ANNUAL REPORT

2021-01-01--2021-12-31

for

Tele2 Sverige AB
556267-5164

English translation from the Swedish original

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ANNUAL REPORT
FOR TELE2 SVERIGE AB

The Board of Directors and Managing Director of Tele2 Sverige AB hereby submit the annual report for the financial year 2021-01-01--2021-12-31.

MANAGEMENT REPORT

Scope and nature of operations
The company operates fixed and mobile telephony, TV, and provides data network and Internet services to consumers and companies. The Consolidated Financial Statements, including Tele2 Sverige AB and its subsidiaries, have been prepared by Tele2 AB (Corporate reg. no. 556410-8917).

Tele2 Sverige AB was established in 1993. Tele2s purpuse is to enable a society of unlimited possibilities.

Ownership
Tele2 Sverige AB is at December 31, 2020, a fully owned subsidiary of the listed company Tele2 AB, corporate registration no. 556410-8917, located in Stockholm.

Key events during the financial year

Consumer segment

The main focus of 2021 was to consolidate the Tele2 and Com Hem brand to the new premium Tele2 brand. The consolidation was successful and further asserts Tele2's position as a premium convergent brand. This concluded the first phase of the FMC-journey where existing overlapping customers have been given benefits for being an FMC-customer. The next phase is to cross- and up-sell products to households where Tele2 has existing customer relationships. On the back of product improvements such as upgrades to broadband speed, mobile data and 5G, backbook price adjustments were successfully implemented on both the mobile and fixed customer base during the year. A new frontbook price portfolio was introduced in February for Comviq in mobile and 5G was also introduced in September, 2021 for Comviq.

In TV, the renamed streaming service Tele2 Play+ continued to show solid performance as customers continue to roll off the 12-month free subscription period. We continue to see a decline in digital TV driven by a smaller customer base.

End-user service revenue was flat as growth within mobile and fixed broadband was offset by digital TV and fixed telephony & DSL. Mobile end-user service revenue grew by 1% driven volume growth in mobile postpaid and slight ASPU growth.

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Business segment

The new business strategy was launched in May where Tele2 will take a segmented approach to the business by differentiating the approach in the SME, large private and large public segment. In the small segment Tele2 launched a new simplified mobile portfolio which yielded favorable results. In large segment several new initiatives were launched such as Unified Communication Solutions moving toward cloud based solutions to reduce complexity and increase competitiveness. The IT migration of mobile customers to target IT-systems were finalized at the end of the year with the close down of one of the legacy systems, which enables better customer experience and self-service capabilities.

During the year, Tele2 won new and extended contracts with customers in both the private and public sector such as, Scania, Capio, Region Västmanland and Järfälla kommun. End-user service revenue declined by 1% as strong volume growth in mobile and end-user service revenue growth in solutions was offset by decline in mobile ASPU and legacy fixed services.

Five-year summary (TSEK)

(Tkr)	**2021**	**2020**	**2019**	**2018**	**2017**
Revenue	21 680 786	21 821 803	15 768 316	16 427 493	13 085 697
Operating profit	4 039 505	4 401 886	2 079 981	2 135 692	2 387 024
Profit after financial items	4 206 938	4 563 499	5 517 844	222 279	3 130 422
Total assets	26 798 730	26 963 158	56 478 222	58 595 458	53 090 165
Solidity (1)	37,3%	46,8%	52,1%	42,4%	52,0%
Investments in fixed assets (2)	2 333 037	2 212 280	1 154 170	1 220 725	723 948

(1) Adjusted equity*/ Total assets. *Adjusted equity refers to equity + untaxed reserves less deferred tax liability.
uppskjuten skatteskuld.

(2) Investments in fixed assets include unpaid investments

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Key risk and uncertainty factors
The managing of financial risks is mainly centralized in Tele2 AB. For additional information please refer to the annual report of Tele2 AB. https://www.tele2.com/files/Main/3372/3535246/tele2-ars--och-hallbarhetsredovisning-2021.pdf

Other risk and uncertainty factors for Tele2 Sverige is mainly considered to be:
- Spectrum auctions
- Market competitiveness
- Strategy implementation and integration
- Regulation
- Risks related to network quality towards customers
- Risks related to network and IT integrity and personal data security
- Networks shared with external parties
- Suppliers and supply chain
- Risks related to the ability to recruit and retain skilled personnel
- Risk related to customer churn
- Risks related to corruption and unethical business practices
- Risks related to climate change
- Unstable geopolitical conditions
- Risks related to pandemics

Expected future development

Consumer segment

In 2022 the ambition for Sweden Consumer is to return to growth through continued execution of the FMC more-for-more strategy while optimizing the business through the Business Transformation Program. The aim is to move the majority of the customers to the new FMC IT-stack which will lead to reduced internal complexity, simplified product portfolio and reduced time customers spend with customer service.

Tele2 aim to maintain its 5G position by continuing the roll-out of 5G in Sweden and utilize 5G and remote-phy in order to increase customer satisfaction which will support the more-for-more strategy.

Tele2 Play+ and Tele2 TV Play+ will be building blocks to assert an aggregator model in the streaming world as Tele2 has done in the linear world. This coupled with the new strengthened partnership with Viaplay Group gives a great product portfolio that enhances the competitive position that Tele2 has in the market.

Business segment

In 2022, the ambition is to stabilize and grow the Sweden business segment by continuing to execute on the segmented approach. In the SME segment the aim is to take back market share by offering simplified packages and bundling. This was done on the mobile portfolio already in 2021 and the learnings from this will be implemented on other products groups in the micro and small segment in order to drive simplification and efficiency. In the large private segment the aim is to improve profitability by building on existing relationships and grow through as-a-service. In the large public segment the ambition is to maintain and defend the position by meticulously asses contracts and continue delivering reliable solutions.

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Employees
On December 31, 2021, the number of employees in Tele2 Sverige was 2 863 (2 904) employees. Please refer to Note 8 for additional information regarding average number of employees, salaries, other benefits and social fees.

Tele2 is a value driven organization. Values are the key to attract and retain the right employees. Tele2 is an organization where leadership creates a developing environment for engaged employees. Tele2 focuses om building a flat and agile organization, renowned for not only what we do but also for how we do tasks. Diversity, inclusion and gender equality are important building blocks in our corporate culture. This is a culture where Tele2 challenges its employees as much as the employees challenges Tele2 to deliver customer value. This is called the Tele2 Way.

Sustainability
With regards to chapter 6 ÅRL (the Annual Accounts Act), no sustainability report has been written specifically for Tele2 Sverige AB but the same demands regarding information have been included as part of the sustainability report that the top parent company Tele2 AB writes for the entire group.

Proposed appropriation of profit (SEK)

The following funds are available to the annual general meeting	
Retained earnings from previous years	2 358 014 902
This year's profit	3 702 840 439
	6 060 855 341
The Board proposes as follows	
shareholder dividend	6 000 000 000
carried forward	60 855 341
	6 060 855 341

Regarding the company's earnings and position in general, reference is made to the subsequent income statement and balance sheet, statement on changes in equity, cash flow analysis and notes. All amounts are expressed in Swedish kronor unless otherwise stated.

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INCOME STATEMENT

[KSEK]

	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Revenue	4, 5	21 680 786	21 821 803
Cost of services provided and equipment sold		-12 017 851	-11 868 819
Gross profit		**9 662 935**	**9 952 984**
Selling expenses		-3 446 382	-3 614 812
Administrative expenses		-1 873 656	-1 856 705
Other operating income		145 301	265 790
Other operating expenses		-448 693	-345 371
Operating profit	6 - 9	**4 039 505**	**4 401 886**
Profit/loss from financial investments			
Profit/loss from shares in subsidiaries	10	262 698	315 507
Earnings from other securities and receivables that are fixed assets	11	306	306
Other interest revenue and similar items	12	12 106	11 850
Interest expense and similar items	13	-107 677	-166 050
Profit after financial items		**4 206 938**	**4 563 499**
Appropriations	14	**-369 000**	**-934 560**
Profit before tax		**3 837 938**	**3 628 939**
Income tax	15	-135 098	-372 552
NET PROFIT		**3 702 840**	**3 256 387**

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BALANCE SHEET
(KSEK)

	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Right-of-use assets and software	16	1 651 084	1 940 228
Licences, Trademarks and Similar Rights	17	194 893	253 443
Leaseholds and similar rights	18	14 034	22 597
Goodwill	19	1 147 797	1 359 720
Ongoing development work	20	733 925	680 947
Customer agreements	21	927 125	1 212 214
		4 668 858	**5 469 149**
Tangible fixed assets			
Machinery and other technical facilities	22	2 523 271	2 285 744
Equipment, tools and installations	23	128 617	175 812
Construction in progress & adv payments for tangible assets	24	732 141	546 517
		3 384 029	**3 008 073**
Financial tangible fixed assets			
Shares in Group companies	25	5 415 906	5 415 906
Receivables from Group companies		597 911	597 911
Shares in associated companies	26	6 906 428	6 906 428
Ownership interests in other companies		8 292	8 292
Deferred tax claims	27	60 819	76 745
Other long-term receivables	28	1 113 967	1 098 467
		14 103 323	**14 103 749**
Total fixed assets		**22 156 210**	**22 580 971**
Current assets			
Inventories, etc.			
Prepared goods and goods for sale		568 493	674 490
Ongoing work on behalf of others		37 779	18 330
		606 272	**692 820**
Short-term receivables			
Account receivables		1 113 767	1 149 026
Receivables from Group companies		950 992	606 362
Tax receivables		29 830	-
Other receivables		716 552	746 065
Prepaid costs and accrued revenue	29	1 224 705	1 187 332
		4 035 846	**3 688 785**
Cash and cash equivalents		**402**	**582**
Total current assets		**4 642 520**	**4 382 187**
TOTAL ASSETS		**26 798 730**	**26 963 158**

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BALANCE SHEET

	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	30	150 000	150 000
Restricted reserve		30 000	30 000
Development fund		311 184	405 882
		491 184	**585 882**
Unrestricted equity			
Retained earnings		2 358 015	5 634 595
Net profit		3 702 840	3 256 387
		6 060 855	**8 890 982**
Total equity		**6 552 039**	**9 476 864**
Untaxed reserves	31	**4 321 691**	**3 952 691**
Provisions	32		
Other pension provisions		318 960	373 616
Other provisions		179 718	370 995
		498 678	**744 611**
Long-term liabilities	33		
Liabilities to Group companies		8 408 543	314 476
Other long-term liabilities		57 044	57 717
		8 465 587	**372 193**
Short-term liabilities			
Accounts payables		1 692 936	1 417 568
Liabilities to Group companies		2 524 712	8 347 946
Tax liabilities		-	144 712
Other short-term liabilities		427 991	170 899
Accrued costs and pre-paid income	34	2 315 096	2 335 674
		6 960 735	**12 416 799**
TOTAL EQUITY AND LIABILITIES		**26 798 730**	**26 963 158**

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STATEMENT OF CHANGES IN EQUITY
(KSEK)

	Restricted equity			*Unrestricted equity*		
	Share capital	Restricted reserve	Fund for development costs	Retained earnings	Net profit	**Total equity**
Opening balance as per 1 January 2020	**150 000**	**30 000**	**380 547**	**22 953 420**	**3 778 089**	**27 292 056**
Appropriation of previous year's profit/loss				3 778 089	-3 778 089	0
Net profit					3 256 387	3 256 387
Changes in accounted values on assets and liabilities:						
Provision to development fund			25 335	-25 335		0
Earnings from mergers				-120 369		-120 369
Actuarial gains/losses for pensions				45 941		45 941
Tax effect of employee stock options				2 849		2 849
Total change of values	**0**	**0**	**25 335**	**-96 914**	**0**	**-71 579**
Transactions with shareholders:						
Dividends				-21 000 000		-21 000 000
Total transactions with shareholders	**0**	**0**	**0**	**-21 000 000**	**0**	**-21 000 000**
Closing balance as per 31 December 2020	**150 000**	**30 000**	**405 882**	**5 634 595**	**3 256 387**	**9 476 864**

	Restricted equity			*Unrestricted equity*		
	Share capital	Restricted reserve	Fund for development costs	Retained earnings	Net profit	**Total equity**
Opening balance as per 1 January 2021	**150 000**	**30 000**	**405 882**	**5 634 595**	**3 256 387**	**9 476 864**
Appropriation of previous year's profit/loss				3 256 387	-3 256 387	0
Net profit					3 702 840	3 702 840
Changes in accounted values on assets and liabilities:						
Provision to development fund			-94 698	94 698		0
Actuarial gains/losses for pensions				92 268		92 268
Tax effect of employee stock options				5 067		5 067
Total change of values	**0**	**0**	**-94 698**	**192 033**	**0**	**97 335**
Transactions with shareholders:						
Dividends				-6 725 000		-6 725 000
Total transactions with shareholders	**0**	**0**	**0**	**-6 725 000**	**0**	**-6 725 000**
Closing balance as per 31 December 2021	**150 000**	**30 000**	**311 184**	**2 358 015**	**3 702 840**	**6 552 039**

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CASH FLOW STATEMENT

(KSEK)	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Operating activities			
Operating profit		4 039 505	4 401 886
Adjustment for items not included in cash flow			
Depreciations		2 711 126	2 491 366
Interest received		9 414	8 594
Interest paid		-1 376	-17 992
Tax paid		-317 653	-755 966
Other financial items		200 215	128 943
Cash flow from operating activities before changes in operating capital		**6 641 231**	**6 256 831**
Cash flow from changes in operating capital			
Decrease(+)/increase(-) of inventory		86 548	-106 812
Decrease(+)/increase(-) of accounts receivable		35 259	317 067
Decrease(+)/increase(-) of other short-term receivables		-936 076	5 855 207
Decrease(-)/increase(+) of accounts payable		275 368	-87 420
Decrease(-)/increase(+) of other short-term liabilities		143 027	-1 045 480
Cash flow from operating activities		**6 245 357**	**11 189 393**
Investing activities			
Acquisition and sale of shares in group companies		-	-30 471 510
Acquisition of intangible fixed assets		-1 021 412	-1 062 297
Acquisition of tangible fixed assets		-1 374 810	-1 149 983
Sale of tangible fixed assets		1 122	-
Acquisition in other financial assets		4 973	-190 273
Cash flow from investing activities		**-2 390 127**	**-32 874 063**
Financing activities			
Net changes in loans from Group companies		2 869 590	42 683 604
Dividends paid		-6 725 000	-21 000 000
Cash flow from financing activities		**-3 855 410**	**21 683 604**
This year's cash flow		**-180**	**-1 066**
Cash and cash equivalents at beginning of year		**582**	**1 648**
Cash and cash equivalents at end of year	35	**402**	**582**

NOTES

Note 1 General information

Tele2 Sverige AB, with corporate reg.no. 556267-5164 is a limited liability company registered in Sweden with its registered office in Stockholm. The address of the head office is Torshamnsgatan 17, 164 94 Kista. The company's activities are fixed and mobile telephony, TV as well as data network and Internet services for consumers and companies.

No consolidated accounts have been prepared pursuant to the Annual Accounts Act, Chapter 7, Section 2, Paragraph 1. Consolidated accounts, in which Tele2 Sverige AB and its subsidiaries are included, have been prepared by Tele2 AB (corporate reg. no. 556410-8917) with registered office in Stockholm.

Note 2 Accounting and measurement principles

The Company applies the Swedish Annual Accounts Act (1995:1554) and Swedish Accounting Standards Board general advisory BFNAR 2012:1 1 Annual Report and Consolidation Accounts ("K3").

Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable, net of value added tax, discounts, returns and other similar allowances.

Net turnover includes customer-related revenue from mobile and fixed-line telephony services such as connection fees, contract fees, call revenue, data and information services and other services. Net turnover also includes interconnection revenues from other operators and revenues attributable to sales of products such as mobile phones and modems. Revenues are recognised at market value, after deduction of discounts and value added tax.

Connection fees are recognised at the time of sale corresponding to the costs of the connection and any remaining part is accrued over the contract period. Subscription fees are recognised as revenue in the period to which the fee relates. Revenue from calls and interconnections are recognised as revenue during the period of service. Revenue from the sale of products is recognised on delivery of the product to the customer. Revenue from the sale of prepaid cards is recognised in relation to actual card use or when the card has expired.

Revenue from data and information services, e.g. text messages and ringtones, is recognised when the service is provided. The revenue that can be allocated to equipment is recognised on delivery of the equipment to the customer and revenue from other monthly fees is recognised in the period to which the fee relates.

Revenues related to ongoing projects are recognised progressively during the installation in connection with delivery/commissioning. The part of the company's operations that consists of providing service and maintenance on the delivered communication solution is recognised in line with the duration of the underlying service agreements.

Revenues from KST agreements (function-based solutions) are recognised monthly on a regular basis during the contract period.

For customer agreements containing several components or elements, the contracted revenue is distributed to each element based on its relative fair value in relation to the total fair value of the offer. Services invoiced based on usage are not included in the distribution. The revenue for each element is recognised in the period the component is delivered to the customer. In cases where the elements essential to the functionality have not been delivered and the actual value is missing for any element, the recognition of revenue is postponed until all elements essential to the functionality have been delivered and the fair value has been established for the undelivered elements.

Leasing agreement

A financial leasing agreement is an agreement according to which the financial risks and benefits associated with the ownership of an asset are essentially transferred from the lessor to the lessee. Other leasing agreements are classified as operational leasing agreements. All leasing agreements are reported in accordance with the rules for operational leasing.

Lessee

Leasing fees in operating leasing agreements are expensed on a straight-line basis over the leasing period, unless another systematic way better reflects the user's financial benefit over time.

Lessor
Leasing income in operating leasing agreements is recognized as revenue on a straight-line basis over the leasing period, unless another systematic way better reflects how the financial benefits attributed to the object decrease over time.

Foreign currency
The company's accounting currency is Swedish kronor (SEK)

Translation of items in foreign currency
At each balance sheet date, monetary items denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Non-monetary items, which are valued at historical acquisition value in a foreign currency, are not translated. Exchange rate differences are recognized in operating profit or as a financial item based on the underlying business event, in the period in which they arise, with the exception of transactions that constitute hedging and that meet the conditions for hedge accounting of cash flows or of net investments.

Employee benefits
Remuneration to employees in the form of salaries, bonuses, paid holiday, sick pay, etc., as well as pensions are recognised as they are earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit pension plans, see further under pensions below. There are no other long-term employee benefits.

Group contribution
Group contributions received and submitted are recognised as appropriations in the profit and loss statement.

Income tax
Tax expenses or tax income for the period are made up of current tax and deferred tax.

Current tax
Current tax is the tax calculated on the taxable profit for a period. Taxable profit differs from the reported profit in the income statement as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. Current tax liability is calculated according to the tax rates that apply on the balance sheet date.

Deferred tax
Deferred tax is reported on temporary differences between the carrying amount of assets and liabilities in the financial statements and the tax value used in calculating taxable income. Deferred tax is reported according to the so-called balance sheet method. Deferred tax liabilities are reported for in principle all taxable temporary differences, and deferred tax assets are reported in principle for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable income. Untaxed reserves are reported including deferred tax liabilities.

The carrying amount of deferred tax assets is reviewed each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to be utilized, in whole or in part, against the deferred tax asset.

The valuation of deferred tax is based on how the company, as of the balance sheet date, expects to recover the carrying amount of the corresponding asset or adjust the carrying amount of the corresponding liability. Deferred tax is calculated based on the tax rates and tax rules that have been decided before the balance sheet date.

Current and deferred tax for the period
Current and deferred tax are reported as an expense or income in the income statement, except when the tax is attributable to transactions that are reported directly against equity. In such cases, the tax is also reported directly against equity.

Intangible fixed assets
Intangible assets acquired separately are reported at acquisition value less accumulated depreciation and any accumulated write-downs. Depreciation takes place on a straight-line basis over the asset's estimated useful life. Estimated useful lives and depreciation methods are reassessed if there is an indication that these have changed compared with the estimate at the previous balance sheet date. The effect of any changes in estimates and assessments is reported in the future. Depreciation begins when the asset can be used. IThe useful lives of intangible fixed assets are estimated at:

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Right-of-use assets and software	10-13 years
Licences and trademarks	10-13 years
Leaseholds and similar rights	10-25 years
Customer agreements	3 years

Goodwill consists of the difference between the purchase price of the acquired shares or the assets and liabilities and the fair value of the liabilities and contingent liabilities. Goodwill is reported at acquisition value after deductions for accumulated depreciation and any write-downs. Depreciation is expensed so that the asset's acquisition value is amortized on a straight-line basis over its estimated useful life. An impairment loss of goodwill is never reversed.

The Company has a number of licences that entitle it to operate a telecom business. The costs for these are capitalised and depreciated linearly over the term of the licence agreement. When the company reports expenses for its own development work as an asset, the corresponding amount is transferred from unrestricted equity to a fund for development costs. The fund is reversed to unrestricted equity as the asset is depreciated.

Tangible fixed assets
Tangible fixed assets are reported at acquisition value after deductions for accumulated depreciation and any write-downs.

Machines and technical equipment relate to installations and machines that are intended to be used in the activities, such as, for example, network installations. As the difference in the consumption of a substantial component of a tangible fixed asset is deemed to be significant, the asset is divided into these components. The acquisition value includes direct costs attributable to construction and installation. For assets that are divided into components, expenses for the exchange of such component are included in the asset's reported value. The same applies for additional new components. Additional expenses for expansion and value-enhancing improvements are capitalised, while additional expenses for repair and maintenance are regularly charged to the period in which they arise. The asset is depreciated linearly over the useful life.

The acquisition value consists of the purchase price, expenses that are directly attributable to the acquisition to bring it into place and in condition to be used.

For assets that are divided into components, expenses for the replacement of such a component are included in the carrying amount the asset. The same applies to additional new components. For assets that have not been divided into components, additional expenses that are significant are included in the carrying amount of the asset when it is probable that future economic benefits associated with the item will accrue to the company, and that its acquisition value can be measured reliably. All other costs for repairs and maintenance as well as additional expenses are reported in the income statement in the period in which they arise.

Tangible fixed assets that are of lesser value or can be assumed to have an economic life of no more than three years are reported as an expense at the first reporting date, provided that the company can make corresponding deductions in accordance with the Income Tax Act.

When the difference in consumption of significant components of a tangible fixed asset is judged to be significant, the asset is split on those components.

Depreciation of tangible fixed assets is expensed so that the acquisition value of the asset, possibly reduced by the estimated residual value at the end of the useful life, is amortized on a straight-line basis over its estimated useful life. If an asset has been divided into different components, each component is depreciated separately over its useful life. Depreciation begins when the tangible fixed asset can be taken into use. The useful lives of tangible fixed assets are estimated at:

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Machinery and other technical facilities:	
Sites, masts, towers and infrastructure in the mobile	10 years
Network equipment	3-20 years
Customer equipment	3-5 years
Fiber	10-30 years
Equipment	
Office investments	3 years
Office equipment	3-5 years

Estimated useful lives and depreciation methods are reassessed if there are indications that expected consumption has changed significantly compared with the estimate at the previous balance sheet date. When the company changes the assessment of useful lives, any residual value of the asset is also reconsidered. The effect of these changes is reported in

Derecognition from the balance sheet
The carrying amount of a tangible fixed asset is derecognised from the balance sheet on disposal or disposal, or when no future economic benefits are expected from use. When additional expenses are included in the acquisition value (see above), the carrying amount of those parts that are replaced is derecognized from the balance sheet.

The gain or loss that arises when a tangible fixed asset or component is derecognised from the balance sheet is the difference between what may be received, after deduction of direct selling expenses, and the carrying amount of the asset. The capital gain or loss that arises when a tangible fixed asset or component is derecognised from the balance sheet is reported in the income statement as other operating income or other operating expenses.

Impairment of tangible fixed assets and intangible assets
At every closing day, the company analyzes the carrying amounts of tangible fixed assets and intangible assets to determine whether there is any indication that these assets have decreased in value. If this is the case, the recoverable amount of the asset is calculated in order to determine the value of a possible impairment. Where it is not possible to calculate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

The recoverable amount is the higher of the asset´s value in use and its fair value less costs to sell . Fair value less costs to sell is the value that is obtainable from the sale of the asset to a knowledgeable, independent party who has an interest in the transaction being carried out, less such costs that are directly attributable to the sale. When calculating value in use, estimated future cash flow is discounted to present value with a discount rate before tax that reflects the current market assessment of the time value of money and the risks associated with the asset. To calculate future cash flows, the company has used budgets and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is determined to be lower than its carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. An impairment loss is immediately expensed in the income statement.

At every closing day an assessment is made to find out if the previous impairment is no longer justified. If so, the impairment is reversed partially or completely. When an impairment loss is reversed, the carrying amount of the asset (the cash-generating unit) increases. The carrying amount after reversal of impairment losses may not exceed the carrying amount that would have been determined if no impairment loss had been made on the asset (the cash-generating unit) in previous years. A reversal of an impairment loss is reported directly in the income statement.

Investments in Group companies
Shares in subsidiaries are reported at acquisition value. Dividend from subsidiary is recognised as revenue when the right to receive dividend is assessed to be ensured and can be calculated in a reliable manner.

Shares in associated companies and joint ventures
Shares in associated companies and joint ventures are recognised at acquisition value after deductions for any impairment. Dividend from participation in associated companies and joint ventures is recognised as revenue in the income statement.

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Inventories
The inventory is valued at the lower of acquisition value and net sales value on the closing day. The acquisition value is calculated by applying the first-in-first-out method. Net sales value is the sales value after deductions for estimated costs that can be directly attributed to the sales transaction. The inventory of the company essentially consists of phones and other technical equipment.

Cash and cash equivalents
Cash and cash equivalents include cash and available balances with banks and other credit institutions as well as other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of value fluctuations. To be classified as cash and cash equivalents, the term may not exceed three months from the time of acquisition.

Provisions
Provisions are reported when the company has a legal or constructive obligation as a result of past events, and it is probable that payments, which can be reliably estimated, will be required in order to settle the obligation.

A provision is reviewed every closing day and adjusted to reflect the best estimate of the amount required to settle the existing obligation on the closing day, taking into account the risks and uncertainties associated with the obligation. The provision is reported at the present value of the future payments required to settle the obligation.

Where part or all of the amount required to settle a provision is expected to be reimbursed by a third party, the indemnity shall be reported separately as an asset in the balance sheet when it is almost certain that it will be received if the company settles the obligation and the amount can calculated reliably.

Contingent liabilities
A contingent liability is a possible liability as a result of events that have occurred and the occurrence of which will only be confirmed by the occurrence or absence of one or more uncertain future events, which are not entirely within the company's control, or an existing liability as a result of events occurring, but which are not reported as a liability or provision because it is not probable that an outflow of resources will be required to settle the liability or the amount of the liability cannot be calculated with sufficient reliability.

Cash flow statement
The cash flow statement shows the changes in the cash and cash equivalents during the financial year. The cash flow statement has been prepared using to the indirect method. The recognized cash flow only includes transactions that entail deposits or payments.

Pensions
Within Tele2 Sverige AB, there are a number of different pension plans, with the majority of the company’s pension undertakings constituting defined-contribution plans for which the Company makes payments to public and private pension institutions. The Company's payments for defined-contribution plans are recognised as an expense during the period when the employees performed the services to which the fee relates. A smaller part of the Company's commitment consists of defined-benefit plans.

The cost of the defined-benefit plans is calculated using the so-called Projected Unit Credit Method, which means that the cost is distributed over the employee's service period. The calculation is carried out annually by independent actuaries. The commitments are measured at the present value of the expected future payments, taking into account assumptions such as expected future salary increases, inflation, increases in healthcare costs and lifespan. Expected future payments are discounted by an interest rate applying on the balance sheet date for first-class corporate bonds or government bonds and taking into account the estimated remaining maturity of the respective commitments. Actuarial gains and losses are reported in equity in the fair value fund.

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Note 3 Important estimates and assessments

The company's financial reports are partly based on assumptions and estimates in connection with the preparation of the company's accounting. Calculations and estimates are based on historical experience and a variety of other assumptions, resulting in decisions about the value of the asset or liability that can not be determined otherwise. Actual results may deviate from these estimates and calculations.

Below are the accounting principles whose application contains the most significant assessments and estimates used in the preparation of the company's financial statements.

Valuation of fixed assets with a definable useful life
The recoverable amount consists of the higher of the value in use of the asset in the business and the value that would be obtained if the asset was sold to an independent party less sales costs, the net sales value. The value in use consists of the present value of all inflows and outflows attributable to the asset during its useful life and with the addition of the present value of the net sales value at the end of the useful life. If the estimated recoverable amount is less than the carrying amount, it is written down to the asset's recoverable amount.

Depreciation periods on fixed assets
When determining the useful lives for groups of assets, historical experience is taken into account and assumptions are made about future technical development. Depreciation rates are based on the acquisition value of the fixed assets and estimated utilization period less estimated residual value at the end of the utilization period. If technology develops faster than expected or competition, regulation or market conditions develop in a different way than expected, the company's evaluation of utilization periods and residual values may be affected.

Provisions for disputes and damages
The company is party to a number of disputes. For each separate dispute, an assessment of the most likely outcome is made, and reported in the financial statements accordingly.

Revenue recognition
Revenue recognition in Tele2 requires management to make judgments and estimates in a number of cases, mainly to determine fair values and the period in which the revenue should be recognized. Many agreements bundle products and services into one customer offering which for accounting purposes requires allocating revenue to each part based on its relative fair value using accounting estimates. Determining whether revenues should be recognized immediately or be deferred require management to make judgments as to when the services and equipment have been provided, the fair value of each part as well as estimates regarding the remaining contract period. Please refer to Note 16 and 17 concerning receivables for sold equipment

Valuation of accounts receivable
Accounts receivable are valued on a current basis and recognized at accrued acquisition value. Reserves for doubtful receivables are based on various assumptions and historical experience.

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Note 4 Revenue per business segment

Revenue per business segment	2021	2020
Consumer		
End-user service revenue	12 228 854	12 260 260
Operator revenue	470 756	462 355
Equipment revenue	1 901 959	1 989 909
	14 601 569	**14 712 524**
Business		
End-user service revenue	3 836 151	3 888 637
Operator revenue	96 949	119 013
Equipment revenue	1 667 095	1 684 107
	5 600 195	**5 691 757**
Wholesale		
Operator revenue	1 021 973	947 141
Internal sales	65 847	70 025
	1 087 820	**1 017 166**
Other	**391 202**	**400 356**
Total	**21 680 786**	**21 821 803**

Note Information on purchases and sales within the Group

	2021	2020
Purchases	0,4%	0,3%
Sales	2,1%	2,1%

Note 6 Fees to the appointed auditor

	2021	2020
Deloitte AB		
Audit fees	3 806	5 046
Consultation, all other fees	0	20
Total	**3 806**	**5 066**

In this context, “Audit fees” refers to the review of the Annual Report, the accounts and the governance exercised by the Board of Directors and the Managing Director. To this are added other duties that are expected of the Company's auditors, as well as advice or other assistance caused by observations in such review or implementation of such other duties.

Note 7 Lease agreements

Operational leasing
The company is lessee of operational leasing. The total leasing cost of the year related to operational leasing is1 122 631 (1 111 649) KSEK.

Future agreed leasing costs for operational leases maturing for payment	2021	2020
Within 1 year	373 851	357 454
Between 1-5 years	782 570	886 618
Later than 5 years	215 572	290 346
Total	**1 371 993**	**1 534 418**

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Note 8 Average number of employees and personnel costs

Average number of employees	2021 Number of employees	2021 Of whom men	2020 Number of employees	2020 Of whom men
	2 739	1 866	2 724	1 885
Total	**2 739**	**1 866**	**2 724**	**1 885**

The gender distribution of senior executives on the closing day	2021-12-31	2020-12-31
Women:		
board members	1	1
Men:		
board members	3	3
Total	**4**	**4**

Salaries, remunerations, etc.	2021 Salaries and remuneration	2021 Soc costs (of which pension costs)	2020 Salaries and remuneration	2020 Soc costs (of which pension costs)
Total	**1 791 523**	**932 663 (279 306)**	**1 713 192**	**895 632 (275 922)**

Salaries and remunerations, distributed between the board members and employees	2021 Board members and CEO (of which bonuses and equiv. compensation)	2021 Other employees	2020 Board members and CEO (of which bonuses and equiv. compensation)	2020 Other employees
Total	**- (-)**	**1 791 523**	**- (-)**	**1 713 192**

Pensions

Tele2 Sverige AB have a smaller part of defined benefit pension plans valued according to IAS19. The cost for these defined benefit pension plans are 2 793 (12 163) KSEK.

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Note 9 Depreciation/amortization and impairment per function

	2021	2020
Costs of services provided and equipment sold	-1 468 488	-1 289 687
Selling expenses	-229 465	-241 241
Administrative expenses	-1 013 173	-960 438
Total	**-2 711 126**	**-2 491 366**

Note 10 Profit/loss from shares in Group companies

	2021	2020
Dividends	1 811 998	60 032 502
Group contribution received	207 000	140 400
Group contributions paid	-1 920 000	-1 390 000
Write downs	-	-59 328 833
Sale of shares	161 177	861 319
Other	2 523	119
Total	**262 698**	**315 507**

Note 11 Profit/loss from other securities and receivables that are fixed assets

	2021	2020
Dividends from shares in associated companies	306	306
Total	**306**	**306**

Note 12 Other interest income and similar items

	2021	2020
Interest income	9 414	8 594
Return on plan assets in the pension fund	2 692	3 256
Total	**12 106**	**11 850**

Note 13 Interest expenses and similar items

	2021	2020
Interest expenses	-1 376	-17 992
Interest expenses, Group	-106 603	-139 648
Currency differences	302	-8 410
Total	**-107 677**	**-166 050**

Note 14 Appropriations

	2021	2020
Changes of tax accrual fund	-780 000	-800 000
Change of accelerated depreciation	411 000	-134 560
Total	**-369 000**	**-934 560**

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Note 15 Taxes

	2021	2020
Current tax	-138 043	-574 374
Deferred tax	2 945	201 822
Total tax on profit for the year	**-135 098**	**-372 552**

Reconciliation of the tax cost

	2021	2020
Net profit before tax	3 837 938	3 628 939
Theoretic tax according to current tax rate 20,6% (21,4 %)	-790 615	-776 593
Tax effect from non-taxable dividends from Group companies	373 334	12 847 021
Tax effect from non-taxable income from sale of shares	33 140	184 255
Tax effect from other non-taxable revenue	3 294	8 851
Tax effect from non-deductable write down of shares in Group companies	-	-12 696 370
Tax effect from other non-deductable items	-111 399	-132 735
Total	**-492 246**	**-565 571**
Adjustments of tax from previous years	357 148	193 019
Tax expense for the year	**-135 098**	**-372 552**

Note 16 Right-of-use assets and software

	2021-12-31	2020-12-31
Opening acquisition value	6 333 361	4 824 681
Additions	4 932	6 903
Sales/disposals	-130 740	-108 374
Acquisitions through business combinations	-	817 933
Reclassifications	825 538	792 218
Closing accumulated acquisition value	**7 033 091**	**6 333 361**
Opening amortization value	-4 121 973	-2 922 138
Sales/disposals	109 059	87 913
Accumulated amortization through business combinations	-	-339 429
Amortization	-1 097 933	-948 319
Closing accumulated amortization value	**-5 110 847**	**-4 121 973**
Opening impairment value	-271 160	-266 127
Impairment	0	-5 033
Closing accumulated impairment value	**-271 160**	**-271 160**
Closing residual value according to plan	**1 651 084**	**1 940 228**

Note 17 Licences, Trademarks and Similar Rights

	2021-12-31	2020-12-31
Opening acquisition value	1 066 363	785 946
Additions	-	311
Acquisitions through business combinations	-	208 252
Sales/disposals	-54 835	-444
Reclassifications	52 447	72 298
Closing accumulated acquisition value	**1 063 975**	**1 066 363**
Opening amortization value	-812 920	-635 713
Sales/disposals	53 072	444
Accumulated amortization through business combinations	-	-67 463
Amortization	-109 234	-110 188
Closing accumulated amortization value	**-869 082**	**-812 920**
Closing residual value according to plan	**194 893**	**253 443**

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Note 18 Leaseholds and similar rights

	2021-12-31	2020-12-31
Opening acquisition value	116 295	109 158
Acquisitions through business combinations	-	31
Reclassifications	-	7 106
Closing accumulated acquisition value	**116 295**	**116 295**
Opening amortization value	-93 698	-84 855
Accumulated amortization through business combinations	-	-31
Amortization	-8 563	-8 812
Closing accumulated amortization value	**-102 261**	**-93 698**
Closing residual value according to plan	**14 034**	**22 597**

Note 19 Goodwill

	2021-12-31	2020-12-31
Opening acquisition value	2 376 376	1 797 987
Acquisitions through business combinations	-	578 389
Closing accumulated acquisition value	**2 376 376**	**2 376 376**
Opening amortization value	-1 016 656	-574 587
Accumulated amortization through business combinations	-	-227 321
Amortization	-211 923	-214 748
Closing accumulated amortization value	**-1 228 579**	**-1 016 656**
Closing residual value according to plan	**1 147 797**	**1 359 720**

Note 20 Ongoing development work

	2021-12-31	2020-12-31
Opening acquisition value	680 947	505 802
Additions	951 984	1 055 083
Acquisitions through business combinations	-	34 045
Reclassifications	-879 155	-897 368
Sales/disposals	-19 851	-16 615
Closing accumulated acquisition value	**733 925**	**680 947**
Closing residual value according to plan	**733 925**	**680 947**

Note 21 Customer agreements

	2021-12-31	2020-12-31
Opening acquisition value	2 492 450	1 052 517
Acquisitions through business combinations	-	1 439 933
Closing accumulated acquisition value	**2 492 450**	**2 492 450**
Opening amortization value	-1 280 236	-518 709
Accumulated amortization through business combinations	-	-476 438
Amortization	-285 089	-285 089
Closing accumulated amortization value	**-1 565 325**	**-1 280 236**
Closing residual value according to plan	**927 125**	**1 212 214**

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Note 22 Machinery and other technical facilities

	2021-12-31	2020-12-31
Opening acquisition value	7 918 078	7 767 923
Additions	670 081	369 010
Acquisitions through business combinations	-	1 860 288
Sales/disposals	-83 386	-2 631 311
Reclassifications	480 246	552 168
Closing accumulated acquisition value	**8 985 019**	**7 918 078**
Opening depreciation value	-5 362 277	-6 597 681
Sales/disposals	81 296	2 631 202
Accumulated depreciation through business combinations	-	-591 044
Depreciation	-910 710	-804 754
Closing accumulated depreciation value	**-6 191 691**	**-5 362 277**
Opening impairment value	-270 057	-261 195
Impairment	-	-8 862
Closing accumulated impairment value	**-270 057**	**-270 057**
Closing residual value according to plan	**2 523 271**	**2 285 744**

Note 23 Equipment, tools and installations

	2021-12-31	2020-12-31
Opening acquisition value	787 951	700 362
Additions	0	3 836
Acquisitions through business combinations	-	42 673
Sales/disposals	-1 913	-6 597
Reclassifications	41 075	47 677
Closing accumulated acquisition value	**827 113**	**787 951**
Opening depreciation value	-612 139	-510 797
Sales/disposals	1 317	6 302
Accumulated depreciation through business combinations	-	-2 114
Depreciation	-87 674	-105 530
Closing accumulated depreciation value	**-698 496**	**-612 139**
Closing residual value according to plan	**128 617**	**175 812**

Note 24 Construction in progress & adv payments for tangible assets

	2021-12-31	2020-12-31
Opening acquisition value	547 673	224 714
Additions	706 040	777 137
Acquisitions through business combinations	-	145 685
Sales/disposals	-265	-18
Reclassifications	-520 151	-599 845
Closing accumulated acquisition value	**733 297**	**547 673**
Opening depreciation value	-1 156	-1 156
Closing accumulated depreciation value	**-1 156**	**-1 156**
Closing residual value according to plan	**732 141**	**546 517**

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Note 25 Shares in Group companies

Opening acquisition value	126 440 787	104 947 257
Additions	-	31 897 738
Sales	-	-4 476 860
Mergers	-	-2 382 785
Liquidated companies	-20 157	-3 544 563
Closing accumulated acquisition value	**126 420 630**	**126 440 787**
Opening impairment value	-121 024 881	-69 179 326
Reversal of impairment	20 157	7 517 789
Impairment	-	-59 363 344
Closing accumulated impairment value	**-121 004 724**	**-121 024 881**
Closing residual value	**5 415 906**	**5 415 906**

The subsidiary SIA Tele2 Shared Service Center in Riga, Lettland, has been liquidated during the year.

Total shares in subsidiaries

		Booked value	
Company, Corporate reg. no., Registered Office	**Holding (capital/votes)**	**2021-12-31**	**2020-12-31**
Svenska UMTS-nät Holding AB, 556606-7988, Stockholm, Sweden	100%	127	127
Interloop AB, 556450-2606, Stockholm, Sweden	100%	1 318 870	1 318 870
Tele2 Eesti AS, 10069046, Tallin, Estonia	100%	33 053	33 053
UAB Tele2, 111471645, Vilnius, Lithuania	100%	3 458 373	3 458 373
UAB Tele2 Fiksuotas Rysys, 111793742, Vilnius, Lithuania	100%	1 869	1 869
SIA Tele2, 40003272854, Riga, Latvia	100%	527 308	527 308
Tele2 Europe SA, R.C.B56944, Luxembourg	100%	100	100
Tele2 Russia Two AB, 556041-1307, Sweden, dormant	100%	5 024	5 024
Tele2 Luxemburg AB, 556304-7025, Sweden, dormant	100%	242	242
Tele2 IoT Netherlands, 72180137, Amsterdam, The Netherlands	100%	11	11
iTUX Communication AB, 556699-4843, Stockholm, Sweden	100%	70 374	70 374
Kombridge AB, 556817-2059, Stockholm, Sweden	100%	555	555
Tele2 IoT Latvia SIA, 40003681691, Riga, Latvia	100%	0	0
SIA Tele2 Shared Service Center, 40003690571, Riga, Latvia	100%	-	0
Total		**5 415 906**	**5 415 906**

Note 26 Shares in associated companies

	2021-12-31	**2020-12-31**
Opening acquisition values	6 906 428	6 906 428
Closing residual value	**6 906 428**	**6 906 428**

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Total shares in associated companies

Company	Holding (capital/votes)	Booked value 2021-12-31	Booked value 2020-12-31
SNPAC Swedish Nr Portability Adm.Centre AB, Sweden	40%	2 040	2 040
Triangelbolaget D4 AB, Sweden	25%	32	32
Altlorenscheuerhof SA, Luxembourg	33,3%	300	300
T-Mobile Netherlands Holding BV, The Netherlands	25%	6 904 056	6 904 056
Total		**6 906 428**	**6 906 428**

Note 27 Deferred tax

	2021-12-31	2020-12-31
Staff related items	60 819	76 745
Total deferred tax	**60 819**	**76 745**

Note 28 Other long-term receivables

	2021-12-31	2020-12-31
Claim for sold equipment	428 122	412 118
Pension capital	102 739	60 103
Receivable for sold shares in Group companies	77 724	123 461
Other long-term receivables	505 382	502 785
Total	**1 113 967**	**1 098 467**

Note 29 Prepaid costs and accrued revenue

	2021-12-31	2020-12-31
Fixed subscription fees	9 280	10 565
Rental costs	282 184	260 559
Prepaid insurance	16 076	15 873
Prepaid data and support	94 845	92 161
Other prepaid costs	71 469	45 914
Accrued interconnect revenue, other operators	157 618	147 208
Accrued interconnect revenue, customers	390 212	401 027
Accrued subscription revenue, customers	132 335	99 324
Accrued revenue for ongoing work	11 060	19 568
Other accrued income	59 626	95 133
Total	**1 224 705**	**1 187 332**

Note 30 Share capital

The share capital consists of 1 500 000 number of A shares with a par value of 100 SEK.

Note 31 Untaxed reserves

	2021-12-31	2020-12-31
Tax accrual fund 2016	517 908	517 908
Tax accrual fund 2017	458 729	458 729
Tax accrual fund 2018	696 054	696 054
Tax accrual fund 2019	800 000	800 000
Tax accrual fund 2020	800 000	800 000
Tax accrual fund 2021	780 000	-
Accumulated excess depreciation	269 000	680 000
Total	**4 321 691**	**3 952 691**

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Note 32 Other provisions

	2021-12-31	2020-12-31
Provisions for sold subsidiaries	82 532	205 711
Restructuring costs	60 059	56 512
Other provisions	37 127	108 772
Pension provisions	318 960	373 616
At year end	**498 678**	**744 611**

2021-12-31	Pension provisions	Restructur-ing costs	Other provisions	Total
Opening balance at the beginning of the year	373 616	56 512	314 483	**744 611**
Additional provisions	-45 959	101 249	59 947	**115 237**
Amounts claimed	-8 697	-97 702	-95 397	**-201 796**
Recovery of unused amounts	-	-	-159 374	**-159 374**
At year end	**318 960**	**60 059**	**119 659**	**498 678**

2020-12-31	Pension provisions	Restructur-ing costs	Other provisions	Total
Opening balance at the beginning of the year	105 313	-	402 762	**508 075**
Additional provisions from merged companies	320 598	-	-	**320 598**
Reclassifications	-	141 619	-	**141 619**
Additional provisions	-44 637	106 902	104 432	**166 697**
Amounts claimed	-7 658	-192 009	-13 667	**-213 334**
Recovery of unused amounts	-	-	-179 044	**-179 044**
At year end	**373 616**	**56 512**	**314 483**	**744 611**

Note 33 Long-term liabilities

	2021-12-31	2020-12-31
Long-term liabilities that fall due for payment later than five years after the closing day:		
Liabilities to Group companies	8 408 543	314 476
Other long-term liabilities	57 044	57 717
Total	**8 465 587**	**372 193**

Note 34 Accrued costs and pre-paid income

	2021-12-31	2020-12-31
Accrued telephone cost to other operators	106 335	108 236
Accrued costs for external services and projects	117 655	158 388
Accrued staff-related costs	343 750	340 566
Accrued leasing and rental costs	64 544	64 923
Prepaid revenue	1 320 147	1 323 916
Other items	362 665	339 645
Total	**2 315 096**	**2 335 674**

Note 35 Cash and cash equivalents in cash flow

	2021-12-31	2020-12-31
Cash and cash equivalents	402	582
Total	**402**	**582**

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Note 36 Pledged collateral and contingent liabilities

Contingent liabilities	2021-12-31	2020-12-31
Guarantee commitment	-	50 000
Guarantee for corporate bonds issued by Tele2 AB	21 294 970	21 037 500
Guarantee commitment PRI	4 350	4 341
Other commitments	134 211	114 212
Total	**21 433 531**	**21 206 053**

Note 37 Events after the end of the financial year

In March 2022 Tele2 signed a partnership agreement with Viaplay Group in Sweden to take the next step into the aggregator world within TV. The partnership means a strengthened relationship with Viaplay Group where Tele2 can fully utilize Viaplay's content library and integrate it in the product offers.

Tele2 Sverige also sold its 25 percent share in T-Mobile Netherlands Holding BV, The Netherlands, in March 2022.

Note 38 Proposed appropriation of company profits

Available to the Annual General Meeting is total funds of SEK 6 060 855 341. The Board proposes that a dividend of SEK 6 000 000 000 should be paid out to the shareholders and SEK 60 855 341 should be carried forward.

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Stockholm according to the subsequent digital signature

Kjell Johnsen
Chairman of the Board and CEO

Charlotte Hansson

Torkel Sigurd

Karin Svensson

Our auditor's report was submitted in accordance with subsequent digital signature

Deloitte AB

Didrik Roos
Authorized Public Accountant

Deloitte.

AUDITOR'S REPORT

To the general meeting of the shareholders of Tele2 Sverige Aktiebolag corporate identity number 556267-5164

Report on the annual accounts

Opinions

We have audited the annual accounts of Tele2 Sverige Aktiebolag for the financial year 2021-01-01 - 2021-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Tele2 Sverige Aktiebolag as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilitie*s section. We are independent of Tele2 Sverige Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

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or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tele2 Sverige Aktiebolag for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Tele2 Sverige Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm, June 2022

Deloitte AB

Signature on Swedish original

Didrik Roos
Authorized Public Accountant