 days' prior notice of such substitution to the Holders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Holders, will be available for inspection at the specified office of each of the Paying Agents.

## **16 Replacement of the Capital Securities, Coupons and Talons**

If any Capital Security, 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 Fiscal Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders in accordance with Condition 17, 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 Capital Security, 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 Capital Securities, Coupons or further Coupons) and otherwise as the Issuer may reasonably require.

Mutilated or defaced Capital Securities, Coupons or Talons must be surrendered before any replacement Capital Securities, Coupons or Talons will be issued.

## **17 Notices**

All notices regarding the Capital Securities shall be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Capital Securities are admitted to trading on the Luxembourg Stock Exchange's Euro MTF market, and listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that any such publication in a newspaper will be made in the *Financial Times* or any other daily newspaper in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any

other relevant authority) on which the Capital Securities are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication.

## 18 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Holders or the Couponholders to create and issue further securities ("**Further Capital Securities**") having terms and conditions the same as the Capital Securities or the same in all respects save for the amount and date of the first payment of interest on such Further Capital Securities and so that such Further Capital Securities shall be consolidated and form a single series with the outstanding Capital Securities.

## 19 Paying Agents

The Issuer is entitled at any time to vary or terminate the appointment of any Paying Agent and/or to appoint additional or other Paying Agents, and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be a Fiscal Agent; and
- (b) so long as the Capital Securities are listed on any stock exchange, there will at all times be a Paying Agent (which may be the Fiscal Agent) having a specified office outside Sweden in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 17.

## 20 Governing Law and Submission to Jurisdiction

The Agency Agreement, the Capital Securities, 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, the laws of England and Wales, other than the provisions of Condition 3 and any non-contractual obligations arising out of or in connection with them which are governed by, and shall be construed in accordance with, the laws of Sweden.

The Issuer hereby agrees for the exclusive benefit of the Paying Agents, the Calculation Agent, the Holders and the Couponholders, that the English courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Capital Securities and the Coupons (including any disputes relating to any non-contractual obligations arising out of, or in connection with them) and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in the English courts.

The Issuer hereby irrevocably waives any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the English courts and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. To the extent permitted by law, nothing in this Condition 20 shall limit any right to take Proceedings against the Issuer 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.

The Issuer appoints Business Sweden – The Swedish Trade and Invest Council at its office at 5 Upper Montagu Street, London, England, WIH 2AG as its agent in England for service of process in England and undertakes that, in the event of Business Sweden – The Swedish Trade and Invest Council ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceeding.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

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

The Capital Securities confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Capital Securities, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 22 Definitions

In these Conditions:

**"€500,000,000 NC6.25 Fixed Rate Reset Capital Securities"** means the Issuer's €500,000,000 Subordinated Fixed Rate Reset 6.25 year Non-Call Capital Securities due 2081 (ISIN: XS2082429890);

**"€900,000,000 NC6 Fixed Rate Reset Capital Securities"** means the Issuer's €900,000,000 Subordinated Fixed Rate Reset 6 year Non-Call Capital Securities due 2078 (ISIN: XS1590787799);

**"5 Year EUR Mid-Swap Rate"** means, with respect to a Reset Period:

- (a) the mid swap rate for euro swap transactions with a maturity of 5 years as published on Reuters screen **"ICESWAP2/EURSFIXA"** (formerly called "ISDAFIX2") under **"Euribor Basis EUR"** (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the **"Mid-Swap Page"**), as at approximately 11.00 a.m. (Central European time) on the Reset Interest Determination Date applicable to such Reset Period; or
- (b) if, on the Reset Interest Determination Date applicable to such Reset Period, no rate is calculated and published on the Mid-Swap Page, the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the bid and offered rates quoted by the Reset Reference Banks at the approximately 11.00 a.m. (Central European time) on such Reset Interest Determination Date for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which: (A) has a term of five years commencing on the relevant Reset Date; (B) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (C) has a floating leg (calculated on an Actual/360 day count basis) which is equivalent to six-month EURIBOR, provided that if fewer than two rates are so quoted, the 5 Year EUR Mid-Swap Rate shall be the 5 Year EUR Mid-Swap Rate determined by the Calculation Agent for the previous Reset Period or, in the case of the first Reset Interest Determination Date, 0.849 per cent.

**"2033 Step-up Date"** means 30 June 2033;

**"2048 Step-up Date"** means 30 June 2048;

**"Additional Interest Amount"** has the meaning given in Condition 5(a);

"**Affected Senior Securities**" means any of the Issuer's senior unsecured obligations that include a form of holder 'put option' (howsoever defined) ("**Put Option**") exercisable upon the occurrence of an event the same as or substantially similar (as determined by the Issuer) to a Change of Control Event;

"**Agency Agreement**" has the meaning given to it in the preamble to these Conditions;

"**Arrears of Interest**" has the meaning given in Condition 5(a);

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and Stockholm and on which the TARGET System is operating;

"**Calculation Agent**" means Citibank, N.A., London Branch, or any successor appointed in accordance with the Paying Agency Agreement;

"**Calculation Amount**" has the meaning given to it in Condition 4(b);

A "**Capital Event**" shall be deemed to occur if the Issuer has, directly or via publication by such Rating Agency, received confirmation, and notified the Holders in accordance with Condition 17 that it has so received confirmation from any Rating Agency that, due to any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, (a) all or any of the Capital Securities will no longer be eligible (or if the Capital Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Capital Securities would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed), for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Capital Securities at the Issue Date (or, if "equity credit" is not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) or (b) the length of time the Capital Securities are assigned a particular level of "equity credit" by that Rating Agency is shortened as compared to the length of time they were assigned that level of "equity credit" by that Rating Agency under its prevailing methodology on the Issue Date (or if "equity credit" was not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time);

"**Capital Securities**" has the meaning given in the preamble to these Conditions;

a "**Change of Control Event**" shall be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers) or any person or persons acting on behalf of such person(s) (the "**Relevant Person**") at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (each, a "**Change of Control**"), provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer; and

- (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), any of the Issuer's senior unsecured obligations carry from either of Moody's Investor Services Limited ("**Moody's**") and/or S&P Global Ratings Europe Limited ("**Standard and Poor's**" or "**S&P**") and/or any of their respective successors or affiliates or any other rating agency (each a "**Substitute Rating Agency**") of equivalent international standing specified by the Issuer (each, a "**rating agency**"),
- (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to investment grade credit ratings by such rating agency; or
- (B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any rating agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such rating agency; or
- (C) no credit rating, and no credit rating from another rating agency and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Issuer's senior unsecured obligations,

provided that if on the Relevant Announcement Date (a) any of the Issuer's senior unsecured obligations 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 (b) if none of the Issuer's senior unsecured obligations carry a credit rating which is investment grade but any of the Issuer's senior unsecured obligations carry a credit rating from more than one rating agency which is non-investment grade, then sub paragraph (B) will apply; and

- (iii) in making the relevant decision(s) referred to above, each 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. Upon receipt by the Issuer of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Holders in accordance with Condition 17.

If the rating designations employed by either of Moody's or Standard and Poor's are changed from those which are described in paragraph (ii) above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or Standard and Poor's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or Standard and Poor's and paragraph (ii) above shall be read accordingly.

"**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 during which any of the Issuer's senior unsecured obligations 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);

"**Change of Control Redemption Date**" means the date fixed by the Issuer and specified in the Change of Control Notice which shall be no earlier than either (i) if any Affected Senior Securities are outstanding, 60 clear days following the Change of Control Event; or (ii) if no Affected Senior Securities are outstanding, 30 clear days following the Change of Control Event.

"**Change of Control Step-up Date**" means either (i) if any Affected Senior Securities are outstanding, 60 clear days following the Change of Control Event or (ii) if no Affected Senior Securities are outstanding, 30 clear days after the Change of Control Event.

"**Conditions**" means these terms and conditions of the Capital Securities, as amended from time to time;

"**Coupon**" has the meaning given in the preamble to these Conditions;

"**Couponholder**" has the meaning given in the preamble to these Conditions;

"**Deferral Notice**" has the meaning given in Condition 5(a);

"**Deferred Interest**" has the meaning given in Condition 5(a);

a "**Deferred Interest Payment Event**" means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in the case of paragraph (b) above only, any optional partial payment of deferred interest or arrears of interest (howsoever described) on Parity Securities ("**Parity Securities Arrears of Interest**"), provided that any Arrears of Interest on the Capital Securities and all Parity Securities Arrears of Interest on Parity Securities outstanding at such same time are simultaneously paid on a *pro rata* basis;
- (iii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; or (3) hedging of convertible securities or hedging of other equity-linked securities; and

(iv) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value;

"euro" or "€" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**FATCA Withholding**" has the meaning given in Condition 10(b);

"**Fiscal Agent**" has the meaning given to it in the preamble to these Conditions;

"**First Par Redemption Date**" means 31 March 2028;

"**First Reset Date**" means 30 June 2028;

"**Further Capital Securities**" has the meaning given in Condition 18;

"**Holder**" has the meaning given in the preamble to these Conditions;

"**Initial Interest Rate**" has the meaning given in Condition 4(c);

"**Interest Amount**" has the meaning given in Condition 4(e);

"**Interest Payment**" means, in respect the payment of interest on an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4;

"**Interest Payment Date**" has the meaning given in Condition 4(a);

"**Interest Period**" means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means the Initial Interest Rate or the relevant Reset Interest Rate, as the case may be;

"**Issue Date**" has the meaning given in Condition 4(a);

"**Issuer**" means Telia Company AB (publ);

"**Issuer Re-construction**" has the meaning given in Condition 3(a);

"**Issuer Winding-up**" has the meaning given in Condition 3(a);

"**Make-Whole Margin**" means:

- (a) in respect of the period from (and including) the Issue Date to (but excluding) the 2033 Step-up Date, 0.40 per cent.;
- (b) in respect of the period from (and including) the 2033 Step-up Date to (but excluding) the 2048 Step-up Date, 0.45 per cent.; and
- (c) in respect of the period from (and including) the 2048 Step-up Date to (but excluding) the Maturity Date, 0.50 per cent.,



but excluding (where relevant) any day that falls on a Par Redemption Date;

"**Make-Whole Calculation Agent**" has the meaning given to it in the preamble to these Conditions;

"**Make-Whole Redemption Amount**" means an amount in euro (rounded to the nearest cent (with half a cent being rounded upwards)) calculated by the Make-Whole Calculation Agent equal to the higher of (a) 100 per cent. of the principal amount outstanding of the Capital Securities or (b) the sum of the present values on the Reference Date of the principal amount outstanding of the Capital Securities and the Remaining Term Interest on such Capital Securities (exclusive of interest accrued to the date of redemption) discounted to the Optional Redemption Date on an annual basis at the Reference Bond Rate, plus the Make-Whole Margin;

"**Margin**" means:

- (a) in respect of the period from (and including) the First Reset Date to (but excluding) the 2033 Step-up Date, 1.946 per cent.;
- (b) in respect of the period from (and including) the 2033 Step-up Date to (but excluding) the 2048 Step-up Date, 2.196 per cent.; and
- (c) in respect of the period from (and including) the 2048 Step-up Date to (but excluding) the Maturity Date, 2.946 per cent.;

"**Maturity Date**" means 30 June 2083;

"**Optional Redemption Amount**" means:

- (a) for any Optional Redemption Date other than an Optional Redemption Date that falls on a Par Redemption Date, the Make-Whole Redemption Amount; or
- (b) for any Optional Redemption Date that falls on a Par Redemption Date, the principal amount of the Capital Securities;

"**Optional Redemption Date**" has the meaning given to it in Condition 6(b);

"**Par Redemption Date**" means (i) any Business Day falling in the period from (and including) the First Par Redemption Date to (and including) the First Reset Date and (ii) each Interest Payment Date thereafter;

"**Parity Securities**" means any obligations of:

- (i) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities (and which shall include, for so long as any of the same remain outstanding, the SEK NC5.5 Fixed Rate Reset Capital Securities, the SEK NC5.5 Floating Rate Capital Securities, the €900,000,000 NC6 Fixed Rate Reset Capital Securities and the €500,000,000 NC6.25 Fixed Rate Reset Capital Securities); and
- (ii) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities;

"**Paying Agents**" has the meaning given to it in the preamble to these Conditions;

"**Payment Day**" has the meaning given to it in Condition 10(c);

**"Qualifying Capital Securities"** means securities that contain terms not materially less favourable to Holders and Couponholders than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect (and confirming that the conditions set out in (a) to (h) below have been satisfied) of two authorised signatories of the Issuer shall have been delivered to the Fiscal Agent prior to the substitution or variation of the Capital Securities), provided that:

- (a) they shall be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer; and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up or an Issuer Re-construction with the ranking of the Capital Securities; and
- (c) they shall contain terms which provide for the same interest rate from time to time applying to the Capital Securities and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Capital Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Capital Securities to any accrued interest, any Arrears of Interest and any other amounts payable under the Capital Securities which, in each case, has accrued to Holders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Capital Securities immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Capital Securities, save where any modifications to such terms are required to be made to avoid the occurrence or effect of a Tax Deductibility Event, a Capital Event or, as the case may be, a Withholding Tax Event or, in the case of a Capital Event occurring following any relevant refinancing of the Capital Securities, to avoid any part of the aggregate principal amount of the Capital Securities which benefitted from equity credit by the relevant Rating Agency prior to the occurrence of the Capital Event being assigned a level of equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) that is lower than the equity credit assigned on the Issue Date (or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time); and
- (i) they shall be (A) listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF market or (B) admitted to trading on any other stock exchange as selected by the Issuer on, or as soon as reasonably practicable after issue;

**"Quotation Time"** means 11:00 a.m. (Central European time);

**"Rating Agency"** means Moody's, Standard and Poor's and any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their successors or affiliates;

**"Reference Bond"** means (i) prior to the First Par Redemption Date, the German federal government bond bearing interest at a rate of 0.5 per cent per annum and maturing on 15 February 2028 (DE0001102440) (if such security is then outstanding and a quote is available on the Reference Screen Page) or (ii) (x) if prior to the First Par Redemption Date the German federal government bond bearing interest at a rate of 0.5 per cent per annum and maturing on 15 February 2028 (DE0001102440) is no longer outstanding or the Reference Screen Page does not quote the yield on such security, or (y) at any time after the First Par Redemption Date, a government security or securities selected by the Issuer in consultation with an independent investment bank of international standing on the Business Day immediately preceding the Reference Date and notified to the Make-Whole Calculation Agent, as having an actual or interpolated maturity comparable with the remaining term to the next occurring Par Redemption Date that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in euro and of a comparable maturity to the remaining term to the next occurring Par Redemption Date;

**"Reference Date"** will be the date set out in the relevant notice of redemption and shall in any event be no earlier than the day falling two Business Days prior to the relevant Optional Redemption Date;

**"Reference Bond Rate"** means, with respect to any Optional Redemption Date that does not fall on a Par Redemption Date, either: (1) the rate per annum equal to the annual yield to maturity of the Reference Bond displayed on the Reference Screen Page as of approximately the Quotation Time on the Reference Date, as determined by the Make-Whole Calculation Agent; or (2) if the Reference Screen Page is not available as of the Quotation Time on the Reference Date, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Optional Redemption Date, after excluding the highest such Reference Government Bond Dealer Quotation (or if, there is more than one highest Reference Government Bond Dealer Quotation, one only of those Reference Government Bond Dealer Quotations) and the lowest such Reference Government Bond Dealer Quotation (or if, there is more than one lowest Reference Government Bond Dealer Quotation, one only of those Reference Government Bond Dealer Quotations), or (B) if the Make-Whole Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Optional Redemption Date that does not fall on a Par Redemption Date, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards) at approximately the Quotation Time on the Reference Date quoted in writing to the Make-Whole Calculation Agent by such Reference Government Bond Dealer;

**"Reference Screen Page"** means Bloomberg HP page for the Reference Bond (using the settings "mid YTM" and "Daily" (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Bond, as determined by the Issuer in consultation with an independent investment bank of international standing;

**"Relevant Date"** means:

- (a) in respect of any payment other than a sum to be paid by the Issuer in an Issuer Winding-up or an Issuer Re-construction, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been duly received by the Fiscal Agent on or prior to such date,

the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders by or on behalf of the Issuer in accordance with Condition 17; and

- (b) in respect of any sum to be paid by or on behalf of the Issuer in an Issuer Winding-up or an Issuer Re-construction, the date which is one day prior to the date on which an order is made or a resolution is passed for such Issuer Winding-up or, as the case may be, Issuer Re-construction;

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

**"Remaining Term Interest"** means, with respect to any Capital Security, the aggregate amount of scheduled payment(s) of interest on such Capital Security for the remaining term to the next occurring Par Redemption Date, determined on the basis of the interest rate applicable to such Capital Security from and including the date on which such Capital Security is to be redeemed by the Issuer pursuant to Condition 6;

**"Reset Date"** means the First Reset Date and each fifth anniversary thereof up to and including 30 June 2078;

**"Reset Interest Determination Date"** means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;

**"Reset Interest Rate"** has the meaning given in Condition 4(d);

**"Reset Period"** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date thereafter;

**"Reset Reference Banks"** means four major banks in the European inter-bank market selected by the Issuer;

**"SEK NC5.5 Fixed Rate Reset Capital Securities"** means the Issuer's SEK1,500,000,000 Subordinated Fixed Rate Reset 5.5 year Non-Call Capital Securities due 2077 (ISIN: XS1590778889);

**"SEK NC5.5 Floating Rate Capital Securities"** means the Issuer's SEK5,000,000,000 Subordinated Floating Rate 5.5 year Non-Call Capital Securities due 2077 (ISIN: XS1590783533);

**"Special Event"** means any of a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event, a Withholding Tax Event, or any combination of the foregoing;

**"Subordinated Indebtedness"** means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up or an Issuer Re-construction to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities;

**"Subsidiary"** has the meaning provided in the Swedish Companies Act and **"Subsidiaries"** shall be construed accordingly;

a **"Substantial Repurchase Event"** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than 75 per cent. of the aggregate principal amount of the Capital Securities initially issued (which shall include, for these purposes, any Further Capital Securities);

**"Swedish Companies Act"** means The Companies Act (*Aktiebolagslagen (2005:551)*);

"**Swedish krona**" or "**SEK**" means the lawful currency of Sweden;

"**Talons**" has the meaning given in the preamble to these Conditions;

"**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;

"**Tax Deductibility Event**" means the receipt by the Issuer of an opinion of counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any interest payments under the Capital Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer;

"**Tax Law Change**" means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the Issue Date;

"**Taxes**" has the meaning given in Condition 12; and

a "**Withholding Tax Event**" shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities pursuant to Condition 12 and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

***The following text in italics does not form part of the Conditions:***

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Capital Securities (or any part thereof) only to the extent that the aggregate principal amount of the Capital Securities (or any part thereof) to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) by S&P at the time of their issuance does not exceed such part of the net proceeds received by the Issuer or any Subsidiary of the Issuer from the sale or issuance by the Issuer or any Subsidiary of the Issuer to third party purchasers of securities which are assigned by S&P at the time of sale or issuance of such securities an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned by S&P to the Capital Securities (or any part thereof) to be redeemed or repurchased (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Capital Securities).*

*The following exceptions apply as to the Issuer's replacement intention. The Capital Securities are not intended to be replaced:*

- (a) if the rating assigned by S&P to the Issuer is at least equal to the rating assigned by S&P to the Issuer as at the date of the last additional issuance of hybrid capital by the Issuer or any Subsidiary of the Issuer (excluding refinancings) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*

- (b) in the case of redemption or repurchase of less than (x) 10 per cent. of the aggregate principal amount of hybrid capital outstanding in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of hybrid capital outstanding in any period of 10 consecutive years, or*
- (c) if the Capital Securities are redeemed pursuant to a Capital Event, a Change of Control Event, a Withholding Tax Event, a Tax Deductibility Event or a Substantial Repurchase Event, or*
- (d) if the Capital Securities are not assigned any category of "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase) by S&P, or*
- (e) in the case of any redemption or repurchase, up to the maximum amount of Capital Securities redeemed or repurchased that would allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such redemption or repurchase to be equal to or greater than the maximum aggregate principal amount of hybrid capital to which S&P would assign any category of "equity credit" (or such similar nomenclature then used by S&P at the time of such repurchase); or*
- (f) if such redemption or repurchase occurs on or after the 2048 Step-Up Date.*

Capitalised terms used but not defined in the preceding paragraph shall have the meaning set out in the Conditions.

## Summary of provisions relating to the Capital Securities in Global Form

### *Global Capital Securities and Definitive Capital Securities*

The Capital Securities will initially be represented by a temporary global capital security (the "**Temporary Global Capital Security**") which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Temporary Global Capital Security will be exchangeable in whole or in part for interests in a permanent global capital security (the "**Permanent Global Capital Security**") not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Capital Security unless exchange for interests in the Permanent Global Capital Security is improperly withheld or refused. In addition, interest payments in respect of the Temporary Global Capital Security cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Capital Security will become exchangeable in whole, but not in part, for Capital Securities in definitive form (the "**Definitive Capital Securities**") in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, at the request of the bearer of the Permanent Global Capital Security against presentation and surrender of the Permanent Global Capital Security to the Fiscal Agent if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 11(a) occurs.

Whenever the Permanent Global Capital Security is to be exchanged for Definitive Capital Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Capital Securities, duly authenticated and with Coupons (and, if applicable a Talon) attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Capital Security to the bearer of the Permanent Global Capital Security against the surrender of the Permanent Global Capital Security to or to the order of the Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event.

### *Modifications to the terms of the Capital Securities whilst in global form*

In addition, the Temporary Global Capital Security and the Permanent Global Capital Security will contain provisions which modify the Conditions as they apply to the Capital Securities for so long as they are represented by the Capital Security and/or the Capital Security. The following is a summary of certain of those provisions:

#### *Payments*

All payments in respect of the Temporary Global Capital Security and the Permanent Global Capital Security will be made to, or to the order of, the bearer of the same against presentation for endorsement and (in the case of payment of principal in full with all Arrears of Interest and any other interest accrued thereon) surrender of the Temporary Global Capital Security or (as the case may be) the Permanent Global Capital Security to any Paying Agent, and each payment so made will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the relevant amount so paid on the Capital Securities.

On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Capital Security or the Permanent Global Capital Security, the Issuer shall procure that the payment is noted in a schedule thereto.

### *Calculation of interest*

For so long as all of the Capital Securities are represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be), interest shall be calculated in respect of the entire principal amount of Capital Securities represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be) and not per Calculation Amount as provided in Condition 4(b).

### *Transfers*

Transfers of book-entry interests in the Capital Securities will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

### *Redemption and cancellation*

Any redemption or purchase and cancellation of any Capital Securities will be effected by a corresponding reduction in the nominal amount of the Temporary Global Capital Security or the Permanent Global Capital Security representing such Capital Securities.

### *Notices*

For so long as all of the Capital Securities are represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be) and the same are deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Holders may be given, in lieu of publication as provided in Condition 17, by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for onwards transmission to the Holders and, in any case, such notice shall be deemed to have been given to the Holders on the date of delivery of the notice to Euroclear and Clearstream, Luxembourg.

For so long as such Capital Securities are admitted to listing and/or trading on any market or stock exchange, notice shall also be given in such manner as may be required or permitted by the rules of such market or stock exchange.

### *Clearing Systems*

References herein to Euroclear and Clearstream, Luxembourg shall include any successor or other clearing system in which the Capital Securities may be cleared and/or traded from time to time.



## Use of Proceeds

The Issuer intends to allocate an amount equal to the net proceeds from the issue of the Capital Securities to one or more Eligible Green Projects (as defined under the Issuer's Green Bond Framework available on its website).

Sustainalytics (an independent provider of research-based evaluations of green financing frameworks that determine their environmental robustness) has evaluated the Issuer's Green Bond Framework and issued a second party opinion (the "**Second Party Opinion**") on the Issuer's Green Bond Framework verifying its credibility, impact and alignment with the International Capital Markets Association's 2018 Green Bond Principles. The second-party opinion is available on following website (<https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/telia-company-green-bond-framework-second-party-opinion.pdf>).

None of the Issuer's Green Bond Framework, the Second Party Opinion or any public reporting by or on behalf of the Issuer in respect of the application of proceeds are incorporated by reference into this Prospectus, nor do they constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for the Capital Securities.

## Description of the Issuer

### Overview

The Issuer's legal and commercial name is Telia Company AB (publ) ("**Telia Company**"), as adopted at its Annual General Meeting on 12 April 2016. The Issuer's previous legal and commercial name was TeliaSonera AB (publ) ("**TeliaSonera**"). The Issuer was incorporated in and under the laws of Sweden on 24 January 1966 and operates as a public limited liability company, registered under the laws of Sweden with registration number 556103-4249. The Issuer's address is Stjärntorget 1, 169 94 Solna, Sweden with telephone number +46 8 504 55000. The Issuer's website is <https://www.teliacompany.com/en>.

TeliaSonera was created as a result of Telia AB acquiring Sonera Corporation in December 2002 (the "**Merger**"). The Merger brought together two of the leading telecommunications companies in the Nordic region to form the leading telecommunications group in the Nordic and Baltic region.<sup>1</sup> Telia Company was previously a leading provider of mobile services in Eurasia, including holdings in one of the leading mobile operators in Turkey. In October 2017, Telia Company's business in Russia was disposed of and in October 2020 Telia Company disposed of its remaining holdings in Turkcell.

In October 2020, Telia Company also reached an agreement to divest its Telia Carrier business to Polhem Infra at a value of SEK 9,450 million on a cash and debt free basis. The transaction was completed in June 2021.

For the year ended 31 December 2021, net sales of Telia Company and its subsidiaries (together, the "**Group**") amounted to SEK 88.3 billion for continuing operations and the Group had 19,566 employees.

During 2021, the Group's operating income, excluding adjustment items from continuing operations, amounted to SEK 10,033 million (compared to SEK 11,457 million in 2020). Adjusted EBITDA decreased in 2021 to SEK 29,861 million (SEK 30,482 million in 2020). In 2021, free cash flow from continuing and discontinued operations decreased to SEK 11,729 million (SEK 15,114 million in 2020).

On 31 December 2021, the Group's net debt (interest-bearing liabilities less derivatives recognised as financial assets (and hedging long-term and short-term borrowings and related credit support annex (CSA)), less short-term investments, long-term bonds available for sale and cash/cash equivalents) was SEK 63,133 million (SEK 78,343 million in 2020). The decrease was mainly due to the divestment of Telia Carrier as well as a minority stake of the tower businesses in Finland and Norway.

In the table below, the calculation of percentages in the "Percentage (%) of total shares" column is based upon the total number of Telia Company shares (ISIN: SE0000667925) outstanding on 31 December 2021:

Shareholder	Total number of shares	Percentage (%) of total number of shares
Swedish State .....	1,614,513,748	39.5
BlackRock .....	123,469,315	3.0
Vanguard .....	77,309,192	1.9
Swedbank Robur Funds .....	68,420,837	1.7
Nordea Funds .....	58,909,498	1.4
Handelsbanken Funds .....	47,878,267	1.2
Norges Bank .....	32,053,860	0.8
SEB .....	32,019,919	0.8

<sup>1</sup> Statements in this section relating to Telia Company's competitive position in the geographical markets in which it operates are based upon estimates by Telia Company with respect to number of subscriptions.

Shareholder	Total number of shares	Percentage (%) of total number of shares
Mondrian Investment Partner .....	31,282,638	0.8
Folksam.....	30,948,065	0.8
Other shareholders .....	1,972,826,363	48.2
<b>Total shares outstanding .....</b>	<b>4,089,631,702</b>	<b>100.0</b>

The shares of Telia Company are listed on Nasdaq Stockholm and Nasdaq Helsinki.

## Purpose and Strategy<sup>2</sup>

### *Purpose: Reinvent better connected living*

In January 2021, Telia Company set out a new purpose and an updated strategy to create a better Telia Company and to cater for the evolving needs that are emerging from living in an ever more connected world. Telia Company's purpose is to "*reinvent better connected living*", and led by this purpose Telia Company aims to grow its business and deliver sustainable value creation to shareholders through four key strategic pillars: *Inspire, Connect, Transform* and *Deliver*. Under these strategic pillars Telia Company aims to:

- *inspire customers* and offer value beyond connectivity. Telia Company will act on opportunities in the areas of innovation, digitalisation and sustainability and enable and support its business customers to digitalise sustainably by bringing together the internet of things, crowd analytics, security solutions and more. Telia Company will also simplify its customer experience to make it even easier to become and remain a Telia Company customer;
- *connect customers* by continuing to build gigabit networks including fibre, fixed wireless access and 5G as well as leveraging modern software-based technologies;
- *transform to digital* by radically simplifying its operations to evolve into a simpler, faster, more agile and efficient company. Telia Company will reduce complexity in its product portfolio and move to a modular setup with agile development to cater for better customer experiences. Similarly, Telia Company will digitalise and automate processes further, leveraging AI and machine learning; and
- *deliver sustainably* by following its transformation programme to ensure momentum in the execution of its strategy. Telia Company aims to grow the structural part of its cash flow at the same time as delivering on an ambitious agenda around environmental issues, human rights, diversity/inclusion and ethics in satisfaction of both its internal aspirations and its external commitments.

Through its strategy Telia Company hopes to have loyal customers, engaged employees and satisfied shareholders and to help build an empowered society where the planet is preserved for generations to come.

### Code of Responsible Business Conduct

In September 2016, Telia Company launched its new Code of Responsible Business Conduct (the "**Code**") that replaced the previous code of ethics and conduct.

The Code aims to raise awareness and engagement with regards to ethics, values, dilemmas, culture and leadership. The Code clearly reflects the expectations of employees and management as well as the consequences of non-

<sup>2</sup> References in the section entitled "Purpose and Values" to "we" or "our" are to the Issuer.

compliance. Its 17 chapters reflect the Group's policies and instructions and provide practical, instructional information on how to interpret the Code requirements. In addition, it includes information about contact points for raising concerns and whistle-blowing through the externally available Speak-Up Line. The Code is available at <http://dontdothisatwork.teliacompany.com/>.

### **Capital management**

Telia Company's capital structure and dividend policy is decided by its Board of Directors. Telia Company targets a leverage corresponding to Net debt/adjusted EBITDA in the range of 2.0-2.5x and a solid investment grade long-term credit rating of A- to BBB+. Telia Company intends to follow a progressive dividend policy, with a floor of SEK 2.00 per share and an ambition for low to mid-single digit percentage growth. There can, however, be no guarantee that Telia Company will be able to meet such targets.

Operational free cash flow is currently expected to cover the minimum distribution level throughout the 2021-2023 period. The structural part of operational free cash flow is currently expected to cover the minimum level of dividend from 2022. There can, however, be no guarantee that such expectations will not change after the date of this Prospectus.

### **Organisational structure**

Telia Company's operations are focused on the Nordic and Baltic regions. Telia Company connects businesses, individuals, families and communities via fixed and mobile communication solutions. Its services have a positive effect on social, economic and environmental development and pave the way for an inclusive society. Telia Company allows people to stay in touch wherever they are in the world.

Telia Company's largest businesses are mobile, broadband, TV and fixed-line operations in the Nordics and Baltics. Following the acquisition of media company Bonnier Broadcasting in December 2019, a new segment – TV and Media – was created.

During 2015, the Board of Directors announced the decision to gradually reduce Telia Company's presence in the Eurasia region, enabling Telia Company to fully focus on its core markets. Telia Company's organisational structure changed as of 1 January 2017, in order to enhance business focus and facilitate quicker decision making across the Group whilst ramping up execution across the Nordic and Baltic markets and at the same time maintaining focus on its responsible business agenda. Telia Company's businesses in the Eurasia region had been fully divested as of the date of this Prospectus.

Telia Company's organisational structure is mainly country-based, comprising (as at the end of 2021) of Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, TV and Media and Other operations.

### ***Group functions***

The Group functions assist the CEO in setting the framework for the activities of Telia Company in the countries in which it operates and provide the businesses in those countries with process development support and common platforms within the areas communication, corporate strategy, finance, procurement, human resources and corporate affairs, as well as Group-wide commercial and technology issues.

In 2021, Telia Company's total net sales amounted to SEK 88.3 billion for continuing operations.

The following table sets forth Telia Company's net sales by segment for the twelve months ended 31 December 2021:

<b>Segment</b>	<i>Net sales (SEK in millions)</i>
Sweden .....	34,451
Finland .....	14,504
Norway .....	13,788
Denmark .....	5,214
Lithuania .....	4,320
Estonia .....	3,331
TV and Media .....	8,648
Other operations .....	5,723
Eliminations .....	-1,635
<b>TOTAL</b> .....	<b>88,343</b>

### WHERE TELIA COMPANY OPERATES

Telia Company stands firmly in the Nordics and Baltics.

Country	Brands	Market Share <sup>3</sup>		
			Market Position	Market Share (%)
Sweden	Telia	Mobile	#1	34
	Halebop	Fixed Voice	#1	42
	Fello	Broadband	#1	29
		TV	#2	21
Finland	Telia	Mobile	#2	31
		Fixed Voice	#3	11
		Broadband	#3	25
		TV	#3	19
Norway	Telia	Mobile	#2	35
	OneCall	Fixed Voice	#2	11

<sup>3</sup> Telia Company's market share estimate is based on the number of subscriptions.

	MyCall	<b>Broadband</b>	#2	21
	Phonero	<b>TV</b>	#2	26
<b>Denmark</b>	Telia	<b>Mobile</b>	#3	20
	Call me	<b>Fixed Voice</b>	#3	8
	Mit Tele	<b>Broadband</b>	#5	2
		<b>TV</b>	#4	1
<b>Estonia</b>	Telia	<b>Mobile</b>	#1	49
	Diil	<b>Fixed Voice</b>	#1	86
		<b>Broadband</b>	#1	52
		<b>TV</b>	#1	39
<b>Latvia</b>	Telia	<b>Mobile</b>	#1	45
	Lmt			
	Amigo			
<b>Lithuania</b>	Telia	<b>Mobile</b>	#2	30
	Ezys	<b>Fixed Voice</b>	#1	83
		<b>Broadband</b>	#1	52
		<b>TV</b>	#1	38

#### OWNERSHIP – SUBSIDIARIES

<b>Country</b>	<b>Main Trademarks</b>	<b>Ownership (%)<sup>4</sup></b>	<b>Consolidated share (%)<sup>5</sup></b>
Sweden	Telia, Halebop	100.0	100.0
Finland	Telia	100.0	100.0
Norway	Telia, OneCall, MyCall, Phonero	100.0	100.0
Denmark	Telia, Call me, Mit Tele	100.0	100.0

<sup>4</sup> Ownership is defined as direct and indirect ownership, i.e., effective ownership.

<sup>5</sup> Consolidated share includes commitments to acquire shares from holders of non-controlling interests.

Estonia	Telia, Diil	100.0	100.0
Latvia	Telia, Lmt, Amigo	60.3	60.3
Lithuania	Telia, Ezys	88.2	88.2

## OWNERSHIP – ASSOCIATED COMPANIES

Country	Trademark	Ownership (%) <sup>19</sup>	Consolidated share (%) <sup>20</sup>
Latvia	Tet	49.0	49.0

### Key regulation

#### *European Union*

As Member States of the European Union (the "EU"), Sweden, Finland, Denmark, Lithuania, Latvia and Estonia are required to follow EU regulations and enact domestic legislation to give effect to EU directives. Norway is under some obligations as a party to the European Economic Area Agreement.

The European Electronic Communications Code ("EECC") that was adopted in December 2018 is a central piece of telecom legislation for achieving Europe's Gigabit society. This overhaul of the regulatory framework for the European telecommunications industry covers rules ranging from allocation of spectrum licences, investment conditions for roll-out of very high-capacity networks and access to networks of dominant operators to detailed consumer protection rules for different electronic communications services. All EU countries were required to fully transpose the EECC into national law by 21 December 2020. However, among the countries in which Telia Company operates, only Finland and Denmark transposed the EECC within the deadline, while in other countries the transposition was delayed, and Sweden is still in the process of transposition. EEA countries are also expected to adopt the EECC legal framework though some countries such as Norway are still in the process of adopting the framework.

In line with the EECC, the European Commission has adopted measures to reinforce the existing objectives of competition and internal market, protect consumers and allow fair rates and varied offers for internet and telephone services. These measures include a new Delegated Regulation setting an EU-wide single maximum for voice termination rates that operators may charge one another for delivering fixed and mobile calls between their networks and an updated Recommendation on Relevant Markets (the "**Commission Recommendations**") updating the list of predefined markets which European National Regulatory Authorities ("**NRAs**"), are required to regularly review.

The Commission Recommendations define the two relevant markets (wholesale local access provided at a fixed location and wholesale dedicated capacity market) that the NRAs must analyse. NRAs can nevertheless also regulate markets that are not listed in the Commission Recommendations based on national circumstances. In such cases, the NRA has to prove that a market satisfies three criteria: (i) a market has no high and non-transitory barriers to entry, (ii) a market has a structure that does not tend towards effective competition and (iii) competition law alone is insufficient to adequately address the identified market failures.

NRAs then determine and designate companies having significant market power ("**SMP**") within those markets. They can impose or maintain *ex ante* sector-specific obligations when *ex post* remedies of competition law are not adequate to meet the market problems identified. Possible obligations could include *inter alia* transparency, accounting separation, network access and price control. If a market is found to be effectively competitive, existing obligations should, according to the regulatory framework, be withdrawn.

There are also special directives on electronic commerce, security regulations and on a number of other areas of relevance to Telia Company's operations. The regulatory regimes in each of the aforesaid countries in which Telia Company operates shall be generally based on the requirements of the EEC and other directives and regulations.

Since June 2017, EU and EEA operators have not been allowed to apply any surcharges for retail roaming, otherwise known as "Roam-Like-At-Home" ("**RLAH**"). The current roaming rules, which will expire after 30 June 2022, were reviewed and discussed by EU co-legislators and, as a result, political agreement on the EU Roaming Regulation review was reached in December 2021 to extend the current roaming rules, including RLAH, until 30 June 2032. Within the key areas for Telia Company the new rules provide the following adjustments: wholesale data roaming charges will be capped at €2 per gigabyte in 2022 and progressively reduce to €1 per gigabyte from 2027 onwards; intra-EU communication charges will not be abolished for now despite being proposed late in the process, the European Commission will, however, assess whether further reduction of the caps is necessary; and the machine-to-machine (M2M) sector will continue to be regulated as part of human RLAH roaming. The new roaming rules will enter into force on 1 July 2022.

The Telecom Single Market Regulation, which covers RLAH, also addresses net neutrality. The net neutrality legislation is meant to ensure that users will be free to access the content of their choice. Internet access service providers will not be allowed to unfairly block or slow down internet traffic, and paid prioritisation will not be allowed. The law still permits internet access providers to offer specialised services of higher quality, such as Internet TV and new innovative applications, so long as these services are not supplied at the expense of the quality of the open Internet. These obligations came into force on 30 April 2016. In June 2020, the Body of European Regulators for Electronic Communications ("**BEREC**") published Net Neutrality Guidelines to provide guidance on the implementation of the obligations, as well as recommendations to NRAs focusing on consistent application of the net neutrality rules. However, the guidelines are currently under review following the latest interpretation of net neutrality rules by the Court of Justice of the European Union (CJEU) where the court has held that limitations on bandwidth, tethering or use when roaming will be incompatible with EU law and also that zero-rating is therefore incompatible with the rules on net neutrality.

The EU General Data Protection Regulation ("**GDPR**"), that has directly applied since 25 May 2018, aims to ensure Europeans get more control over their personal data and make it easier for businesses to operate and innovate in the EU's Single Market under a harmonised set of rules. GDPR rules focus on strict accountability of data controllers and are enforced by strict sanctions. Telia Company has a Group Data Protection Officer ("**DPO**") office consisting of DPOs from core markets and Group functions handling GDPR governance work. The objective of the office is to monitor GDPR compliance and carry out reviews and controls of GDPR fulfilment in core markets. The Group DPO office regularly reports on GDPR compliance to Group Executive Management and the Board of Directors.

During the course of 2021, only minor progress was made on the new E-Privacy Regulation (the "**EPR**"), which focuses on protection of confidentiality of communications and the processing of traffic data. The EPR is expected to align better with GDPR than the current e-privacy directive and will also provide one set of rules for the whole of the EU/EEA which is positive for Telia Company. However, the EPR will also increase the level of sanctions for breaches of processing of traffic data and it is still unknown whether the law will be adopted in 2022 or later.

In the last decade there has been a clear shift from "traditional" telecom laws having the greatest impact on Telia Company to Telia Company being most impacted by regulation that relates to Telia Company being a provider of critical infrastructure, being a "gate keeper of the internet", and being a facilitator of creating digital footprints of users – i.e., privacy laws, net neutrality, security laws, data sharing laws and similar.

In 2020, the European Commission published a proposal for a Digital Services Act ("**DSA**") that includes rules in relation to handling of illegal or potentially harmful content online, including liability of online providers for third party content. Telia Company is currently not primarily in scope of the draft DSA but may be impacted by the regulation if the scope is not sufficiently clear/limited. Negotiations among EU co-legislators are expected to start at the beginning of 2022 and new regulation is expected to be adopted in late 2022.



The European Commission has a strategic ambition to create a single market for data. Among other initiatives, the European Commission is currently working on an adoption of new legislation on harmonised rules on fair access to and use of data (the "**Data Act**"). On 23 February 2022, the European Commission presented the draft Data Act, in the form of a regulation. It aims to increase access to, and further use of, data, so that public and private actors can overcome difficulties of access to, and use of, data in specific situations, including in a business-to-government (B2G) and business-to-business ("**B2B**") context. Data standardisation, data access and data porting requirements may have a profound impact on Telia Company. However, it may also provide a potential for Telia Company to benefit from a clarified/standardised framework for B2B data sharing and enhanced rights to databases. Before final adoption, the draft Data Act will undergo legislative scrutiny by the European Parliament and the Council. Potential adoption is not expected earlier than the second half of 2023. The Data Act, once adopted, would be directly applicable across EU member states and would apply 12 months after the date of entry into force.

Since harmful content online is spreading in an unprecedented manner and has been highlighted in the context of recent terror attacks, a new EU Regulation known as the Terrorist Content Regulation has been adopted and will be applicable as of 7 June 2022. It aims to allow the submission of cross-border orders for taking down alleged terrorist content. Although the scope of the new rules is largely limited for Telia Company (only hosting services are within the Regulation's scope), the biggest burden for Telia Company will be guaranteeing the possibility and ability to react within one-hour in the case of any such cross-border orders.

### *Sweden*

In Sweden, the Act on Electronic Communications implements the legislation relating to the EECC. Telia Company has SMP status on the wholesale markets for interconnection in the fixed network and in the mobile network and for network infrastructure access. The Swedish NRA ("**PTS**") has imposed obligations on all of these markets. On the market for network infrastructure access, PTS has imposed an obligation of non-discrimination based on Equivalence of Input, effective from 1 December 2016. At the same time, the price regulation on fibre access was withdrawn. PTS has started a new analysis on this market.

On the markets for terminating segments of leased lines and on the market for access to the public telephone network PTS has withdrawn the SMP status for Telia Company.

### *Finland*

In Finland, Telia Company is subject to the Act on Electronic Communications Services and related regulations, decrees and administrative decisions which implement the EECC. The Act on Electronic Communications Services integrates key provisions that apply to the communications industry under one Act. The Act on Electronic Communications Services was amended in early 2021 due to the transposition of the EECC.

Telia Company and its competitors are subject to varying SMP obligations in the following markets, where the Finnish NRA (Traficom) has issued SMP decisions: wholesale call termination on individual fixed public telephone networks, wholesale local access provided at fixed location, wholesale central access provided at a fixed location for mass-market products, wholesale high quality access provided at fixed location and wholesale voice call termination on individual mobile networks.

### *Other*

In Denmark, Estonia, Latvia, Lithuania and Norway, Telia Company's companies have been found to have SMP status both in fixed and mobile markets.

Implementation of pricing restrictions such as fixed or cost-based pricing or other obligations imposed by the relevant NRAs on Telia Company in any of the jurisdictions it operates might have an adverse effect on its business, financial condition and results of operations.

## **Competition Laws**

Telia Company is subject to the competition laws of the countries in which it operates, local competition laws and rules and EU competition laws. Companies breaching the competition rules may be forced to pay damages that can be substantial.

### ***The European Union***

The EU competition rules set out in the EC Treaty and EU legislation are binding on EU Member States and are therefore applicable to Telia Company's operations in the EU. If those rules are breached, the European Commission may impose fines of up to ten per cent of a company's revenues on a consolidated basis in the preceding financial year. The EU competition rules are applicable to restrictions on competition which may have an appreciable effect on trade between Member States.

So long as Sweden exercises a significant influence over Telia Company, the European Commission could bring proceedings against Telia Company directly, or bring proceedings against Sweden, to ensure that Telia Company complies with EU competition rules. This means that Telia Company might face two different proceedings, the latter of which it could not directly influence and to which it would not be a party.

Given that the Swedish State holds, as of 31 December 2021, 39.5 per cent of Telia Company's outstanding shares, there is always a possibility that Telia Company's competitors might allege that Telia Company's transactions with the Swedish State involve an element of state aid, or that the European Commission may launch a formal investigation of such a transaction on its own initiative. The European Commission has the power to order suspension of aid payments and require the recovery of aid already granted, including accrued interest. These rules do not apply when a state contributes capital in circumstances that would be acceptable to a private investor operating under normal market economy conditions.

The local competition authorities in the relevant markets where Telia Company is present are empowered to issue injunctions, and to enjoin a party to discontinue immediately practices that are not permitted under the local competition acts. The competition authorities and the NRAs can cooperate to facilitate investigations of anti-competitive behaviour in the telecommunications services sector.

## **International Obligations**

Over 70 member countries of the World Trade Organisation have entered into a Basic Telecommunications Agreement ("**BTA**") to provide market access to some or all of their basic telecommunications services. The BTA took effect in February 1998. Signatories under the BTA have made commitments to provide "market access", requiring them to refrain from imposing certain quotas or other quantitative restrictions in specified telecommunications services sectors, and to provide "national treatment" by ensuring that foreign telecommunications service suppliers are accorded the same treatment as national service suppliers. In addition, a number of signatories, including Sweden and Finland, have agreed to abide by certain pro-competitive principles set forth in a reference paper relating to the prevention of anti-competitive behaviour, interconnection, universal service, transparency of licensing criteria, independence of the regulator and non-discriminatory allocation of scarce resources.

## **Sustainability**

### ***Governance and focus areas***

#### ***Governance***

It is Telia Company's firm belief that integrating sustainable and responsible business practices in all aspects of business and strategy is a prerequisite for sustainable growth and profitability, which in turn creates long-term value for shareholders and supports sustainable development.

Telia Company has adopted a stakeholder-based approach to identify and manage the most material business aspects, including related risks and opportunities. This approach is based on continuous engagement with key stakeholder groups to identify, understand and manage the most material current and future impacts on its stakeholders, society and the environment. Such impacts guide how Telia Company operates and are reflected in Telia Company's commitment to make substantial progress towards reaching the UN Sustainable Development Goals.

The ultimate responsibility for sustainability oversight lies with Telia Company's Board of Directors. Group Executive Management and the Governance, Risk, Ethics & Compliance committee ("**GREC**") meetings are the primary decision-making forums for sustainability-related topics. Group Executive Management, GREC and the Board of Directors receive quarterly updates on sustainability performance covering key sustainability focus areas as well as other relevant topics and performance highlights.

#### ***Commitments***

Telia Company is committed to a number of international guidelines on human rights, labour rights, anti-corruption and environmental responsibility. These include:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

These guidelines form the foundation of the Code of Responsible Business Conduct which is approved by Telia Company's Board of Directors. The requirements set by the Code of Responsible Business Conduct, which go beyond legal compliance and apply to all employees, lay out how to engage with stakeholders in a way that ensures the highest degree of ethical business practices and behaviour.

#### ***Impact areas***

In January 2021, based on a deepened materiality assessment, Telia Company identified ten impact areas (listed below, the first three of which are priority impact areas) that create or protect value for the Telia Company as a business and for its stakeholders:

- Climate and circularity
- Digital inclusion

- Privacy and security
- Human rights
- Children's rights
- Freedom of expression and surveillance privacy
- Diversity, inclusion and equal opportunity
- Health and well-being
- Responsible sourcing
- Anti-bribery and corruption.

### ***Environmental agenda***

To forcefully address the climate crisis and the unsustainable use of natural resources, Telia Company has adopted ambitious environmental goals to be reached by 2030. The goals were presented at Telia Company's capital markets day in March 2019 and consist of zero CO<sub>2</sub> emissions throughout the value chain, and zero waste from Telia Company's operations. The 2030 goals are broken down into a number of more specific 2022 goals as well as science-based targets to be reached by 2025.

### ***Green bond framework***

In October 2019, Telia Company launched a green bond framework, which is available for viewing on Telia Company's website at <https://www.teliacompany.com/globalassets/telia-company/documents/investors/telia-company-gbf.pdf>. The framework is part of Telia Company's work to implement a sustainable finance strategy and is closely tied to its environmental goals. The framework has been prepared in line with the four pillars of the 2018 Green Bond Principles administered by the International Capital Markets Association. In addition, particular attention has been paid to the European Telecommunications Network Operators' official response to the European Commission's call for industry feedback in its efforts towards developing an EU taxonomy for sustainable activities. The framework has received a second party opinion from the independent ESG research provider Sustainalytics. The framework includes four use of proceeds categories:

- Renewable energy;
- Green digital solutions;
- Energy efficiency; and
- Green buildings.

During 2020, Telia Company issued two securities under the framework: (i) a EUR 500 million green hybrid bond maturing in 2081 (ISIN: XS2082429890); and (ii) a SEK 750 million green bond in senior format (ISIN: XS2187605030).

### ***Sustainability reporting***

Telia Company annually reports its sustainability performance in the combined Annual and Sustainability Report. The sustainability reporting is reviewed by the external auditors.

### ***Whistle-blowing process***

Telia Company's Board of Directors has established a whistle-blowing tool (Speak-Up Line) available in 11

languages, enabling employees and others to anonymously and confidentially report violations of proper accounting, reporting or internal controls, as well as non-compliance with local laws or breaches of Telia Company's Code of Responsible Business Conduct, group policies and group instructions. Telia Company has a group-wide standard for performing internal investigations. The guiding principle is to ensure that investigations are conducted objectively and impartially; are carried out in a way to swiftly establish the facts with minimum disruption to the business or the personal lives of employees; and to make sure that confidentiality and non-retaliation are respected at all times.

### ***Mergers and acquisitions***

Group staff function Corporate Affairs is responsible for mergers and acquisitions in order to further strengthen internal controls by separating the elements of execution and control. A merger and acquisitions manual containing instructions and outlining a clear process for conducting acquisitions governs the activities.

### **Board of Directors**

Telia Company's Board of Directors has nine ordinary members and two employee representatives and, as such, union appointees. Details of the ordinary members of Telia Company's Board of Directors, elected at the latest Annual General Meeting held on 12 April 2021, including, where relevant, the principal activities performed by such members outside the Issuer, are listed below together with shareholding details (including shareholdings by spouses and/or affiliated persons when appropriate):

#### **Lars-Johan Jarnheimer (born 1960)**

Chair of the Board. Elected to the Board of Directors in 2019. Lars-Johan Jarnheimer is chair of the Board of Directors of Ingka Holding B.V (IKEA), Egmont International Holding AS, Arvid Nordqvist HAB and of the Polar Music Award Board and is a board member of SAS AB, Point Properties AB and Elite Hotels. He has been CEO of Tele2 (between 1999-2008), deputy CEO and CEO of Comviq and has held various positions within H&M. Lars-Johan Jarnheimer holds a Bachelor of Science in Business Administration and Economics.

Shares in Telia Company: 20,097

#### **Ingrid Bonde (born 1959)**

Vice-Chair of the Board. Elected to the Board of Directors in 2020. Ingrid Bonde is chair of the Board of Alecta, Apoteket AB and Hoist Finance and board member of Securitas AB. Ingrid Bonde was previously Chief Financial Officer and deputy Chief Executive Officer of Vattenfall, Chief Executive Officer of AMF, Director General of Finansinspektionen and Deputy Director General of Riksgäldskontoret and VP Finance.

Shares in Telia Company: 10,000

#### **Rickard Gustafson (Born 1964)**

Elected to the Board of Directors in 2019. Rickard Gustafson is President and CEO of SAS. He has previously held various executive positions in GE Capital, both in Europe and the US, and he was President of Codan/ Trygg-Hansa 2006–2011. Rickard Gustafsson is a board member of FAM AB and Confederation of Swedish Enterprises (Svenskt Näringsliv).

Shares in Telia Company: 14,075

#### **Jeanette Jäger (born 1969)**

Elected to the Board of Directors in 2020. Jeanette Jäger is CEO of Bankgirot and a board member of ICA-gruppen.

She has previously held a number of executive roles at Tieto and also as Product and Marketing Director of TDC. Jeanette Jäger studied business economics.

Shares in Telia Company: 4,000

**Nina Linander (Born 1959)**

Elected to the Board of Directors in 2013. Nina Linander was a partner at Stanton Chase International between 2006 and 2012 and prior to that was SVP and Head of Treasury at Electrolux AB 2001–2005. She is Chair of the Board of Awa Holding AB and of GreenIron H2 AB, and a board member of Castellum AB, Swedavia AB and Suominen Corporation. Nina Linander holds a BSc degree in Economics and an MBA (IMD) degree.

Shares in Telia Company: 5,700

**Jimmy Maymann (Born 1971)**

Elected to the Board of Directors in 2018. Jimmy Maymann is a Danish entrepreneur and investor specialising in digital advertising, digital technology and new media strategy. He is Chair of the Board of TV2 Denmark, AirHelp Inc. and The Museum for the United Nations - UN Live Online, and a board member of Maternity Foundation. Jimmy Maymann has served as EVP and President at AOL Content & Consumer Brands and as CEO of the Huffington Post. Jimmy Maymann has an EMBA and a Master of Science.

Shares in Telia Company: 0

**Martin Tivéus (Born 1970)**

Elected to the Board of Directors in 2018. Martin Tivéus is CEO of Attendo. Previously he was Chief Commercial Officer Nordics at Klarna and he has also held managerial positions such as CEO at Avanza and Glocalnet. Martin Tivéus has a Bachelor of Science degree.

Shares in Telia Company: 2,550

**Luisa Delgado (Born 1966)**

Elected to the Board of Directors in 2021. Luisa Delgado, full name Luisa Deplazes de Andrade Delgado, is a Swiss entrepreneur with an extensive board experience and a diverse background from various leadership roles in large corporates focusing, in particular, on consumer businesses and retail, as well as human resources. She is currently chair of the board of Schleich, one of Germany's largest toy companies, a board member of online electronics retailer AO World plc and a supervisory board member of Ingka Holding (IKEA), global baking company Aryzta and high-quality foods company Zertus, among other. She has previously held positions such as CEO of Safilo Group, the Italian eyewear company, executive board member in charge of HR at German technology group SAP, and VP at Procter & Gamble, for the Nordic region and previously for Human Resources Western Europe. Luisa Delgado holds a Bachelor of Laws from the University of Geneva, a Master of Laws from King's College/University of London, a Postgraduate Diploma of European Studies from Universidade Lusiana in Lisbon, and more recently the FT Non-Executive Director Diploma.

Shares in Telia Company: 0

For the purposes hereof, the business address of each Director is Telia Company AB, Stjärntorget 1, 169 94 Solna, Sweden.

There are no potential conflicts of interest between any duties to Telia Company of the persons listed above and their

private interests or other duties.

## **Financial risk management**

Telia Company is exposed to financial risks such as credit risk, liquidity risk, currency risk, interest rate risk, financing risk and pension obligation risk. Financial risk management is centralised in the Group Treasury unit and is described more fully below.

### ***Credit risk***

The credit risk with respect to Telia Company's trade receivables is diversified geographically and among a large number of customers, both private individuals and companies in various industries. Credit losses in relation to consolidated net sales were 0.7 per cent. in 2021 (compared to 0.8 per cent. in 2020).

### ***Liquidity risk***

Telia Company manages the liquidity risk by depositing its surplus liquidity in banks or investing it in short-term interest-bearing instruments with good credit ratings. In addition to available cash, Telia Company has committed revolving credit facilities and overdraft facilities. In total, the available unutilised amount under committed facilities was approximately SEK 16.8 billion at year end 2021.

### ***Currency risk***

Telia Company's operational currency transaction exposure is not significant. Telia Company's conversion exposure, however, is significant. Telia Company does not normally hedge its conversion exposure, however there is a mandate in its financial policy to use net investment hedging. At year end 2021, the conversion exposure amounted to SEK 58,450 million (SEK 63,125 million at year end 2020). Weakening of the Swedish krona by ten percentage points against all currencies in which Telia Company has conversion exposure would have had a positive impact of approximately SEK 5.8 billion on the Group's equity as of 31 December 2021.

### ***Interest rate risk***

Telia Company manages interest rate risk by aiming to balance the estimated running cost of borrowing and the risk of significant negative impact on earnings, should there be a sudden, major change in interest rates. Telia Company's policy is that the duration of interest of the debt portfolio should be from one year to five years.

### ***Financing risk***

By having most of its borrowings with a longer maturity than the duration of interest, Telia Company is able to obtain the desired interest rate risk without having to assume a high financing risk. In order to further reduce the financing risk, Telia Company aims to spread loan maturity dates over a longer period.

### ***Pension obligation risk***

Telia Company has a significant amount of pension obligations, with a net present value of SEK 32,721 million as of 31 December 2021 (SEK 36,634 million at year end 2020). Telia Company maintains pension funds to secure these obligations, with plan assets amounting to SEK 31,387 million based on market values at year end 2021 (SEK 29,364 million at year end 2020). The actuarial calculation of pension obligations is based on three principal assumptions: discount rate, annual adjustments to pensions (inflation rate) and longevity. The sensitivity of the pension obligations to changes in the principal assumptions is as follows:

	Change in assumption (p.p.)	Impact on pension obligations (SEK in millions)
Discount rate	+0.50 / -0.50	-3,060 / +3,335
Annual adjustments to pensions	+0.50 / -0.50	+3,366 / -2,946
Longevity	+1 year	+1,553

### ***Financial reporting risks***

The reporting of Telia Company's results of business operations and financial condition is based on internal and external financial reporting, which has to be timely, reliable, correct, and complete. Internal controls over financial reporting are an integral part of Telia Company's corporate governance. It includes methods and procedures to safeguard the Group's assets, ensure and control the reliability and correctness of financial reporting in accordance with applicable legislation and guidelines, improve operational efficiency and control the level of risk in the business operations.

The management of financial reporting risks is described in more detail in Telia Company's corporate governance statement. The corporate governance statement, including the description of internal controls, forms part of the official annual and sustainability report and has been examined by the external auditors.



## Taxation

The statements below in relation are general in nature and neither these statements nor any other statements in this Prospectus are to be regarded as advice on the tax position of any holder of Capital Securities or any person purchasing, selling or otherwise dealing in Capital Securities. Prospective holders of Capital Securities and holders of Capital Securities who are in doubt about their tax position should consult their own professional advisers.

### Swedish Taxation

*The following overview outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Capital Securities. The overview is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The overview is not exhaustive and therefore does not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Capital Securities and is neither intended to be nor should be construed as legal or tax advice. In particular, the overview does not address situations where Capital Securities are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences, which are not described below, may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies. Investors should consult their professional tax advisers regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Capital Securities in their particular circumstances.*

#### ***Non-resident holders of Capital Securities***

As used herein, a non-resident holder means a holder of Capital Securities who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than their investment in the Capital Securities, or (b) an entity not organised under the laws of Sweden or which is not otherwise resident in Sweden for tax purposes.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Capital Securities should not be subject to Swedish income tax provided that such holder does not have a permanent establishment in Sweden to which the Capital Securities are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or on payments of amounts that are considered to be interest for Swedish tax purposes to a non-resident holder of any Capital Securities.

#### ***Resident holders of Capital Securities***

As used herein, a resident holder means a holder of Capital Securities who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden or which is otherwise resident in Sweden for tax purposes.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are resident holders of any Capital Securities, all capital income (for example income that is considered to be interest for tax purposes and capital gains on Capital Securities) will be taxable.

Specific tax consequences may be applicable if, and to the extent that, a holder of Capital Securities realises a capital loss on the Capital Securities and to any currency exchange gains or losses.

If the Capital Securities are held by a Swedish resident nominee, including a Swedish Branch of a foreign nominee, in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), Swedish preliminary taxes are withheld by the nominee on payments of amounts that are considered to be interest for Swedish tax purposes to a private individual (or an estate of a deceased individual) that is a resident holder of any Capital Securities. Moreover, if amounts that are deemed to be interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden,

including a Swedish branch, or in certain cases a clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Capital Securities (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) 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. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Capital Securities, are 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 Capital Securities, 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 Capital Securities 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 published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Capital Securities (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Capital Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Capital Securities, including the Capital Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Capital Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Capital Securities, no person will be required to pay additional amounts as a result of the withholding.

### **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, apply to certain dealings in Capital Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Capital Securities 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 participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

## Subscription and Sale

Citigroup Global Markets Europe AG (the "**Structuring Agent and Global Coordinator**") and Barclays Bank Ireland PLC, BofA Securities Europe SA and Nordea Bank Abp (together with the Structuring Agent and Global Coordinator, the "**Joint Bookrunners**") have, pursuant to a Subscription Agreement dated 29 March 2022 between the Issuer and the Joint Bookrunners, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Capital Securities at an issue price equal to 99.301 per cent. of their principal amount, less fees. In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Capital Securities. The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Capital Securities.

### United States

The Capital Securities have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Capital Securities are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Joint Bookrunner has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Capital Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Capital Securities, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or manager to which it sells Capital Securities during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Capital Securities, an offer or sale of Capital Securities within the United States by a manager that is not participating in the offering may violate the registration requirements of the Securities Act.

### European Union

#### Prohibition of sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of 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.
- (b) 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 Capital Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Capital Securities.

## **United Kingdom**

### *Prohibition of sales to UK Retail Investors*

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.
- (b) 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 Capital Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Capital Securities.

### *Other regulatory restrictions*

Each Joint Bookrunner has represented and agreed that:

- (i) 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 Capital Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Capital Securities in, from or otherwise involving the United Kingdom.

## **General**

Each Joint Bookrunner has agreed to observe, to the best of its knowledge and belief, all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Capital Securities or have in its possession or distribute this Prospectus or any other offering material relating to the Capital Securities.

No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Capital Securities, or the possession or distribution of this Prospectus or any other offering material relating to the Capital Securities, in any country or jurisdiction where action for that purpose is required. Accordingly, the Capital Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Capital Securities may be distributed in or from,

or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Capital Securities by it will be made on the same terms.

## General Information

### Authorisation

The creation and issue of the Capital Securities has been authorised by a resolution of the Board of Directors of the Issuer dated 27 January 2022.

### Listing and Admission to Trading of Capital Securities on the Luxembourg Stock Exchange

It is expected that the official listing of the Capital Securities will be granted on or about 31 March 2022 subject only to the issue of the Temporary Global Capital Security. Application has been made for the Capital Securities to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is neither a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), nor a UK regulated market for the purposes of UK MiFIR.

### Clearing Systems

The Capital Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The International Securities Identification Number ("ISIN") for the Capital Securities is XS2443749648 and the Common Code is 244374964.

The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

The Classification of Financial Instrument ("CFI") code and the Financial Instrument Short Name ("FISN") code are set out on the website of the Association of National Numbering Agencies, as updated, or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

### Documents Available

Copies of the following documents may be obtained during normal business hours at the registered office of the Issuer and from the specified office of the Fiscal Agent in London:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the documents incorporated by reference in this Prospectus;
- (iii) the Agency Agreement; and
- (iv) a copy of this Prospectus.

Any documents which have been translated from Swedish to English are accurate translations.

### Yield

The yield in respect of the Capital Securities up to (but excluding) 30 June 2028 is 2.875 per cent. per annum and is calculated at the Issue Date on the basis of the issue price of the Capital Securities and the Initial Interest Rate applicable to the Capital Securities. It is not an indication of future yield.

## **Significant or Material Change**

Except for the impact of the coronavirus outbreak referred to in "*Risk Factors – Factors that may affect Telia Company's ability to fulfil its obligations under the Capital Securities – COVID-19*", (i) there has been no significant change in the financial performance or position of the Issuer or the Group since 31 December 2021 and (ii) there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2021.

## **Legal and Administrative Proceedings**

In its normal course of business, Telia Company is involved in a number of legal proceedings. These proceedings primarily involve claims arising out of commercial contract and commercial law issues and matters relating to telecommunications regulations and copyright laws.

Telia Company and its subsidiaries are not, as of the date of this Prospectus, involved in any legal, arbitration or regulatory proceedings which management believes could have a material adverse effect on Telia Company's business, financial condition or results of operations.

## **Auditors**

The auditors of Telia Company are Deloitte AB, a member of the Swedish professional body FAR, with business address at Rehnsgatan 11, SE-11379 Stockholm, Sweden. Deloitte AB have audited Telia Company's accounts, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2020 and 31 December 2021.

## **Conflicts**

Certain of the Joint Bookrunners and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Capital Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its 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 Joint Bookrunners 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 for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Some of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners 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 Capital Securities. Any such short positions could adversely affect future trading prices of Capital Securities. The Joint Bookrunners 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.



**ISSUER**

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