ANNUAL ACCOUNTS

2017-01-01--2017-12-31

for

Tele2 Sverige AB
556267-5164

The Annual Accounts cover: **Page**

Tele2 Sverige AB
556267-5164

ANNUAL ACCOUNTS FOR TELE2 SVERIGE AB

The board and the chief executive for Tele2 Sverige AB hereby submit the annual accounts for the financial year2017-01-01--2017-12-31.

MANAGEMENT REPORT

Scope and nature of operations

The Company operates within fixed and mobile telephony, and is also a provider of data network and Internet services. The Consolidated Financial Statements, including Tele2 Sverige AB and its subsidiaries, have been prepared by Tele2 AB (Corporate ID No. 556410-8917).

Tele2 Sverige AB was established in 1993 and is the leading alternative operator in Sweden.

Ownership

As at 31 December 2017, Tele2 Sverige AB was a wholly owned subsidiary of Tele2 Holding AB, Corporate ID No. 556579-7700, domiciled in Stockholm with the listed company Tele2 AB, Corporate ID No. 556410-8917, domiciled in Stockholm, as final parent company.

Tele2 Sverige AB 2017 and future development

Despite an increased competition on the mobile phone market, Tele2 continued to deliver stable revenue growth in the mobile services sector from end-customers, driven by a strong demand for mobile data. Revenue from fixed-line services continued to decline and the roaming-legislation (Roam Like at Home – RLAH) had a negative impact on the EBITDA. Despite these challenges, Tele2 managed to increase its EBITDA through savings related to the Challenger-programme and synergies from the integration of TDC Sweden, which was acquired in 2016.
During 2017, Tele2 mainly prioritised three areas:

- Continued maximisation of the two-brand strategy with the aim of positioning Comviq and Tele2 within different market segments
- Drive growth through further data capitalisations to counter-act the effects of RLAH
- Growth within the business segment and the integration of TDC Sverige.

The two-brand strategy and data capitalisation
During 2017, the two-brand strategy was developed further with the launch of offers of unlimited data and the new concept Power 2 for the Tele2-brand. Comviq strengthened its position further in the budget segment through successful initiatives such as a doubling of the customers' data pot without any additional cost, which led to a significant increase in the number of subscribers. These successes were awarded during the Evimetrix Swedish Brand Award where Comviq was chosen as the strongest telecom brand in the market.
As expected, the initiatives within data capitalisation could not outweigh the effects from the increased costs caused by the introduction of RLAH.

Growth within the business segment and the integration of TDC Sverige
In the corporate segment, the integration of TDC Sverige has been successful with realisation of synergies ahead of plan which is a result of the MVNO-agreement ending earlier than planned and of reduced sales and administrative costs. On the other hand, the increase in revenues was dampened by a lower than expected increase of customers during the end of 2016 and the start of 2017, and the pressure on prices on the market. However, new and extended agreements of significance were signed with PostNord, three local authorities in Skåne, Dalarna County Council, WSP Sverige, the Swedish Prison and Probation Service and the Swedish Migration Agency.
The general financial development within the SME segment was improved during the year, in particular given a more beneficial competitive situation compared with previous years, but primarily because of our improved product offers which contributed to increased average revenue per customer despite a reduction in roaming-revenue because of RLAH.

2018

Tele2 Sverige AB
556267-5164

Tele2 will continue to use the two-brand strategy, where Comviq is positioned as the modern mobile price-cutter and Tele2 as the natural choice for a connected life. In the business sector, the aim within the SME-segment is to build on the positive trend in terms of customer uptake and the average revenue per customer, and within the corporate segment the continued integration of TDC Sverige and to capitalise on the opportunities for cross-selling created by this acquisition. As a consequence of the successful first year of TDC-integration, the synergy objective of 300 million may be increased in 2018 which was announced along with the interim accounts for the fourth quarter and the integration is expected to cost less than the original estimate of 750 million.
In early 2018, Tele2 announced in intention to merge with the broadband and TV-supplier ComHem to create a stronger customer-champion within the more and more integrated Swedish society. One of the focus-areas for Tele2 Sverige during 2018 will therefore be to prepare itself for one of the most complementary mergers in the industry, with the aim of ensuring a smooth integration enabling customer offerings for the demands of tomorrow, both in the consumer and in the business sector. The transaction requires the approval of the shareholders of both companies and is subject to the approval by the relevant supervisory competition authorities which means that the expectation is that the deal will be completed in the second half of 2018. Until the transaction has been completed, the two operators will continue as independent companies.

Employees

At the end of the year, Tele2 Sverige had 1,965 employees (previous year 2,008 employees). Also see Note 4, Average number of employees, other remunerations and social costs.

Every employee at Tele2 annually creates an individual development plan together with his manager. The development plan includes continuous evaluations and annual performance evaluations with fulfilment of goals and planning for the future (new goals, development and initiatives). As part of the Tele2 team, each employee is responsible for contributing both to their own and Tele2's development by

Risks and uncertainties

The management of financial risks is primarily centralised to Tele2 AB. All long-term loans constitute liabilities to Group companies, see Note 22.

Other risks and uncertainties for Tele2 Sweden mainly constitute:
*availability of frequencies and telecom-licences
*increased price competition
*integration of new business models
*changes to legislation and regulations

Corrections of errors

A number of errors have been detected in the values for 2016. These have been corrected and have been spe

Tele2 Sverige AB
556267-5164

Financial overview (TSEK)

	2017	2016	2015	2014
Net turnover	13 085 697	12 441 814	12 921 264	13 021 533
Operating profit/loss	2 387 024	2 011 367	2 641 867	2 185 388
Profit/loss after financial items	3 130 422	2 459 465	6 020 317	21 434 056
Total assets	53 089 671	59 881 505	55 495 251	58 086 766
Solidity (1)	52,0%	53,1%	53,1%	43,4%
Investments in fixed assets	723 648	970 344	814 475	751 529

Investments in fixed assets include unpaid investments

(1) Adjusted equity * / Total assets

*) Equity including 78% of untaxed reserves

Proposed appropriation of profit (SEK)

The following funds are available to the annual general meeting

Retained earnings from previous year	23 715 797
This year's profit/loss	2 423 137
	26 138 934

The board proposed that

shareholder dividend	2 500 000
carried forward	23 638 934
	26 138 934

As regards the company's profit/loss and position, please refer to subsequent profit and loss statement and balance sheets, cash flow statement and supplementary information. All amounts are expressed in thousands of SEK, unless otherwise stated.

Tele2 Sverige AB
556267-5164

PROFIT AND LOSS STATEMENT [TSEK]	**Note**	**2017-01-01 2017-12-31**	**2016-01-01 2016-12-31**
Net turnover	1, 2	13 085 697	12 441 814
Cost of services sold		-6 148 235	-6 079 669
Gross profit/loss		**6 937 462**	**6 362 145**
Cost of sales		-2 760 047	-2 636 509
Administrative costs		-1 573 494	-1 503 569
Other operating revenue		42 623	36 398
Other operating costs		-259 520	-247 098
Operating profit/loss	1,2,3,4,5,6,13,14	**2 387 024**	**2 011 367**
Profit/loss from financial investments			
Profit/loss from shares in subsidiaries	7	1 488 905	1 138 523
Earnings from other securities and receivables that are fixed assets	8	150	1 429
Other interest revenue and similar items	9	3 370	9 111
Interest costs and similar items	10	-749 027	-700 965
Profit/loss after financial items		**3 130 422**	**2 459 465**
Allocations	11	-340 263	186 270
Profit/loss before tax		2 790 159	2 645 735
Tax on this year's profit/loss	12	-367 022	-400 911
THIS YEAR'S PROFIT/LOSS		**2 423 137**	**2 244 824**

Tele2 Sverige AB
556267-5164

BALANCE STATEMENT
[TSEK]

	Note	2017-12-31	2016-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	13		
Retained development costs		1 220 325	1 158 538
Licences and similar rights		207 569	254 293
Leaseholds and similar rights		15 886	24 065
Goodwill			29 904
Ongoing development work		369 901	389 034
Customer agreements			2 186
		1 813 681	**1 858 020**
Tangible fixed assets	14		
Machinery and other technical facilities		760 902	851 334
Inventory, tools and installations:		228 045	163 492
Construction in progress and advance payments for tangible fixed assets		180 081	228 601
		1 169 028	**1 243 427**
Financial tangible fixed assets			
Investments in group companies	15	44 106 183	44 704 408
Receivables from group companies		597 910	501 513
Shares in associates	15	12 839	12 839
Other long-term receivables	16	389 445	509 465
		45 106 377	**45 728 225**
Sum fixed assets		**48 089 086**	**48 829 672**
Current assets			
Inventories, etc.			
Prepared goods and goods for sale		328 984	300 902
Ongoing work on behalf of others		2 434	61
		331 418	**300 963**
Short-term receivables			
Account receivables		805 072	847 383
Receivables from group companies		2 132 669	8 176 752
Other receivables	17	1 006 289	1 096 967
Prepaid costs and accrued revenue	18	723 738	628 267
		4 667 768	**10 749 369**
Cash and bank balances	27	1 399	1 501
Sum current assets		**5 000 585**	**11 051 833**
SUM ASSETS		**53 089 671**	**59 881 505**

Tele2 Sverige AB
556267-5164

BALANCE STATEMENT [TSEK]	**Note**	**2017-12-31**	**2016-12-31**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		150 000	150 000
Development fund		156 115	86 023
Reserve fund		30 000	30 000
		336 115	**266 023**
Unrestricted equity			
Fair value fund			
Retained profit or loss		23 715 797	28 559 778
This year's profit/loss		2 423 137	2 244 824
		26 138 934	**30 804 602**
Sum equity		**26 475 049**	**31 070 625**
Untaxed reserves	19	**1 481 883**	**952 670**
Provisions			
Other provisions	21	71 859	46 844
Other pension provisions		60 757	61 485
Deferred tax	20	-494	5 811
		132 122	**114 140**
Long-term liabilities	22		
Carrying interest			
Liabilities to group companies		6 443 489	5 958 812
Other long-term liabilities		458 820	138 762
		6 902 309	**6 097 574**
Short-term liabilities			
Other liabilities		3	12 000
Accounts payables		714 491	794 917
Liabilities to group companies		15 291 881	19 082 739
Tax liabilities		192 945	161 171
Other short-term liabilities		387 662	205 069
Accrued costs and pre-paid revenue	23	1 511 326	1 390 600
		18 098 308	**21 646 496**
SUM EQUITY AND LIABILITIES		**53 089 671**	**59 881 505**

Tele2 Sverige AB
556267-5164

	Restricted equity					*Unrestricted equity*				
	Share capital	Revenue fund	Reserve fund	Equity fund	Fund for development costs	Premium fund	Fair value fund	Retained earnings	This year's profit/loss	**Sum equity**
Opening balance as per 1 January 2016	**150 000**		**30 000**					**24 365 458**	**4 292 213**	**28 837 671**
Appropriation of previous year's profit/loss								4 292 213	-4 292 213	-
Provision to development fund					86 023			-86 023		-
This year's profit/loss									2 244 824	2 244 824
Changes to reported value for assets and liabilities:										-
Actuarial gains/losses for pensions								-16 065		-16 065
Tele2 Sverige AB 2017 and future development								3 535		3 535
Tax effect of employee stock options								660		660
Sum changes in value								**-11 870**		**-11 870**
Closing balance as per 31 December 2016	**150 000**	**-**	**30 000**	**-**	**86 023**	**-**	**-**	**28 559 778**	**2 244 824**	**31 070 625**

	Restricted equity					*Unrestricted equity*				
	Share capital	Revenue fund	Reserve fund	Equity fund	Fund for development costs	Premium fund	Fair value fund	Retained earnings	This year's profit/loss	**Sum equity**
Opening balance as per 1 January 2017	**150 000**	**-**	**30 000**	**-**	**86 023**	**-**	**-**	**28 559 778**	**2 244 824**	**31 070 625**
Appropriation of previous year's profit/loss								-4 755 176	-2 244 824	-7 000 000
Provision to development fund					70 092			-70 092		
This year's profit/loss									2 423 137	2 423 137
Changes to reported value for assets and liabilities:										0
Actuarial gains/losses for pensions								-22 770		-22 770
Tax effect of employee stock options								4 057		4 057
Closing balance as per 31 December 2017	**150 000**		**30 000**		**156 115**			**23 715 797**	**2 423 137**	**26 475 049**

Tele2 Sverige AB
556267-5164

CASH-FLOW ANALYSIS

[TSEK]	Note	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating activities			
Operating profit/loss		2 387 024	2 011 367
Adjustment for items not included in cash flow	25	894 761	760 195
		3 281 785	**2 771 562**
Interest received		3 280	9 085
Interest paid		-4 668	-167
External dividends		153	153
Paid tax		-332 693	-200 143
Other financial items		15	-1 517
Cash flow from operating activities before changes in operating capital		**2 947 872**	**2 578 973**
Cash flow from changes in operating capital			
Reduction(+)/increase(-) of inventory		-32 513	167 883
Reduction(+)/increase(-) of accounts receivable		-695 782	202 315
Reduction(+)/increase(-) of operating receivables		7 199 649	-7 646 091
Reduction(-)/increase(+) of accounts payables		39 433	122 294
Reduction(-)/increase(+) of operating payables		-157 038	353 611
Cash flow from operating activities		**9 301 621**	**-4 221 015**
Investment activities			
Acquisitions of subsidiaries		-340 075	-3 175 793
Other share acquisitions and sales		-70 439	12 538
Acquisition of intangible fixed assets		-476 684	-455 192
Sale of intangible fixed assets		13 098	-
Te Acquisition of tangible fixed assets		-273 885	-461 111
Sale of tangible fixed assets		5 049	17 547
Cash-flow from investment activities		**-1 142 936**	**-4 062 011**
Financing activities			
Net changes in loans from group companies		-8 427 986	8 227 194
Net changes in loans from banks		269 199	56 176
Cash flow from financing activities		**-8 158 787**	**8 283 370**
This year's cash flow		**-102**	**344**
Cash and cash equivalents at beginning of year		**1 501**	**1 157**
Cash and cash equivalents at end of year	26	**1 399**	**1 501**

Tele2 Sverige AB
556267-5164

ADDITIONAL INFORMATION

Accounting and measurement principles

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

Facilities

Tangible and non-tangible fixed assets with a determinable useful life are reported at acquisition value with deductions for accumulated deprecations and accumulated write-downs. Deprecations are based on the acquisition value of assets with deductions for estimated residual value at the end of the useful period and takes place in a linear fashion over the course of the assets' estimated useful life. Useful life and residual values are subject to annual reassessments. Impairment periods for fixed assets are set out in Note 5.

If there is any indication that a tangible or non-tangible fixed asset has reduced in value, the recoverable value of that asset shall be calculated. The recoverable amount consists of the maximum of the value in use of the asset in the activities and the value that would be obtained if the asset in question was sold to an independent party, i.e. net realisable value. The value in use consists of the present value of all deposits and payments attributable to the asset in question during its useful life and addition of the present value of the net realisable value at the end of the useful life. If the calculated recoverable value is less than the carrying amount, an impairment to the recoverable value of the asset is entered.

An impairment must be reported in the profit and loss statement. Impairment losses are recovered if changes have occurred in the assumptions that led to the original impairment. Recovery of impairment losses is not made so that the carrying amount exceeds what would have been reported, after deduction of planned amortisation, if no impairment had been done. Recovery of impairment losses is recognised in the profit and loss statement.

Intangible fixed assets

The Company has a number of licences that entitle it to operate a telephony business. The costs for these are capitalised and depreciated linearly over the term of the licence agreement. Goodwill consists of the difference between the purchase price of the acquired shares or the fair value of the assets, liabilities and contingent liabilities and are reported at acquisition value less depreciation and any impairment. 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.

Tangible fixed assets

Buildings and land are assets that are intended to be used in the business. Buildings are depreciated linearly over their useful life less deduction of estimated residual value at the end of the useful life. The acquisition value includes direct costs attributable to the building.

Machinery and technical equipment refers to facilities and machines that are intended for use in the activities, such as network facilities. The asset is depreciated linearly over the useful life. The acquisition value include direct costs attributable to the construction and installation of the networks. Additional expenses for expansion and value-enhancing improvements are balanced, while additional expenses for repair and maintenance are regularly charged to the period in which they arise.

Inventory includes assets used in administration, sales and operations.

Dismantling costs

To the extent that there is an undertaking towards a third party, the acquisition value includes estimated costs for the dismantling and removal of assets and the restoration of places/areas where assets have been installed/erected. A change in estimated costs for dismantling, removal and restoration is added to and/or deducted from the carrying amount of the affected asset.

Revenue recognition

Net turnover includes customer-related revenue from mobile and fixed-line telephony services such as connection charges, 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 reported on delivery of the product to the customer. Revenue from the sale of prepaid cards is reported 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 reported when the service is provided. The revenue that can be allocated to equipment is reported on delivery of the equipment to the customer and revenue from other monthly fees is recognised in the period to which the fee relates.

Revenue from data and information services, e.g. text messages and ringtones, is reported when the service is provided.

Revenue reporting for agreements containing several elements

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.

Marketing costs

Advertising costs and other marketing activities are expensed on an ongoing basis.

Leasing

All leases are reported as operating leases, which means that the leasing fee is distributed linearly over the lease period.

Employee benefits

Remuneration to employees in the form of salaries, bonuses, paid holiday, sick pay, etc., as well as pensions are reported 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.

Taxes

Tax expenses or tax income for the period are made up of current tax and deferred tax. Current tax is the tax calculated on the taxable profit for a period. Deferred tax is calculated on the basis of the so-called balance sheet approach, which means that a comparison is made between the reported and taxable values of the company's assets and liabilities. The difference between these values is multiplied by the current tax rate, giving the amount of the deferred tax receivable/liability. Deferred tax receivables are reported in the balance sheet to the extent that it is probable that the amounts can be utilised against future taxable income.

Tele2 Sverige AB
556267-5164

Investments in group companies

Shares in subsidiaries are reported at acquisition value. Dividends from subsidiaries are reported as revenue when the right to receive dividends is deemed 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 reported at acquisition value after deductions for any impairment. Dividends from participations in associated companies and joint ventures are recognised as revenue in the profit and loss statement.

Inventories

The inventory is valued in accordance with the lowest value principle, i.e. at the lowest of acquisition value and fair value. When determining the acquisition value, the first-in-first-out principle is applied. The company's inventory mainly consists of SIM cards, vouchers, phones and starter packages.

Receivables

Receivables are reported at the invoiced amount minus reserves for uncertain accounts receivable. Reserves for uncertain receivables are reported as soon as it is suspected that the Company will not receive the full amount outstanding in accordance with the original terms.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been valued at the closing date and unrealised exchange gains and losses are included in the profit or loss.

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.

Provisions

Provisions are recognised when the company has an existing commitment that is attributable to an event that is likely to result in an outflow of resources that can be reliably estimated.

Cash-flow analysis

The cash-flow statement is prepared using the indirect method. The reported cash flow only includes transactions that entail deposits or payments.

Important estimates and assumptions

The Company's financial reports are partly based on assumptions and estimates made in connection with the preparation of the Company's accounts. Estimates and calculations are based on historical experience and a range of other assumptions, resulting in decisions about the value of the asset or liability that cannot otherwise be determined. Real outcomes 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.

Measuring of fixed assets with determinable useful lives

The recoverable amount consists of the maximum of the value in use of the asset in the activities and the value that would be obtained if the asset in question was sold to an independent party, i.e. the net realisable value. The value in use consists of the present value of all deposits and payments attributable to the asset in question during its useful life and addition of the present value of the net realisable value at the end of the useful life. If the calculated recoverable value is less than the carrying amount, an impairment to the recoverable value of the asset is entered.

Impairment periods of fixed assets

In determining the useful periods for groups of assets, historical trends are taken into account and assumptions are made about future technological development. Depreciation is based on the acquisition value of the fixed assets and the estimated useful life with deduction for the estimated residual value at the end of the useful life. If technology develops faster than expected or competition, regulatory or market conditions develop differently than expected, the company's evaluation of useful periods and residual values are affected.

Disputes and damages

The Company is currently involved in a number of disputes. For each individual dispute, an assessment is made of the most probable outcome and the performance reporting is in accordance with this.

Revenue recognition

Revenue recognition within Tele2 requires that the company management makes estimates and assessments in a number of cases, primarily to determine actual values and during which period the revenue shall be recognised. Many agreements package products and services into a customer offering, which for accounting purposes requires allocation of revenue for each part based on its relative fair values through the use of estimates. In order to determine if the income is to be reported directly or accrued, the company management requires assessment of when the service and the goods have been provided, as well as estimates of the fair value of each part and the remaining contract period. See Notes 16 and 17 relating to receivables for equipment sold.

Valuation of accounts receivable

Accounts receivable are measured continuously and are reported at amortised cost. Reserves for doubtful receivables are based on various assumptions and historical experience.

Reporting of group contributions

All paid and received group contributions are reported as allocations.

Tele2 Sverige AB
556267-5164

Notes

Note 1 Net sales and operating income per business segment

	Net turnover		Operating profit/loss	
Business segment	**2017**	**2016**	**2017**	**2016**
Mobile telephones	10 582 703	10 388 125	2 422 581	2 141 194
Landlines	371 754	453 133	99 439	89 057
Fixed broadband	576 628	646 252	-160 863	-353
Other activities	1 554 612	954 304	-582 964	-178 766
Sum	**13 085 697**	**12 441 814**	**1 778 193**	**2 641 867**

Note 2 Information about purchases and sales within the same group, etc.

The largest group that the company is part of (Tele2 AB and subsidiaries)	**2017**	**2016**
Group-internal purchases expressed as a percentage of total purchases	12,9%	16,8%
Group-internal sales expressed as a percentage of total sales	7,3%	6,6%

The group covered by the provisions in ÅRL (Tele2 Sverige AB and subsidiaries)	**2017**	**2016**
Group-internal purchases expressed as a percentage of total purchases	12,0%	16,3%
Group-internal sales expressed as a percentage of total sales	7,3%	6,6%

Note 3 Information on the auditor's fee and cost compensation

	2017	**2016**
Deloitte		
Audit assignment	1 452	1 468
Other assignments	7 667	5 425
Sum	**9 119**	**6 893**

In this context, "audit assignments" refers to the reviewing of the Annual Report, the accounts and the governance exercised by the Board of Directors and the Managing Director. To this is 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. Everything else is other assignments.

Note 4 Average number of employees, salaries, other remuneration and social security contributions

	2017	**2016**
Average number of employees split into women and men is		
Women	746	647
Men	1 598	1 352
Total	**2 344**	**1 999**

The gender distribution of the board members on the balance sheet date was	**2017**	**2016**
Women	1	1
Men	2	2
Total	**3**	**3**

The gender distribution of the CEO and other senior executives on the balance sheet date was		
Women	3	4
Men	6	5
Total	**9**	**9**

Salaries and compensation are:	**2017**	**2016**
The board and the chief executive	6 591	7 648
(of which bonuses and equivalent compensation)	(1 447)	(1 514)
Other employees	1 401 598	1 252 625
Total salaries and compensations	**1 408 189**	**1 260 273**
Statutory and contractual social contributions	490 790	419 529
Pension costs	213 726	168 903
Total salaries, compensations, social contributions and pension costs	**2 112 705**	**1 848 705**

Of the Company's pension costs, TSEK 911 (920) is attributable to the Company's Board of Directors and MD.

Provisions for pensions and similar obligations

Tele2 Sverige has defined-benefit pensions that are valued according to IAS19

Reported item for	**2017**	**2016**
Staffing costs	-3 009	-16 840
Interest	1 674	1 991
Tax	1 030	4 143
Sum	**-305**	**-10 706**

Current assumptions	**2017**	**2016**
Discount rate	2,4%	2,8%
Expected rate of salary increase	3,0%	3,0%
Long-term assumption on inflation	2,0%	2,0%

Provisions for pensions see Note 16

Tele2 Sverige AB
556267-5164

Note 5 Depreciation and impairment of tangible and intangible fixed assets

	2017	2016
Costs of sold goods	-311 511	-385 987
Administrative costs	-500 139	-382 208
Sum	**-811 650**	**-768 195**

Impairment according to plan is made as follows:

Customer agreements	3 years
Licences and similar rights	3-13 years
Leaseholds and similar rights	10-25 years
Goodwill	5 years
Machinery and other technical facilities	2-30 years
Inventory, tools and installations:	3-10 years

The difference between depreciation according to plan and book depreciation is reported as allocations.

Note 6 Operational leasing

Annual fees

	2017	2016
Leases for the year for operating leases, excluding rental for premises	315 598	317 750

Future agreed leases for operating leases mature for payment

	2017	2016
Within 1 year	208 676	224 074
Between 1-5 years	389 722	377 859
Later than 5 years	121 041	69 194
Sum	**719 439**	**671 127**

Note 7 Profit from shares in group companies

	2017	2016
Dividends	2 488 380	8 069 704
Capital gain on sale of shares	-	3 070
Impairment on shares in group companies	-999 475	-6 934 251
Sum	**1 488 905**	**1 138 523**

Note 8 Profit from other securities and receivables that are fixed assets

	2017	2016
Group-internal interest income	-	4 914
Dividends from external investments	153	153
Sale of shares in associated companies	-	-2 121
Other financial costs	-3	-1 517
Sum	**150**	**1 429**

Note 9 Other interest income and similar items

	2017	2016
Interest income - late payments and current receivables	3 274	9 085
Interest income - bank funds	3	26
Currency differences	93	-
Sum	**3 370**	**9 111**

Note 10 Interest expenses and similar items

	2017	2016
Interest costs - the group	-740 992	-695 017
Interest costs - other liabilities	-4 668	-167
Currency differences	-3 367	-5 781
Sum	**-749 027**	**-700 965**

Note 11 Allocations

	2017	2016
Group contributions made	-659 150	-961 700
Received group contribution	848 100	1 387 134
Write-offs outside plan	-70 484	278 744
Changes to Accrual Fund	-458 729	-517 908
Sum	**-340 263**	**186 270**

Note 12 Tax on this year's profit

	2017-12-31	2016-12-31
The tax cost includes the following components:		
Current tax	-362 840	-401 266
Adjustments of tax from previous years	-	1 519
Deferred tax	-4 182	-1 164
Reported tax	**-367 022**	**-400 911**

	2017-12-31	2016-12-31
Reported profit or loss before tax	2 790 159	2 645 735
Tax as per current tax rate	-613 835	-582 062
Tax effect from:		
Adjustments of tax from previous years	-9 480	1 519
Reported non-deductible expenses	-291 185	-69 244
Reported non-taxable revenue	547 478	248 876
Reported tax	**-367 022**	**-400 911**

Tele2 Sverige AB
556267-5164

Note 13 Intangible fixed assets

	2017-12-31					
	Licences and similar rights	Retained development costs	Leaseholds and similar rights	Goodwill	Ongoing development	mer agreements
Opening acquisition value	858 737	3 209 432	212 767	364 390	389 034	76 629
Sales/disposals	-15 814	-12 076	-18 210		-108	
Reclassifications	16 359	414 171			-452 396	
This year's investments	32 509	9 058	4 003		433 371	
Closing accumulated acquisition cost	**891 791**	**3 620 585**	**198 560**	**364 390**	**369 901**	**76 629**
Opening write-offs	-604 444	-1 784 767	-188 702	-334 486	-	-74 443
Sales/disposals	7 734	6 627	18 210			
This year's impairment per plan	-87 512	-355 993	-12 182	-29 904		-2 186
Closing acc. write-offs	**-684 222**	**-2 134 133**	**-182 674**	**-364 390**	**-**	**-76 629**
Opening impairments	-	-266 127	-	-	-	-
Closing acc. impairments	**-**	**-266 127**	**-**	**-**	**-**	**-**
Closing residual value according to plan	**207 569**	**1 220 325**	**15 886**	**0**	**369 901**	**0**

	2016-12-31					
	Licences and similar rights	Retained development costs	Leaseholds and similar rights	Goodwill	Ongoing development	Customer agreements
Opening acquisition value	809 580	2 809 399	174 121	364 390	367 182	76 629
Sales/disposals	5 780	-1 409	18 643		39 573	
Reclassifications	21 216	351 194			-382 365	
This year's investments	22 161	50 248	20 003		364 644	
Closing accumulated acquisition cost	**858 737**	**3 209 432**	**212 767**	**364 390**	**389 034**	**76 629**
Opening write-offs	-496 797	-1 480 241	-157 627	-304 581	-	-71 527
Sales/disposals	685	1 598	-18 626		-	
Reclassifications						
This year's impairment per plan	-108 332	-306 124	-12 449	-29 905		-2 916
Closing acc. write-offs	**-604 444**	**-1 784 767**	**-188 702**	**-334 486**	**-**	**-74 443**
This year's impairments						
Opening impairments	-	-266 127	-	-	-	-
Reversed impairments	-	-	-	-	-	-
Closing acc. impairments	**-**	**-266 127**	**-**	**-**	**-**	**-**
Closing residual value according to plan	**254 293**	**1 158 538**	**24 065**	**29 904**	**389 034**	**2 186**

Note 14 Tangible fixed assets

	2017-12-31			
	Land	Machinery and other technical facilities	Inventories, tools and installa tions	Ongoing new install ations
Opening acquisition value	-	11 237 866	604 406	228 601
Reclassifications		43 769	175 595	-199 756
This year's investments		89 027	-1 093	156 773
Sales/disposals	-	-497 977	-5 464	-4 381
Closing accumulated acquisition cost	**-**	**10 872 685**	**773 444**	**181 237**
Opening write-offs	-	-10 125 337	-440 914	-
Sales/disposals	-	491 693	1 271	-
This year's impairment per plan	-	-216 944	-105 756	-1 156
Closing acc. write-offs	**-**	**-9 850 588**	**-545 399**	**-1 156**
Opening impairments	-	-261 195	-	-
Closing acc. impairments	**-**	**-261 195**	**-**	**-**
Closing residual value according to plan	**-**	**760 902**	**228 045**	**180 081**

	2016-12-31			
	Land	Machinery and other technical facilities	Inventories, tools and installa tions	Ongoing new install ations
Opening acquisition value	917	10 823 799	523 739	91 061
Reclassifications	-	172 179	61 247	-223 471
This year's investments	-	103 145	19 335	394 640
Sales/disposals	-917	138 743	85	-33 629
Closing accumulated acquisition cost	**0**	**11 237 866**	**604 406**	**228 601**
Opening write-offs	-286	-9 728 364	-367 050	-
Sales/disposals	286	-160 711	56	-
Reclassifications	-	-		-
This year's impairment per plan	-	-236 262	-73 920	-
Closing acc. write-offs	**0**	**-10 125 337**	**-440 914**	**-**
Opening impairments	-	-261 195	-	-
Closing acc. impairments	**-**	**-261 195**	**-**	**-**
Closing residual value according to plan	**0**	**851 334**	**163 492**	**228 601**

Tele2 Sverige AB
556267-5164

Note 15 Shares in subsidiaries and associated companies

	2017-12-31	2016-12-31
Opening acquisition value	117 651 477	112 601 044
Acquisitions	970 547	3 042 552
Shareholder contributions	0	2 058 087
Sales	-888 678	-50 206
Mergers	-91 620	-
Liquidated companies	-	-
Closing accumulated acquisition cost	**117 641 726**	**117 651 477**

	2017-12-31	2016-12-31
Opening impairments	-72 934 230	-65 999 979
This year's impairments	-999 770	-6 934 251
This year's dissolutions	411 296	-
Closing acc. impairments	**-73 522 704**	**-72 934 230**
Sum shares in subsidiaries and associated companies	**44 119 022**	**44 717 247**

In March, Tele2 Sverige sold the company Tele2 IOT Latvia to Tele2 IoT AB.
In March, Tele2 Sverige acquired the company Tele2 SSC Riga
In February, Tele2 Sverige sold Kombridge AB to Tele2 IoT AB
In August, the company Spring Mobil AB merged with Tele2 Sverige AB
In October, Tele2 Austria Holding GmbH was sold
In October Tele2 Communication GmbH s.r.o was sold
In October, End Up AB was acquired

Company, Corporate ID Number, Registered Office	Shareholding (capital/votes)	2017-12-31	2016-12-31
Triangelbolaget D4 AB, 556007-9799, Stockholm, Sweden	25%	32	32
Spring Mobil AB, 556609-0238, Stockholm, Sweden Merged with Tele2 Sweden in 2017	100%	-	4 757
Swefour GSM AB, 556646-2189, Stockholm, Sweden	100%	70 000	70 000
Svenska UMTS-nät Holding AB, 556606-7988, Stockholm, Sweden	100%	127	127
Svenska UMTS-nät AB, 556606-7996, Stockholm, Sweden	50%	-	-
Interloop AB, 556450-2606, Stockholm, Sweden	100%	1 318 870	1 318 870
Net4Mobility HB, 969739-0293, Stockholm, Sweden	50%	-	-
SNPAC Swedish Nr Portability Adm.Centre AB, 556595-2925, Stockholm, Sweden	20%	1 020	1 020
Tele2 Netherlands Holding NV, 33272606, Amsterdam, Netherlands	100%	4 583 875	4 583 875
Tele2 Nederlands BV, 33303418, Amsterdam, Netherlands	100%	-	-
Tele2 Retail BV, 63201488, Amsterdam, Netherlands	100%	-	-
Khan Tengri Holding B.V., 27313531, Amsterdam, Netherlands	51%	0	142 329
Mobile Telecom Service LLP, 66497-1910-TOO, Almaty, Kazakstan	100%	-	-
Tele2 d.o.o. Za telekomunikacijske usulge, 1849018, Zagreb, Croatia	100%	108 426	108 426
Tele2 Eesti AS, 10069046, Tallin, Estonia	100%	33 053	33 053
Televõrgu AS, 10718810, Tallinn, Estonia	100%	-	-
Estonian Broadband Development Foundation, Estonia	12.5%	-	-
Tele2 Holding Lithuania AS, 11920703, Tallin, Estonia	100%	73 655	735 820
Tele2 Holding Lithuania AS Filialas, 302514793, Vilnius, Lithuania	100%	-	-
UAB Tele2, 111471645, Vilnius, Lithuania	100%	3 458 373	3 458 373
UAB Personalo valdymas, 302473332, Vilnius, Lithuania	100%	-	-
Viesoji istaiga Numerio perkelimas, 303386211, Vilnius, Lithuania	25%	-	-
UAB Tele2 Fiksuotas Rysys, 111793742, Vilnius, Lithuania	100%	1 869	1 869
Tele2 Holding SIA, 40003512063, Riga, Latvia	100%	527 308	527 308
SIA Tele2, 40003272854, Riga, Latvia	100%	-	-
SIA Tele2 Shared Service Center, 40003690571, Riga, Latvia	100%	14 551	-
Tele2 Europe SA, R.C.B56944, Luxemburg	100%	30 921 907	30 921 907
Tele2 Telecommunication GmbH, FN138197g, Vienna, Austria	100%	-	-
Communication Services Tele2 GmbH, 36232, Düsseldorf, Germany	100%	-	-
Collecta Forderungsmanagement GmbH, HRB 67126, Düsseldorf, Germany	100%	-	-
Tele2 International Call GmbH, HRB64239, Düsseldorf, Germany	100%	-	-
Tele2 Beteiligungs GmbH, HRB64230, Düsseldorf, Germany	100%	-	-
T&Q Netz GmbH Co KB, HRA21263, Düsseldorf, Germany	50%	-	-
Tele2 Service GmbH, HRB79647, Düsseldorf, Germany	100%	-	-
IntelliNet Holding BV, 34126307, Amsterdam, Nederländerna	100%	-	-
010033 Telecom GmbH, HRB 48344, Frankfurt, Germany	100%	-	-
S.E.C. Luxembourg S.A., R.C. B-84 649, Luxemburg	100%	-	-
SEC Finance SA, B104730, Luxemburg	100%	-	-
Tele2 Luxembourg AB, 556304-7025, Stockholm, Sweden	100%	-	-
Tele2 Finance Luxembourg SARL, RCB112873, Luxemburg	100%	-	-
Tele2 Russia Telecom BV, 33287334, Rotterdam, Netherlands	100%	-	-
Tele2 Russia Two AB, 556041-1307, Sweden, dormant	100%	5 024	5 024
Tele2 Business AB, 556465-8507, Stockholm, Sweden	100%	2 989 046	2 756 427
Tele2 IoT AB, 559078-0597, Stockholm, Sweden	100%	50	50
Kombridge AB, 556817-2059, Göteborg, Sweden	100%	-	36 111
Tele2 IOT Latvia	100%	-	-
Tele2 IoT Austria GmbH, Vienna, Austria	100%	-	-
End Up AB, 559119-5523, Stockholm, Sweden	100%	50	-
Reported value dormant companies		11 786	11 869
Sum shares in subsidiaries and associated companies		**44 119 022**	**44 717 247**

Note 16 Other long-term receivables

	2017-12-31	2016-12-31
Claim for sold equipment	311 594	406 518
Pension capital	77 851	102 947
Sum	**389 445**	**509 465**

In 2016, Tele2 Sverige started to transfer the right to payment of certain operating receivables to financial institutions. The commitment arising from the payment received from financial institutions when the right to payment of receivables for mobile phones and other equipment has been transferred has been reported net against the balance sheet and resulted in a positive effect on cash flow.

Tele2 Sverige AB
556267-5164

Note 17 Other receivables

	2017-12-31	2016-12-31
Claim for sold equipment	897 551	1 003 825
Other receivables	108 738	93 142
Sum	**1 006 289**	**1 096 967**

Note 18 Prepaid costs and accrued revenue

	2017-12-31	2016-12-31
Fixed subscription fees	389	19 621
Lease costs	25 429	14 353
Prepaid insurance	15 000	16 180
Prepaid data and support	40 258	20 900
Other prepaid costs	6 784	35 197
Accrued telephone revenue, other operators	301 818	191 267
Accrued telephone revenue, customers	325 954	325 155
Other accrued income	8 106	5 594
Sum	**723 738**	**628 267**

Note 19 Untaxed reserves

	2017-12-31	2016-12-31
Write-offs outside plan	505 246	434 762
Accrual fund tax year 2016	517 908	517 908
Accrual fund tax year 2017	458 729	-
Sum	**1 481 883**	**952 670**

Note 20 Deferred tax

The company's deferred tax receivables/tax liabilities (net) are attributable to the following items:

	2017-12-31	2016-12-31
Other	-494	5 811
Sum	**-494**	**5 811**

Note 21 Other provisions

	2017-12-31	2016-12-31
Reservation for future leasing costs	2 151	6 535
Other provisions	69 708	40 309
Sum	**71 859**	**46 844**

Note 22 Long-term liabilities

Limit of overdraft facilities amounts to TSEK 0 (previous year TSEK 0).

Tele2 acquired Asianet's 49 per cent holding in Tele2 Kazakstan in 2016. The purchase price was an initial payment of USD 15 million (SEK 125 million) and an additional purchase price corresponding to an 18 per cent interest in a jointly owned company in Kazakhtelecom over a three-year period. Asianet has an option which after three years gives it the right to sell its 18 per cent interest and Tele2 will have a mutual call option. The redemption price for the put and call options will be the fair value of the 18 per cent interest in the joint company. Under the agreement, Asianet is guaranteed an additional purchase price of at least KZT 8,4 billion (approximately USD 25 million or SEK 207 million).

Other long-term liabilities mainly relate to the fair value of this commitment.

Note 23 Accrued costs and prepaid revenue

	2017-12-31	2016-12-31
Accrued telephone cost to other operators	237 007	197 680
Accrued costs for external services and projects	79 302	110 119
Accrued staff-related costs	347 659	265 476
Accrued leasing and lease costs	23 515	27 842
Prepaid revenue	467 303	470 735
Other items	337 161	318 748
Sum	**1 491 947**	**1 390 600**
	Diff 19379	

Note 24 Pledged collateral and contingent liabilities

Contingent liabilities

	2017-12-31	2016-12-31
Guarantor commitments to the benefit of group companies	4 574 853	4 629 451
Guarantee for corporate bonds issued by Tele2 AB	8 550	8 404
Other commitments	122 639	136 517
Sum	**4 706 042**	**4 774 372**

Note 25 Adjustments for items not included in cash flow

	2017-12-31	2016-12-31
Write-offs and impairments	811 650	768 195
Capital gain/loss from the sale of fixed assets	-8 439	-9 254
Other items	91 550	1 254
Sum	**894 761**	**760 195**

Tele2 Sverige AB
556267-5164

Note 26 Cash and cash equivalents in cash flow

	2017-12-31	2016-12-31
Cash and cash equivalents	1 399	1 501
Sum	**1 399**	**1 501**

Note 27 Sustainability report

With reference to Chapter 6 of the Annual Accounts Act, no sustainability report has been prepared separately for Tele2 Sverige AB but the corresponding disclosure requirements have been included as part of the sustainability report prepared by the parent company Tele2 AB for the entire Group.

Note 28 Correction of errors in 2016

The Company has identified errors in the annual accounts for 2016. Major adjustments have been made as accrued items that have not been properly booked have been discovered and activation of ongoing work as well as minor income corrections have been carried out. There has also been a reclassification to tax. These have been corrected in these annual accounts as per below:

Profit and loss statement	**Amounts before cor**	**Correction**	**Amounts after correction**
Net turnover	12 473 963	-32 149	12 441 814
Cost of services sold	-6 062 017	-17 652	-6 079 669
Cost of sales	-2 642 121	5 612	-2 636 509
Administrative costs	-1 507 993	4 424	-1 503 569
Tax on this year's profit/loss	-409 659	8 748	-400 911
This year's profit/loss	**2 275 841**	**-31 017**	**2 244 824**
Balance statement			
Licences and similar rights	224 403	29 890	254 293
Ongoing development work	420 799	-31 765	389 034
Machinery and other technical facilities	852 493	-1 159	851 334
Inventory, tools and installations:	151 696	11 796	163 492
Construction in progress and advance payments for tangible fixed assets	237 318	-8 717	228 601
Other long-term receivables	304 651	204 814	509 465
Prepared goods and goods for sale	288 255	12 647	300 902
Account receivables	867 383	-20 000	847 383
Other receivables	1 314 268	-217 301	1 096 967
Prepaid costs and accrued revenue	780 545	-152 278	628 267
SUM ASSETS	**60 053 578**	**-172 073**	**59 881 505**
Retained profit or loss	28 626 543	-66 765	28 559 778
This year's profit/loss	2 275 841	-31 017	2 244 824
Deferred tax	135 683	-129 872	5 811
Accounts payables	879 548	-84 631	794 917
Tax liabilities	60 506	100 665	161 171
Accrued costs and pre-paid revenue	1 351 053	39 547	1 390 600
SUM EQUITY AND LIABILITIES	**60 053 578**	**-172 073**	**59 881 505**

Stockholm, 28/06/2018

Allison Kirkby
Chairman of the Board

Lars Nordmark

Stefan Backman

Samuel Skott
Chief executive

Our audit report has been submitted on 25/09/2018

Deloitte AB

Thomas Strömberg
Certified auditor

Deloitte.

AUDITOR'S REPORT

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

Report on the annual accounts

Opinions

We have audited the annual accounts of Tele2 Sverige AB for the financial year 2017-01-01 - 2017-12-31.

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 AB as of December 31, 2017 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 Responsibilities* section. We are independent of Tele2 Sverige AB 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. 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 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 AB for the financial year 2017-01-01 - 2017-12-31 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 AB 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.

Remark

The Board and the Managing Director have not presented the annual report within the time stipulated in the Companies Act chapter 7 sections 10. Therefore the annual general meeting has not taken place within six months after the financial yearend.

Stockholm September 2018

Deloitte AB

Signature on Swedish original

Thomas Strömberg
Authorized Public Accountant