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PRESS RELEASE

Tele2 gives notice to exercise put option in Kazakhstan

Stockholm – Tele2 AB (Tele2) (Nasdaq Stockholm: TEL2 A and TEL2 B) has today given notice to exercise the put option stipulated in the joint venture (the JV) between Tele2 and Kazakhtelecom in Kazakhstan. By serving the put option notice to Kazakhtelecom, Tele2 has initiated the sale process.

In March 2016, Tele2 announced the completion of the JV with Kazakhtelecom in Kazakhstan. This became the start of an exceptionally successful cooperation which has created a quickly growing business with strong profitability.

The transaction between Kazakhtelecom, Telia Company and Fintur announced on December 12, in which Kazakhtelecom acquires control of Kcell, triggers the possibility for Tele2 to exercise its put option and sell its shares in the JV to Kazakhtelecom, as the JV agreement includes customary non-compete clauses. To initiate this process, Tele2 has today filed a put option notice to Kazakhtelecom.

Key developments during Q4 2018:

- **December 11**, the Kazakhstan Antimonopoly Agency announced an approval of Kazakhtelecom's possibility to acquire Tele2's shares in the JV, including remedies to promote continued competition.
- **December 12**, Kazakhtelecom announced that it has signed an agreement to acquire Kcell.
- **December 28**, Tele2 served a put option notice to Kazakhtelecom to initiate the divestment of its shares in the JV.

Key financials

Tele2 owns 49 percent of the economic interest and 51 percent of the votes in the JV. The expected financial consideration to Tele2 will reflect a fully diluted economic interest of 31 percent, taking into account Asianet's 18 percent earn-out, as previously communicated. A shareholder loan from Tele2 to the JV, currently KZT 87 billion (approximately SEK 2.1 billion, following continued repayments during the fourth quarter), is to be fully repaid at the time of closing.

For the period January to June 2018, the JV in Kazakhstan represented 9 percent of the revenue of the Tele2 Group, including Com Hem pro forma.

The put option price is based on a fair market value principle and will be determined through an agreed valuation process, based on standard methodology, including independent third-party advisors.

Closing is expected in approximately six months. The JV (Tele2 Kazakhstan) will be reported separately under discontinued operations in the income statement, with a retrospective effect on previous periods.

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

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The JV will continue with business as usual and Tele2 will continue to manage the JV until the transaction has been closed.

For more information, please contact:

Joel Ibson, Head of Corporate Communications, Tele2 AB, Phone: +46 766 26 44 00
Erik Strandin Pers, Head of Investor Relations, Tele2 AB, Phone: +46 733 41 41 88

This information is information that Tele2 AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:45 CET on December 28, 2018.

TELE2'S MISSION IS TO FEARLESSLY LIBERATE PEOPLE TO LIVE A MORE CONNECTED LIFE. We believe the connected life is a better life, and so our aim is to make connectivity increasingly accessible to our customers, no matter where or when they need it. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. Tele2 offers mobile services, fixed broadband and telephony, data network services, content services and global IoT solutions. Every day our 17 million customers across eight countries enjoy a fast and wireless experience through our award winning networks. Tele2 has been listed on Nasdaq Stockholm since 1996. In 2017, Tele2 generated revenue of SEK 25 billion and reported an adjusted EBITDA of SEK 6.4 billion. For definitions of measures, please see the last pages of the Annual Report 2017. Follow @Tele2group on Twitter for the latest updates.

November 5, 2018, Tele2 successfully merged with the Com Hem Group, a leading supplier of broadband, TV, play and telephony services in Sweden with 1.45 million customers. In 2017, the Com Hem Group generated revenue of SEK 7.1 billion. The combined company will publish its first consolidated interim report in February 2019.

TELE2