



# **MILLICOM INTERNATIONAL CELLULAR S.A.**

Prospectus regarding admission to trading of

**SEK 2,000,000,000**

**SENIOR UNSECURED FLOATING RATE SUSTAINABILITY NOTES  
DUE 2024**

**ISIN: SE0012454841**

Prospectus dated 10 June 2019

## IMPORTANT INFORMATION

This prospectus (this "**Prospectus**") has been prepared by Millicom International Cellular S.A. ("**MIC S.A.**" or, together with its direct and indirect subsidiaries, joint ventures and associates, unless otherwise is indicated by the context, "**Millicom**" or the "**Group**"), in relation to the application for listing of the SEK 2,000,000,000 Senior Unsecured Floating Rate Sustainability Notes due 2024 with ISIN SE0012454841 (the "**Notes**") on the sustainable bond list on Nasdaq Stockholm, Swedish Reg. No. 556112-8074 ("**Nasdaq Stockholm**"). Nordea Bank Abp and DNB Bank ASA, Sweden Branch, have acted as joint bookrunners (and together with their respective affiliates, the "**Joint Bookrunners**") in connection with the issue of the Notes.

This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. *lag* (1991:980) *om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Directive**"). This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law, and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

Certain financial and other numerical information in this Prospectus has been rounded, resulting in the total numerical figures varying slightly from the exact arithmetic aggregation of the figures that precede them. In this Prospectus, all references to "**U.S. dollars**", "**dollars**" or "**\$**" are to the lawful currency of the United States of America, all references to "**SEK**" refer to Swedish krona, the legal currency of Sweden.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely to list the Notes on the sustainable bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any jurisdiction where such distribution would require any additional prospectus, registration or additional measures other than those required under Swedish law, or which would otherwise conflict with the applicable rules and regulations in such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only outside the United States to purchasers who are not, or are not purchasing for the account or benefit of, U.S. persons, in reliance on Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in MIC S.A.'s or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

Each potential investor in the Notes must determine the suitability of the investment. In particular, each potential investor should:

- a) have adequate knowledge and experience to make a meaningful evaluation of (i) the Notes, (ii) the merits and risks of investing in the Notes and (iii) the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to assume all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- d) understand thoroughly the terms and conditions governing the rights and obligations with respect to the Notes which are set out in "*Terms and Conditions*", and be familiar with the behaviour of any relevant indices and financial markets; and
- e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to assume the applicable risks.

### Forward Looking Statements and market data

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of MIC S.A.'s management and of the board of directors or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements; other statements may be identified from the context. Any forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to differ materially from future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate in the future. Although MIC S.A. believes that the forecast of, or indications of, future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances and achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements due to the materialisation of risks and other factors affecting the Group's operations, such as those discussed in "*Risk Factors*".

Forward-looking statements speak only as at the date of this Prospectus. MIC S.A. undertakes no obligation to publicly update or revise any forward-looking statements, other than as required by law or regulation, and prospective investors should not place undue reliance on them.

The Group operates in countries in which it is difficult to obtain precise market and industry information. In some places in this Prospectus, MIC S.A. has made statements regarding the Group's industry and position in the industry based on the Group's experience and the Group's own investigation of market conditions. There can be no assurance any of these assumptions are accurate or correctly reflect its position in the industry, and none of the Group's internal surveys or information have been verified by independent sources.

## TABLE OF CONTENTS

RISK FACTORS .....	1
STATEMENT OF RESPONSIBILITY .....	28
THE NOTES IN BRIEF .....	29
BUSINESS DESCRIPTION.....	36
DESCRIPTION OF THE GROUP .....	38
HISTORICAL FINANCIAL INFORMATION .....	47
LEGAL AND SUPPLEMENTARY INFORMATION.....	48
TERMS AND CONDITIONS .....	56
ADDRESSES.....	119

## RISK FACTORS

*Investing in the Notes involves a degree of risk. There are risks both regarding circumstances linked to MIC S.A. and the Group and those which bear no specific relation to MIC S.A. or the Group. Investors should carefully consider the following risk factors before making any investment decision. These risk factors should be read in conjunction with the 2018 Annual Report, which is incorporated into this Prospectus by reference; see "Historical Financial Information—Documents Incorporated by Reference". The occurrence of any of the events described below in respect of the Group could adversely affect MIC S.A.'s operations, financial position and results of operations. Moreover, the trading price of the Notes could decline, and MIC S.A. may not be able to pay interest or principal on the Notes when due, and investors could lose all or part of their investment. The risks described below are not the only risks to which MIC S.A. is exposed. Additional risks that are not currently known to MIC S.A., or that MIC S.A. currently considers to be immaterial, could have an adverse effect on MIC S.A.'s business or MIC S.A.'s ability to fulfil its obligations under the Notes. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.*

### **Risks relating to the Group's business and the telecommunications and cable industries**

#### **The Group faces intense competition from other telecommunications and cable and broadband providers.**

The markets in which the Group operates are highly competitive. The Group's main mobile, cable and broadband competitors include major international and regional telecommunication providers such as America Movil, Telefónica, AT&T and Liberty Latin America, as well as smaller local operators and mobile virtual network operators ("MVNOs"). Some of the Group's competitors are state-owned entities. Many of the Group's main mobile competitors have substantially greater resources than the Group does in terms of access to capital. In some of the Group's markets, the Group's mobile competitors may have greater area coverage and fewer regulatory burdens than the Group does.

Within the Group's markets, mobile telecommunications operators compete for customers principally on the basis of price, promotions, services offered, advertising and brand image, quality and reliability of service and area coverage. Price competition is especially significant on mobile services, which represented more than half of the Group's revenue from continuing operations in 2018. Mobile voice and short message service ("SMS") are largely commoditized services, as the ability to differentiate these services among operators is limited, and penetration is high. Competition has resulted in pricing pressure, reduced margins and profitability, increased customer churn, and in some markets, the loss of revenue and market share, which could adversely affect the Group's business, financial condition and results of operations.

Competition in the Group's markets is also impacted by the following:

- There may be more mobile operators than the market is able to sustain, and additional licenses may be awarded in already competitive markets. Regulators may also encourage new entrants by offering them favourable conditions, such as holding spectrum auctions in which certain blocks of spectrum are reserved for new entrants, as was the case in the 2013 auction in Colombia.
- If new competitors enter into the Group's markets or existing competitors offer more competitively priced products or services, such as eliminating installation fees, subsidizing handsets, modems, wireless routers or set-top boxes or offering content, channels or applications that the Group does not offer, the Group's customers may move to another operator. Most of the Group's mobile customers are prepaid, which allows them to switch operators at any time without monetary penalty, and some of the Group's cable operator competitors incentivise customers to accept longer contracts, making it difficult to subsequently switch operators.

- Mobile number portability in the Group's markets removes a disincentive to changing providers and increases completion and churn. As devices with eSIMs are introduced in the Group's markets, allowing customers to change providers without changing their SIM cards, churn and pricing competition among providers may increase, as well.
- Some of the Group's customers use devices with dual SIM card capability, allowing them to also utilise the Group's competitor's services, which may negatively affect the Group's mobile voice revenue. If the Group is unable to develop strategies to encourage customers to retain the Group as their primary or sole provider, the Group could lose a larger percentage of the Group's revenue to the Group's competitors.
- The proliferation of Voice over Internet Protocol ("**VoIP**") offerings for both voice and instant messaging, and the convergence of social media and search products or other services delivered over the internet (referred to as "**Over-The-Top**" or "**OTT**" services) further increase competitive risks, as do MVNOs and resellers in Latin America.
- The Group's pay-TV services compete with other pay-TV services that may offer a greater range of channels to a larger audience, reaching a wider area distribution (especially in rural areas) for a lower price than the Group charges for the Group's pay-TV services. The Group also competes with satellite distribution of free-to-air television programming, which viewers can receive by purchasing a satellite dish and a set-top box without any physical cabling.
- The Group's cable TV services are subject to the risk of overbuild and the possibility of wireless substitution.

If the Group is unable to compete effectively and match or mitigate the Group's competitors' strategies, or aggressive competitive behaviour by the Group's competitors, in pricing the Group's services or acquiring new and preferred customers, or the Group is unable to develop strategies to encourage customers to retain the Group as their primary or sole provider, the Group could suffer adverse revenue impacts or higher costs for customer retention, which could, individually or together, have a material adverse effect on the Group's business, financial condition and results of operations.

**The Group's industries are experiencing consolidation that may intensify competition.**

The telecommunications and cable industries have been characterised by increasing consolidation and a proliferation of strategic transactions. As a result, the Group is increasingly competing with larger competitors that may have substantially greater resources than the Group does. MIC S.A. expects this consolidation and strategic partnering to continue. Acquisitions or strategic relationships could harm the Group in a number of ways. For example:

- competitors could acquire or enter into relationships with companies with which the Group has strategic relationships and discontinue the Group's relationship, resulting in the loss of distribution opportunities for the Group's services or the loss of certain enhancements or value-added features to the Group's services;
- competitor could be acquired by a party with significant resources and experience that could increase the ability of the competitor to compete with the Group's services; and
- other companies with related interests could combine to form new, formidable competition, which could preclude the Group from obtaining access to certain markets or content, or which could dramatically change the market for the Group's services.

Any of these results could put the Group at a competitive disadvantage that could cause the Group to lose customers, revenue and market share, which could have an adverse effect on the Group's operating results. These results could also force the Group to expend greater resources to meet the competitive threat, which could also harm the Group's operating results.

### **A significant proportion of the Group's mobile revenue sources are short-term in nature.**

Prepaid customers, who are customers who pay for service in advance through the purchase of wireless airtime or data access, represented 90 per cent. of the Group's mobile customers as at 31 December 2018 and generated approximately 60 per cent. of the Group's mobile service revenue and 33 per cent. of the Group's total service revenue in 2018 on a consolidated basis. For the Group's Latin America segment, prepaid represented 87 per cent. of the Group's mobile customers as at 31 December 2018 and generated approximately 63 per cent. of the Group's mobile service revenue and 40 per cent. of the Group's total service revenue during the full year 2018. As prepaid customers do not sign service contracts, the Group's prepaid customer base is more likely than postpaid customers, who sign service contracts, to switch mobile operators and take advantage of promotional offers by other operators. Many of the Group's mobile customers also subscribe to short-term data packages with lengths of one-day to one-week. As a result, there is a risk that certain prepaid customers or short-term data package customers will not continue to use the Group's services in the future, which makes the Group's future revenue expectations harder to predict.

### **Transition to more subscription-based businesses creates new challenges.**

The Group's transition toward an increasingly subscription-based revenue model has implications for the Group's personnel, systems, and business procedures, as the Group must dedicate increasing levels of management attention and resources toward managing and mitigating risks related to accounts receivables and collections, as well as billing and customer care. If the Group is unable to implement and manage the information systems and to properly train the Group's employees, the Group could experience elevated levels of customer churn and bad debt, which would negatively impact the Group's reputation and adversely affect the Group's business, financial condition and results of operations.

### **The telecommunications industry is characterised by rapid technological change and continually evolving industry standards, which could harm the Group's competitive position, render the Group's products obsolete and cause the Group to incur substantial costs to replace the Group's products or implement new technologies.**

The telecommunications industry is characterised by rapidly changing technology and evolving industry standards. The technology the Group uses is increasingly complex, which leads to higher risks of implementation failure or service disruption. The Group's success depends on its ability to adapt to the changing technological landscape. The technologies the Group utilises today may become obsolete or subject to competition from new technologies in the future. For example, the Group's 3G services may become obsolete when appropriate devices become available and affordable for the Group's customers, and those customers upgrade from 3G to 4G services.

Implementing new technologies requires substantial investment. For example, developing a 4G LTE network requires significant financial investments, and in fiscal 2018, 2017 and fiscal 2016, the Group spent \$61 million, \$53 million and \$39 million, respectively, on operational licenses, spectrum acquisitions and renewals (including 4G). However, there is a risk that the Group will not experience the Group's expected return on such investment. For example, as the Group's customers reduce their use of mobile voice and SMS services, the Group may not see a corresponding increase in their data use, as data transfer rates continue to increase and become more efficient, which could adversely affect the Group's revenue and impede the Group's mobile revenue growth. The Group also faces competition from other networks that provide data transfer and streaming capability on 4G and LTE networks. Additionally, the Group may require additional or supplemental licenses to implement 5G technology to remain competitive, and the Group may be unable to acquire such licenses on reasonable terms or at all. The Group may need to incur significant capital expenditures to acquire licenses or infrastructure to offer new services to the Group's customers or improve the Group's current services.

The Group's customers expect that the Group will continue to regularly introduce more sophisticated telecommunications, media and internet services, such as VoIP, LTE, premium content and high-speed data services, including audio and video streaming, mobile gaming, video conferencing, web hosting, cyber-security and other applications. In particular, the introduction of 5G services into the Group's Latin American markets may draw additional entrants and require infrastructure capital expenditures for providers seeking to gain or maintain competitive advantage. The Group's ability to attract and retain customers is dependent on its ability to meet customer demand for new technology at the same, or at a quicker rate, than the Group's competitors are able to do.

The growth in internet connectivity has led to the proliferation of entrants offering VOIP services or audio or video content services delivered over the internet. Such operators could displace the services the Group provides by using its customers' internet access (which it may not provide) to enable the provision of voice calls and instant messaging services directly to the Group's customers. Failure to continue to successfully transform business models toward such data-driven products to account for this industry shift could have a negative impact on the Group's legacy services and impact on the Group's results from operations.

Accordingly, the Group's future growth and success will depend, in part, on sourcing new content, new technologies and innovative services and utilising these technologies, allowing the Group to generate revenue proportionate to traffic volumes across the Group's networks.

**The Group may not be able to successfully implement the Group's strategic priorities.**

The Group's strategic priorities include, among others, expansion of the Group's high-speed data networks (4G and HFC cable), facilitation of growth in the Group's mobile data and cable segments and implementation of technology transformation projects to improve the Group's operating performance and efficiency. However, there is a risk that the Group's strategy will not be successfully implemented and will not cause changes in the Group's operational efficiencies or structure. A failure to obtain the anticipated benefits of the Group's strategy including increased revenue and cost optimisation, or a delay in the implementation of the Group's strategic priorities, could significantly affect the Group's business, financial condition, results of operations, cash flows or prospects.

In addition, the implementation of the Group's strategic priorities could result in increased costs, conflicts with employees and other stakeholders, business interruptions and difficulty in recruiting and retaining key personnel, which could have a material adverse effect on the Group's business, financial condition and results of operations.

**The Group may pursue acquisitions, investments or merger opportunities, or divestitures of existing operations, which may subject the Group to significant risks, and there is a risk that the Group will not be successful and that the Group will not derive the expected benefits from these transactions.**

The Group may pursue acquisitions of, investments in or mergers with businesses, technologies, services and/or products that complement or expand the Group's business, including as part of the Group's growth and rollout strategy to compete with larger competitors in some of the Group's markets or maintain the Group's competitive position in other markets. Some of these potential transactions could be significant relative to the size of the Group's business and operations. Any such transaction would involve a number of risks and could present financial, managerial and operational challenges, including: diverting management attention from running the Group's existing business or from other viable acquisition or investment opportunities; incurring significant transaction expenses; increased costs to integrate financial and operational reporting systems, technology, personnel, customer base and business practices of the businesses involved in any such transaction with the Group's business; not being able to integrate the Group's businesses in a timely fashion or at all; potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with any such transaction; and failure to retain key management and other critical employees. Moreover, the Group may not be able to successfully complete

acquisitions, in light of challenges such as strong competition from the Group's competitors and other prospective acquirers who may have substantially greater resources than the Group does in terms of access to capital and may be able to pay more than the Group can with respect to merger or acquisition opportunities, and regulatory approvals required.

The Group may also seek to divest existing operations and/or investments in associates, particularly in the Group's Africa segment, which has historically produced lower returns on capital than the Group's Latin America segment and where the Group has already made several divestitures. Any such divestiture would involve risks and could present financial, managerial and operational challenges, including: diverting management attention from running the Group's existing business or from pursuing other strategic opportunities; incurring significant transaction expenses; and the possibility of failing to properly manage or time the exit to achieve an optimal return.

For any or all of these reasons, a pursuit of an acquisition, investment in or merger with businesses, technologies, services and/or products, or failure to properly execute the divestiture of an existing business, could have an adverse effect on the Group's business, financial condition and results of operations.

**The Group may not successfully complete or realise the benefits anticipated from its recently completed or recently announced acquisitions in Latin America.**

The Group has recently agreed several significant new Latin American acquisitions. On 7 October 2018, the Group agreed to purchase 80 per cent. of the shares of Panamanian company Cable Onda S.A. for \$956 million, subject to customary purchase price adjustments. The Cable Onda acquisition was completed on 13 December 2018. On 20 February 2019, the Group agreed to purchase Telefónica's telecommunications operations in Panama, Costa Rica and Nicaragua for \$1.65 billion, subject to customary purchase price adjustments (as described in "*Legal and Supplementary Information—Telefónica Acquisitions*"). The Telefónica acquisitions are subject to regulatory approvals and other customary closing conditions and may not be completed when expected, on the terms proposed or at all, the failure or delay of which could adversely affect the Group's business and results of operations.

The Group's anticipated benefits from these acquisitions are based on projections and assumptions about their future performance as part of the Group, which may not materialise as expected or which may prove to be inaccurate. These acquisitions may not achieve the business growth, profits, cost savings and other benefits the Group anticipates, or those benefits may take longer to realise than expected. While the Group believes these acquisitions are justified by the contemplated benefits, any such expected benefits may not be obtained, and the assumptions under which the Group determined to carry out these acquisitions could be incorrect. In addition, the Group may become liable for unforeseen financial, business, legal, environmental or other liabilities due to these acquisitions which may not be fully offset by the sellers' indemnification obligations to the Group. Moreover, the Group may encounter significant challenges with successfully integrating and recognising the anticipated benefits of these acquisitions. The failure to obtain the expected results and synergies from the integration of these acquisitions, as well as the incurrence of additional costs or achievement of lower benefits or profits (including lower than expected cost savings), could have a material adverse effect on the Group's activities, financial condition, results of operations, cash flows and prospects.

**The Group has incurred and assumed, and will expect to incur and assume, additional indebtedness in connection with its Latin American acquisitions, which will increase interest expense.**

The Group funded the \$956 million purchase price for the Cable Onda acquisition by incurring additional indebtedness, including through the issue of \$500 million in new MIC S.A. notes that rank *pari passu* with the Notes (as described in "*Legal and Supplementary Information—Material Contracts—Existing Notes—6.625 per cent. Notes*"). In addition, Cable Onda will retain indebtedness incurred pursuant to its \$185 million 5.75 per cent. corporate bonds due 2025, as well as other

indebtedness. The Cable Onda corporate bonds impose certain restrictions and obligations on Cable Onda, including a requirement to retain a Net Debt to EBITDA ratio below 4.0x and a prohibition on dividend payments if Cable Onda fails to comply with its required financial ratios.

The Group expects to fund the \$1.65 billion purchase price for the Telefónica acquisitions by incurring additional indebtedness, including through the issuance of the 6.25 per cent. Notes (as defined and described in "*Legal and Supplementary Information—Material Contracts—Existing Notes—6.25 per cent. Notes*"). The Group also entered into a \$300 million term loan facility and a bridge facility agreement with current available commitments of \$1.05 billion that, if drawn, is expected to be refinanced predominantly with the issuance of new Group debt (as described in "*Legal and Supplementary Information—Material Contracts—Telefónica Bridge Facility*" and "*Legal and Supplementary Information—Material Contracts—Term Facility Agreement*"). In addition, the Group may draw under other loan facilities to fund the purchase price. The Group's increased indebtedness following consummation of the Latin American acquisitions could have the effect, among other things, of reducing the Group's flexibility to respond to changing business and economic conditions as well as reducing funds available for capital expenditures, acquisitions, and creating competitive disadvantages for the Group relative to other companies with lower indebtedness levels. For any or all of these reasons, a pursuit of an acquisition, investment in or merger with businesses, technologies, services and/or products, or failure to properly execute the divestiture of an existing business, could have an adverse effect on the Group's business, financial condition and results of operations.

**If the Group cannot successfully develop and operate the Group's mobile, cable and broadband networks and distribution systems, the Group will be unable to expand the Group's customer base and will lose market share and revenue.**

The Group's ability to increase or maintain the Group's market share and revenue is partly dependent on the success of the Group's efforts to expand the Group's business, the quality of the Group's services and the management of the Group's networks and distribution systems. As new technologies are developed or upgraded, such as advanced 4G systems, including 4G LTE, and fibre optic cable networks, the Group's equipment may need to be replaced or upgraded or the Group may need to rebuild its mobile, cable or broadband network, in whole or in part. The initial build-out of the Group's networks and distribution systems and sustaining sufficient network performance and reliability is a capital-intensive process that is subject to risks and uncertainties which may delay the introduction of services and increase the cost of network construction or upgrade. Such uncertainties include constraints on the Group's ability to fund additional capital expenditures, as well as external forces, such as obtaining necessary permits and spectrum from regulatory and other local authorities. Unforeseeable technological developments may also render the Group's services unpopular with customers or obsolete. If the Group's equipment or systems become obsolete, the Group may be required to recognise an impairment charge on such assets, which may have a material adverse effect on the Group's financial results or results of operations. To the extent the Group fails to expand and upgrade its networks and distribution systems on a timely basis relative to the Group's competitors, the Group may not be able to expand its customer base, and the Group may lose customers to competitors, which may hinder recovery of the Group's significant capital investments and have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group depends upon its ability to deploy sufficient resources to manage its active infrastructure and to effectively manage third parties to operate and maintain the networks it uses, including the towers and network infrastructures that are subject to passive infrastructure and tower sharing agreements. Key components of the Group's networks, including hardware and software, may breakdown, and the risk of such breakdown is higher for some of the Group's emerging services as the equipment for them is not yet standardised. The Group has sold and leased back a significant number of the Group's towers, including in El Salvador, Colombia, Tanzania and Paraguay, and the Group may engage in similar transactions in the future in its other markets. The Group has also entered into managed services agreements in certain of its African and Latin American markets to outsource the maintenance and replacement of its network equipment. There is a risk that the operators and tower

management companies will not fulfil their contractually required performance obligations which could mean that the Group will not meet these obligations or implement remedial action in a timely manner, which may result in these towers not being properly operated. If the Group's managed services agreements terminate, the Group may be unable to find a cost-effective, suitable alternative provider, and the Group may no longer have the necessary expertise in-house to perform comparable services, which may negatively impact the quality of the services the Group provide to the Group's customers and could have an adverse effect on the Group's business, financial condition and results of operations.

**The Group is increasingly dependent on key suppliers to provide the Group with products and services.**

The Group relies on its ability to develop relationships with handset manufacturers and application developers, so that the Group can provide the advanced handsets and services demanded by its customers. The key suppliers of the Group's handsets, both in terms of volume of sales and importance to the Group's operations, are Samsung, Huawei, Apple, Motorola and BMobile. The Group imports directly, or sources its handsets through resellers in the Group's markets such as Brightstar Corporation. The Group sources its SIM cards from two main suppliers. The Group has limited influence over its key suppliers and cannot assure you that the Group will be able to obtain required products or services on favourable terms or at all.

The Group also seek to standardise its network equipment to ease equipment replacement and reduce downtime of its network and to contract with a limited number of international suppliers to achieve economies of scale, which means that the Group relies on a limited number of manufacturers to provide network and telecommunications equipment and technical support. The key suppliers of equipment and software for the Group's existing networks are Huawei, Ericsson, Arris, Kaon, Hitron and Microsoft. There are a number of alternative suppliers available to the Group; however, if the Group is unable to obtain adequate alternative supplies of equipment or technical support in a timely manner, on acceptable commercial and pricing terms, the Group's ability to maintain and expand the Group's networks and business may be materially and adversely affected, which could have an adverse effect on the Group's business, financial condition and results of operations.

**As the Group's operations are dependent upon access to networks not controlled by the Group, the Group relies on interconnect agreements, the terms of which could be made less favourable due to market participants or regulatory changes.**

The Group's ability to provide telecommunications services would be hampered if its access to local and long distance line capacity was limited or if the commercial terms or costs of the Group's interconnect agreements with other wireless and local, domestic and international fixed-line operators were significantly altered. Interconnection is required to complete calls that originate on the Group's respective networks but terminate outside of the Group's respective networks, or that originate from outside the Group's networks and terminate on the Group's respective networks. Costs may increase significantly because of new regulations or commercial decisions by other fixed-line operators or a lack of available line capacity for interconnection, which could have an adverse effect on the Group's business, financial condition and results of operations.

**Many of the mobile telecommunications markets in which the Group operates have high mobile penetration levels, inhibiting growth opportunities.**

The Latin American markets in which the Group operates have mobile phone service penetration levels that typically exceed 100 per cent. of the population. Although there are some opportunities for further growth, the Group's efforts to develop additional sources of revenue may not be successful. Therefore, high mobile penetration rates could constrain future growth and produce an intensification of pricing pressures on all of the Group's mobile services, which could adversely affect the Group's future profitability and return on investments.

**The Group's mobile applications and cable content may not be accepted or widely used by its customers.**

The Group acquires rights to certain services for use by its mobile and cable customers, such as Tigo Music and Tigo Sports, and the Group has strategic partnerships with major digital players, such as Netflix, Amazon, Deezer and Microsoft. The Group makes long-term commitments in advance even though it cannot predict the popularity of the services or ratings the programming will generate. License fees are negotiated for several years and include "per user" billing, which means that the Group must still pay part of the fees even if the service supplied is no longer popular. The commercial success of applications or content also depends on the quality and acceptance of other competing applications or content released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time results from mobile data use and the Group's cable business fluctuate primarily with the acceptance of such services by the public, which is difficult to predict. A shortfall, now or in the future, in the expected popularity of the various services for which the Group has acquired rights could lead to a fluctuation in the Group's results of operations.

The success of the Group's pay-TV services depends on the Group's ability to access an attractive selection of television programming from content providers. The ability to provide movie, sports and other popular programming is a major factor that attracts customers to pay-TV services. The Group may not be able to obtain sufficient high-quality programming from third-party producers for its cable TV services on satisfactory terms or at all in order to offer compelling cable TV services which could result in reduced demand for, and lower revenue and profitability from, the Group's cable services, which could have an adverse effect on the Group's business, financial condition and results of operations.

**Equipment and network systems failures, including due to a natural disaster, sabotage or terrorist attack, could result in reduced user traffic and revenue, require unanticipated capital expenditures or harm the Group's reputation.**

The Group's business is dependent on certain sophisticated critical systems, including exchanges, switches, fibre, cable headends, data centres and other key network elements, physical infrastructure and the Group's billing and customer service systems. The Group's technological infrastructure is vulnerable to damage and disruptions from numerous events, including fire, flood, windstorms and other natural disasters, power outages, terrorist acts, equipment and system failures, human errors and intentional wrongdoings, including breaches of the Group's network and information technology security. Risks to the Group's network include state sponsored censorship, sabotage, theft and poor equipment maintenance, which are ongoing risks, especially in Chad. Unanticipated problems at the Group's facilities, network or systems or at the facilities, network or systems of third parties on which the Group relies could harm the Group's reputation and impair the Group's ability to retain current customers or attract new customers, and could result in reduced user traffic and revenue, regulatory penalties or penal sanctions, unanticipated capital expenditures, or substantial uninsured losses, which could have a material adverse effect on the Group's business, financial condition and results of operations.

**Cyber attacks impacting the Group's networks or systems could have an adverse effect on the Group's business and result in data loss or other security breaches.**

Cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting, social engineering and other means for obtaining unauthorised access to or disrupting the operation of the Group's networks and systems and those of its suppliers, vendors and other service providers, could have an adverse effect on the Group's business. Cyber attacks may cause equipment failures as well as disruptions to its or its customers' operations. Cyber attacks against companies, including MIC S.A., have increased in frequency, scope and potential harm in recent years. Other businesses have been victims of ransomware attacks in which the business becomes unable to access its own information and is presented with a demand to pay a ransom to once

again have access to its information. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external actors operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. Cyber attacks may occur alone or in conjunction with physical attacks, especially where disruption of service is an objective of the attacker.

The inability to operate or use the Group's networks and systems or those of the Group's suppliers, vendors and other service providers as a result of cyber attacks, even for a limited period of time, may result in significant expenses to the Group and/or a loss of market share to other communications providers. The costs associated with a major cyber attack on the Group could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, lost revenues from business interruption and litigation.

Additionally, the Group's business, like that of most retailers and wireless companies, involves the receipt, storage, and transmission of confidential information, including sensitive personal information and payment card information, confidential information about the Group's employees and suppliers, and other sensitive information about the Group, such as its business plans, transactions and intellectual property. Unauthorised access to confidential information may be difficult to anticipate, detect, or prevent, particularly given that the methods of unauthorised access constantly change and evolve. The Group may experience unauthorised access or distribution of confidential information by third parties or employees, errors or breaches by third party suppliers, or other breaches of security that compromise the integrity of confidential information, and such breaches can have a materially adverse effect on the Group's business or damage the Group's reputation. Any cyber attack against the Group could have an adverse effect on the Group's business, financial condition and results of operations.

**The Group may incur significant costs from fraud, which could adversely affect the Group.**

The Group's high profile and the nature of the products and services that the Group offer make the Group a target for fraud. Many of the markets in which the Group operates lack fully developed legal and regulatory frameworks and have low conviction rates for fraudulent activities, decreasing deterrence for such schemes. The Group has been in the past and may in the future be susceptible to fraudulent activity by the Group's employees or third-party contractors despite having robust internal control systems in place across the Group's operations, which could have a material adverse effect on the Group's results of operations. The Group also incur costs and revenue losses associated with the unauthorised or unintended use of the Group's networks, including administrative and capital costs associated with the unpaid use of the Group's networks as well as with detecting, monitoring and reducing the incidences of fraud. Fraud also impacts interconnection costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges. For example, in 2018, the Group's most significant impact from fraudulent activity was caused by data charging bypass, where customers were able to use data without paying the appropriate charges through unauthorised use of free offers, voucher or rebate codes or through other means. Any continued or new fraudulent schemes could have an adverse effect on the Group's business, financial condition and results of operations.

**Some of the Group's mobile products and services, such as Mobile Financial Services ("MFS"), are complex and increase the Group's exposure to fraud, money laundering, and reputational risk.**

The Group has developed products and services like MFS through different distribution channels. Technical or administrative errors could result in customer losses for which the Group could be responsible, and the Group may be liable for online fraud and problems related to inadequately securing the Group's payment systems. These services involve cash handling, exposing the Group to

risk of fraud and money laundering and potential reputational damage. The Group must also keep its customers' MFS cash in local currency demand deposits in local banks in each market and ensure customers' access to MFS cash, exposing the Group to local banking risk. MFS may also be subject to new legislation and regulation. In most markets in which the Group has launched MFS, the regulations governing its MFS are new and evolving, and, as they develop, regulations could become more onerous, imposing additional reporting or controls or limiting its flexibility to design new products, which may limit the Group's ability to provide its services efficiently or at all. The Group may not be able to modify the Group's service provision in time to comply with any new regulatory requirements, or new regulation may be applied retroactively. The Group's failure to respond appropriately to these risks and uncertainties could reduce the Group's revenue, as well as damage the Group's reputation, and could have an adverse effect on the Group's business, financial condition and results of operations.

**The Group's operations with strategic partners are accompanied by inherent business risks.**

The Group has local shareholding partners in various markets, including subsidiaries that are fully controlled and consolidated in the Group's financial statements (e.g., Colombia, Panama and Zanzibar) as well as joint-ventures with local entities in which the Group exercise joint-control (e.g., Guatemala, Honduras and Ghana). Furthermore, the Group is a minority investor in the tower company Helios Towers, Ltd., Jumia Technologies AG and MKC Brilliant Holding GmbH. In these and other similar operations, the Group's ability to receive dividends or other distributions may depend in part upon the consent of independent shareholders. The Group's ability to make significant strategic decisions in these operations may depend on consent of the other participants, and the Group's operations may be negatively affected in the event of disagreements with its partners. Further, emerging market investments with local partners are often accompanied by risks, including in relation to:

- the Group's local partner becoming subject to an investigation, sanctions or liability that adversely affects the Group and its operations;
- the possibility that a local partner will breach or terminate the applicable investment or shareholders' agreement;
- the possibility that a local partner will hinder development by exercising shareholder rights to block capital increases or other strategic decisions if that partner disagrees with the Group's views on developing the business or loses interest in pursuing the projects; and
- the loss of a local partner and the associated benefits, such as local insight on operating a business in that market.

**Allegations of health risks related to the use of mobile telecommunication devices and base stations could harm the Group's business.**

There have been allegations that the use of certain mobile telecommunication devices and equipment may cause serious health risks. The actual or perceived health risks of mobile devices or equipment could diminish customer growth, reduce network usage per customer, spark product liability lawsuits or limit available financing. In addition, the actual or perceived health risks may result in increased regulation of network equipment and restrictions on the construction of towers or other infrastructure. Each of these possibilities has the potential to seriously harm the Group's business.

**A significant portion of the Group's workforce is represented by labour unions, and the Group could incur additional costs or experience work stoppages as a result of the renegotiation of the Group's labour contracts.**

Approximately one-fifth of the Group's direct workforce is represented by labour unions. While the Group has collective bargaining agreements in place, with subsequent negotiations the Group could

incur significant additional labour costs and/or experience work stoppages, which could adversely affect the Group's business operations. In addition, the Group cannot predict what level of success labour unions or other groups representing employees may have in further organising the Group's workforce or the potentially negative impact it would have on its operations. Furthermore, the Group's strategic objectives may include divestitures of certain business lines, internal restructurings and other activities that impact employees. Such activities could result in strikes, unrest, or work stoppages, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be unable to maintain a good relationship with the Group's labour unions and works council. Any deterioration in the Group's relationship with its unions and works council could result in work stoppages, strikes or threats to take such an action, which could disrupt its business and operations, materially and adversely affect the quality of the Group's services and harm the Group's reputation, which could have an adverse effect on the Group's business, financial condition and results of operations.

**Rapid growth and expansion may make it difficult to obtain adequate managerial and operational resources and could restrict the Group's ability to successfully expand its operations, and any loss of key management and technical personnel could adversely affect the Group's business.**

The Group's operating results depend, in significant part, upon the continued contributions and capacity of key senior management and technical personnel. Management of profitable growth will require, among other things:

- stringent control of network build-out and other costs;
- excellence in sales, marketing and distribution;
- continued innovative product development and deployment;
- excellence in customer experience management;
- continued development of financial and management controls and information technology systems;
- successful integration of new operations;
- transformation, digitalisation and convergence of operating models;
- implementation and operation of adequate and effective internal controls;
- hiring and training of new personnel;
- ensuring the health and safety of the Group's personnel and compliance with related risk management practices; and
- coordination among the Group's logistical, technical, accounting, legal and finance personnel.

The Group's success will depend on its ability to continue to attract, develop, motivate and retain qualified personnel. Certain of the Group's key employees possess substantial knowledge of the Group's business and operations. The Group may not be successful in retaining their services or in hiring and training suitable replacements without undue costs or delays. Competition for personnel in the Group's markets is intense due to scarcity of qualified individuals. The Group put a high priority on training and developing local expertise in-house but it may take time for them to develop capacity, and retaining qualified staff can be challenging, as well. Furthermore, integration of new management would require additional time and resources, which could adversely affect the Group's ability to implement its business strategy. The Group also needs new competencies for the new businesses and

services it launches, including in the digital field where there is heightened competition for talent. The Group's failure to successfully manage its growth and personnel needs would have a material negative effect on the Group's business and results of operations.

**An economic downturn, a substantial slowdown in economic growth or deterioration in consumer spending could adversely affect the Group's operating results and financial condition.**

Deterioration in the economic environment could have an adverse effect on the level of demand for the Group's products and services. This could also impact the Group's growth in mobile telecommunications and broadband products and services. The Group is particularly susceptible to any deterioration in the economic environment in the countries in which the Group has its largest operations, namely Colombia, Guatemala, Paraguay, Honduras and Bolivia.

Telecommunications in emerging markets in general, and in the Group's markets in particular, account for a significant part of gross domestic product ("GDP") and of disposable income. As such, any change in economic activity level may impact the Group's business. General inflation could affect the Group's business as consumers' acceptance of potential price increases of the Group's products is uncertain. Food price inflation may affect low income customers and may lead to a redistribution of income within the countries where the Group operates.

Furthermore, changes in economic, political and regulatory conditions in the United States or in U.S. laws and policies governing foreign trade and foreign relations could have an impact on the economies in which the Group operates, particularly in Latin America. Any decision taken by the U.S. government that has an impact on the Latin American economy, such as by reducing the levels of remittances, reducing commercial activity between the countries in which the Group operates and the United States, or slowing direct foreign investment, could adversely affect the disposable income of consumers.

**Lack of sufficient information or poor quality of available information regarding the Group's industry, operations or markets may lead to missed opportunities or inefficient capital allocation.**

As the factors the Group considers in formulating the Group's strategy change (including information, such as customer data insights, on new markets into which the Group may consider expanding), the Group faces the risk of not having access to sufficient industry, operational or market data inputs to properly inform the Group's decision-making or needing to rely on poor quality information. There is also a risk that the data to which the Group has access will be analysed improperly, if the relevant personnel lack appropriate experience, oversight, or relevant skill sets in data analysis, including through insufficient consideration of interrelationships of key variables such as market dynamics, trends, availability of cash and resources, agility, opportunities and risk factors affecting the Group's business. If the Group is forced to make assumptions regarding key variables and are unable to consider alternatives to, and consequences of, strategic decisions on a fully informed basis, it may lead to missed opportunities or inefficient capital allocation that could have an adverse effect on the Group's business, financial condition or results of operations.

**The inability to manage a crisis could harm the Group's brand and lead to increased government obligations in the future.**

Telecommunications networks provide essential support to first responders and government authorities in the event of natural disasters, terrorist attacks and other similar crises. If the Group fails to develop and implement detailed business continuity and crisis management plans, the Group may be unable to provide service at the level that is required or perceived to be required by the government, the regulator, the Group's customers and by the public at large, and this could harm the Group's brand image, lead to increased customer churn and lead to new and burdensome regulatory

obligations in the future, which could have an adverse effect on the Group's business, financial condition and results of operations.

## **Legal and regulatory risks**

### **The telecommunications and broadcasting market is heavily regulated.**

The licensing, construction, ownership and operation of mobile telephone, broadband and cable TV networks, and the grant, maintenance and renewal of the required licenses or permits, as well as radio frequency allocations and interconnection arrangements, are regulated by national, state, regional or local governmental authorities in the markets in which the Group operates, which can lead to disputes with government regulators. For example, the Colombian regulator has challenged Colombia Móvil's license fee, stating that it should be a significantly higher amount than the Group had recorded. The regulator has sought to nullify an arbitral award in the Group's favour in this matter. In addition, certain other aspects of mobile telephone operations, including interconnect fees and rates charged to customers and resale of mobile telephone services, and user registrations may be subject to public utility regulation in each market. Regulators in certain of the Group's markets have reduced interconnect fees and if rates are reduced further or regulators in other markets reduce interconnect fees, these measures could have a material adverse effect on the Group's overall results of operation. Additionally, because of the Group's market share, regulators could impose asymmetric interconnection or termination rates, which could undermine the Group's competitive position in the markets in which the Group operates and adversely affect the Group's business.

Changes in regulations may subject the Group to legal proceedings and regulatory actions, and may disrupt the Group's business activities, such as affecting prices or requirements for increased capital investments, which could materially adversely affect the Group's results of operations. For example, since 2014, mobile operators in El Salvador and Honduras have been required to shut down services or reduce signal capacity in and around prisons, where authorities suspect criminal gangs are smuggling mobile phones into prisons for criminal purposes. Similar laws have been considered or proposed in Guatemala. Further, regulations which make it commercially unviable to subsidise the Group's mobile customers' handsets, or set an expiry date on when its customers must use their prepaid minutes, data or SMS bundles, could reduce revenue and margins for mobile services. For example, in 2015, the regulator in Colombia determined that handsets and telecommunication services cannot be bundled and must be invoiced separately, significantly limiting the Group's ability to attract new mobile customers by offering handsets at subsidised prices, which had a direct impact on handset affordability and caused a sharp decline in the Group's handset sales. In 2016, the regulator in Paraguay extended the unused prepaid data allowance from 30 to 90 days, which impacted the frequency at which a portion of the Group's prepaid customers purchase additional data allowances from the Group. Such types of regulatory changes could have an adverse effect on the Group's business, financial condition and results of operations.

### **The availability of spectrum is limited, closely regulated and increasingly expensive, and the Group's licenses are granted for finite periods.**

The availability of spectrum is limited, closely regulated and can be expensive, and the Group may not be able to obtain it from the regulator or third parties at all or at a price that the Group deems to be commercially acceptable given competitive conditions, which could have an adverse effect on the Group's business, financial condition and results of operations. If the Group acquires spectrum through acquisition, regulators may require the Group to surrender spectrum to secure regulatory approval. Most of the Group's licenses are granted for specified terms, and there is a risk that licenses will not be renewed upon expiration. License due to expire in the medium-to-near term include the Group's mobile telecommunications licenses in Paraguay (2021, 2022 and 2023), Colombia (2019, 2021 and 2023), and Ghana (2021 and 2024), and the Group's pay TV license in Colombia (2019) and the Group's fixed line license in Ghana (2019). If renewed, the Group's licenses may contain

additional obligations, including payment obligations, or may cover reduced service areas or permit a more limited scope of service.

The Group's licenses may be suspended or revoked and the Group may be fined or penalised for alleged violations of law or regulations.

The Group's telecommunications licenses and legislation regulating the telecommunications industry in the countries in which the Group operates impose standards and conditions on the Group's operations. If the Group fails to comply with the conditions of its licenses or with the requirements established by the legislation or if the Group does not obtain permits for the operation of its networks and equipment, use of frequencies or additional licenses for broadcasting directly or through agreements with broadcasting companies, the Group may not have sufficient opportunity to cure any non-compliance. If the Group does not cure any non-compliance, the applicable regulator may levy fines, suspend or terminate its licenses, frequency permissions, or other governmental permissions or refuse to renew licenses that are up for renewal. The occurrence of any of these events could materially adversely affect the Group's ability to build out the Group's networks in accordance with the Group's plans, could harm the Group's reputation and could materially adversely affect the Group's business, financial condition and results of operations. For example, the Tanzanian government implemented legislation requiring telecommunications companies to list their shares on the Dar es Salaam Stock Exchange and offer 25 per cent. of their shares in a Tanzanian public offering. As the Group has not yet complied with this requirement, the maximum penalty for non-compliance could include a revocation of its telecommunications licenses in Tanzania.

#### **The Group collects and processes sensitive customer data.**

The Group increasingly collects, stores and uses customer data that is protected by data protection laws in the ordinary course of its operations and through its mobile applications and MFS. Data privacy laws and regulations apply broadly to the collection, use, storage, disclosure and security of personal information that identifies or may be used to identify an individual, such as names and contact information. Many countries have additional laws that regulate the processing, retention and use of communications data (both content and metadata), and in some countries, authorities can intercept communications, sometimes directly or without the Group's knowledge. These laws and regulations are subject to frequent revisions and differing interpretations and have generally become more stringent over time. Since certain services the Group offers are accessed by, or provided to customers within, the European Union, the Group is subject to the European Union data protection regulation known as the General Data Protection Regulation (GDPR), which imposes significant penalties for non-compliance. In addition, some of the countries in which the Group operates are considering or have passed legislation imposing data privacy requirements that could increase the cost and complexity of providing the Group's services. Although the Group takes precautions to protect data, the Group may fail to do so and certain data may be leaked or otherwise used inappropriately. Violation of data protection laws may result in fines, damage to the Group's reputation and customer churn and could have an adverse effect on the Group's business, financial condition and results of operations.

#### **The Group's intellectual property rights are costly and difficult to protect, and failing to maintain the historical reputation of the Group's brands or impairment of the Group's intellectual property rights would adversely affect its business.**

The Group's intellectual property rights, including its key trademarks and domain names, which are well known in the markets in which the Group operates, are important to its business. The brand name Tigo and currently used figurative trademark are extremely important assets and contribute to the Group's success in its markets. If the Group is unable to maintain the reputation of and value associated with its Tigo, UNE or Cable Onda brand names, the Group may not be able to successfully retain and attract customers.

The Group relies upon a combination of trademark and copyright laws, database protections and contractual arrangements, where appropriate, to establish and protect its intellectual property rights. However, intellectual property rights are especially difficult to protect in many of the markets in which the Group operates. In these markets, the regulatory agencies charged to protect intellectual property rights are inadequately funded, legislation is underdeveloped, piracy is commonplace, and enforcement of court decisions is difficult. The diversion of the Group's management's time and resources along with potentially significant expenses that could be involved in protecting its intellectual property rights in its markets, or losing any intellectual property rights, could materially adversely affect the Group's business, financial condition and results of operations. Any damage to the Group's reputation or to the value associated with its Tigo, UNE or Cable Onda brands could have a material adverse effect on the Group's business, financial condition and results of operations.

### **The Group is subject to anti-corruption and anti-bribery laws.**

The Group is subject to several anti-corruption laws in the countries in which the Group operates and are located, in addition to the Foreign Corrupt Practices Act ("**FCPA**") in the United States and the Bribery Act in the United Kingdom. The Group's failure to comply with anti-corruption laws applicable to the Group could result in penalties, which could harm its reputation, business, financial condition, results of operations, cash flows or prospects. The FCPA generally prohibits covered companies, their officers, directors and employees and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and/or other benefits.

On 21 October 2015, MIC S.A. reported to law enforcement authorities in the United States and Sweden potential improper payments made on behalf of the Group's joint venture in Guatemala. On 4 May 2016, MIC S.A. received notification from the Swedish Public Prosecutor that its preliminary investigation has been discontinued on jurisdictional grounds. On 23 April 2018, the U.S. Justice Department informed MIC S.A. that it closed its investigation into this matter. Although MIC S.A. understands that this matter is no longer under active investigation, if any governmental investigation into this matter were to be reopened, or a similar matter or investigation were to arise in the future, an adverse outcome, including remedial actions that may need to be taken as a result of the investigations or penalties that may be imposed by law enforcement authorities, could negatively impact the Group's business, financial condition, results of operations, cash flows and prospects.

The Group regularly reviews and updates its policies and procedures and internal controls designed to provide reasonable assurance that the Group, its employees, joint ventures, distributors and other intermediaries comply with the anti-corruption laws to which the Group is subject. However, anti-corruption policies, procedures and internal controls are not always effective against this risk. Such policies or procedures or internal controls may not work effectively at all times or protect the Group against liability under these or other laws for actions taken by its employees, joint ventures, distributors and other intermediaries with respect to its business or any businesses that it may acquire.

The Group operates in countries which pose elevated risks of corruption violations. For example, on 14 July 2017, the International Commission Against Impunity in Guatemala ("**CICIG**"), disclosed an ongoing investigation into alleged illegal campaign financing that includes a competitor of Comcel, the Group's Guatemalan joint venture. The CICIG further indicated that the investigation would include Comcel. On 23-24 November 2017, Guatemala's attorney general and CICIG executed search warrants on the offices of Comcel and this matter remains under investigation, as further discussed under "*Legal and Supplementary Information—Legal and Arbitral Proceedings*". If the Group is not in compliance with anti-corruption laws and other laws governing the conduct of business with government entities and/or officials (including local laws), the Group may be subject to criminal and civil penalties and other remedial measures, which could harm the Group's business, financial condition, results of operations, cash flows or prospects.

Investigations of any actual or alleged violations of such laws or policies related to the Group could harm the Group's business, financial condition, results of operations, cash flows or prospects.

The Group's risk management and internal controls may not prevent or detect violations of law.

The Group's existing compliance controls may not be sufficient to prevent or detect inadequate practices, fraud or violations of law by the Group's intermediaries, sales agents or employees. If any of these individuals or entities receive or grant inappropriate benefits or use corrupt, fraudulent or other unfair business practices, the Group could be confronted with legal sanctions, penalties and harm to its reputation. Given the Group's international operations, group structure, and size, its internal controls, policies and its risk management may not be adequate, which could have a material negative impact on the Group's reputation, business activities, financial position and results of operations.

**New or proposed changes to laws or new interpretations of existing laws in the markets in which the Group operates may harm the Group's business.**

The Group is subject to a variety of national and local laws and regulations in the countries in which the Group does business. These laws and regulations apply to many aspects of the Group's business. Violations of applicable laws or regulations could damage the Group's reputation or result in regulatory or private actions with substantial penalties or damages. In addition, any significant changes in such laws or regulations or their interpretation, or the introduction of higher standards or more stringent laws or regulations, could have an adverse impact on the Group's business, financial condition, results of operations and prospects. For example, in Colombia in 2017, the regulator introduced caps to wholesale rates on mobile services, which forced the Group to lower its prices for both voice and data services, and it also cut interconnection rates. In 2016, the regulator in Paraguay required that mobile service providers extend to 90 days, from 30 days previously, the minimum expiration of prepaid mobile data allowances; and in El Salvador, the government required the Group to shut down certain parts of the Group's network near the country's incarceration facilities.

**The Group may be subject to legal liability associated with providing online services or media content.**

The Group hosts and provides a wide variety of services and products that enable its customers to conduct business and engage in various online activities. The law relating to the liability of providers of these online services and products for the activities of their customers is still unsettled in some jurisdictions. Claims may be threatened or brought against the Group for defamation, negligence, breaches of contract, copyright or trademark infringement, unfair competition, tort, including personal injury, fraud, or other theories based on the nature and content of information that the Group uses and stores. In addition, the Group may be subject to domestic or international actions alleging that certain content the Group has generated or third-party content that the Group has made available within the Group's services violates applicable law or third-party rights.

The Group also offers third-party products, services and content. The Group may be subject to claims concerning these products, services or content by virtue of its involvement in marketing, branding, broadcasting, or providing access to them, even if the Group does not itself host, operate, provide, or provide access to these products, services or content. Defence of any such actions could be costly and involve significant time and attention of the Group's management and other resources, may result in monetary liabilities or penalties, and may require the Group to change its business in an adverse manner, which could have an adverse effect on the Group's business, financial condition and results of operations.

## **Risks relating to the markets in which the Group operates**

### **Some of the countries in which the Group operates have a history of political instability and any current or future instability.**

The Group offers telecommunication services in 11 markets in Latin America and Africa. The Latin American markets in which the Group operates are Bolivia, Colombia, Costa Rica, El Salvador, Nicaragua, Panama, Paraguay and, through the Group's joint ventures, Guatemala and Honduras. The African markets in which the Group operates are Chad and Tanzania. The Group's joint venture with Bharti Airtel operates in Ghana. Many of the countries in which the Group operates are considered to be emerging economies and can therefore be subject to greater political and economic risk than developed countries. The governments of these countries differ widely with respect to type of government, constitution, and stability and many of these countries lack mature legal and regulatory systems. Some of the countries in which the Group operates suffer from political instability, civil unrest, or war-like actions by anti-government insurgent groups. These problems may continue or worsen, potentially resulting in significant social unrest or civil war. For example, El Salvador has one of the highest murder rates in the world due to violent crime gangs, and Nicaragua and Chad have recently experienced civil unrest. Such events can pose additional risks to the health and safety of the Group's employees and in some cases such events may impede or delay the Group's ability to provide service to its customers or potential customers. Any political instability or hostilities in the markets in which the Group operates can hinder economic growth and reduce discretionary consumer spending on the Group's services and may result in damage to the Group's networks or prevent the Group from selling the Group's products and services, which could have an adverse effect on the Group's business, financial condition and results of operations.

The Group faces risks as a result of such political instability, ranging from the risk of network disruption, sometimes resulting from government requests to shut down the Group's network in areas experiencing hostilities or crime, as well as forced and illegal abuse of its network by political forces. The Group also faces the risk that the Group may have to evacuate some or all of its key staff from certain countries, in which case there is a risk that the Group would not be able to continue to operate its business as previously conducted in such countries. Any of these events would adversely affect the Group's business, financial condition and results of operations.

### **The countries in which the Group operates have political regimes that may not view foreign business interests favourably and may attempt to expropriate all or part of the Group's local assets or impose controls on the Group's operations.**

The governments of the jurisdictions in which the Group operates may, at times, attempt to nationalise telecommunications operations or take other action that is unfavourable to foreign business interests. For example, in 2008 the Bolivian government nationalised the telecommunications company Entel, which had been privatised under previous presidential regimes, and in September 2013, the Bolivian president threatened to nationalise private mobile operators in Bolivia, including its Bolivian operations, if they did not adequately support the government in investigating crime. Other such actions might take place to limit foreign investment or regain more control over national economies or industries considered to be of strategic national importance in the countries in which the Group operates.

Governments of the countries in which the Group operates may also impose measures to lower tariffs offered to customers or increase taxes on private foreign owned businesses such as ours to increase government revenue. Measures like these may have the effect of increasing the Group's network operation or roll-out costs and reducing the profitability of its operations and threaten its return on investment.

**Most of the countries in which the Group operates have underdeveloped economies with low GDP per capita and therefore any increased inflationary pressures and downturns could significantly impact the Group's revenue.**

Consumption of mobile telephone and fixed-line services in the markets in which the Group operates is driven by a country's GDP, inflation, the level of consumer discretionary income, and consumers' willingness to accept potential price increases. Most of these economies have large populations living on a paycheck-to-paycheck basis and primarily spending income on basic items such as food, housing and clothing, with less income to spend on discretionary items like mobile, cable or broadband services. Downturns in the economies of any particular country or region in which the Group operates may adversely affect demand for the Group's services, which would negatively impact its revenue. Some countries in which the Group operates have historically experienced high inflation rates, although in recent years the rates have been more stable. Periods of significant inflation in any of the Group's markets could adversely affect its costs and financial condition as well as reducing the discretionary income of its less affluent customers, and therefore their purchasing power for telecommunications services. The loss of customers following a significant economic downturn could result in loss of a significant amount of expected revenue. As the Group incurs costs based on its expectations of future revenue, the Group's failure to accurately predict revenue could adversely affect the Group's business, financial condition, results of operations and business prospects.

**Fluctuations or devaluations in local currencies in the markets in which the Group operates can affect the Group's U.S. dollar reporting and impair the Group's ability to convert these local currencies into U.S. dollars to make payments, including payments on the Group's indebtedness.**

A significant amount of the Group's costs, expenditures and liabilities are denominated in U.S. dollars, including capital expenditures and borrowings. In the markets in which the Group operates, the Group collects revenue from its customers and from other telecommunications operators for interconnect charges in mostly local currencies, and there may be limits to the Group's ability to convert these local currencies into U.S. dollars. The Group holds most of its readily available cash in U.S. dollars to mitigate the risk of local currency devaluation. However, local currency exchange rate fluctuations in relation to the U.S. dollar may have an adverse effect on the Group's earnings, assets and cash flows when translating or converting local currency into U.S. dollars. For example, the devaluation of the Columbian peso in 2015 had an approximately \$250 million impact on consolidated revenues for fiscal year 2015. For each of the Group's operations that report its results in a currency other than the U.S. dollar, a decrease in the value of that currency against the U.S. dollar reduces the Group's profits while also reducing the Group's assets and liabilities. To the extent that the Group's operations retain earnings or distribute dividends in local currencies, the amount of U.S. dollars ultimately received by MIC S.A. is affected by fluctuations in exchange rates against the U.S. dollar. In addition, exchange rates impact the Group's earnings, assets and cash flows, as MIC S.A., as well as many of its operating subsidiaries, have U.S. dollar denominated debt, due to unavailability of, or lack of commercially acceptable long-term financing in local currencies.

Due to lack of available financial instruments in many of the countries or currencies in which the Group operates, the Group may not be able to hedge against foreign currency exposures. At the operational level, the Group seeks to reduce its foreign exchange exposure through a policy of matching, as far as possible, cash inflows and outflows. Where possible and where financially viable, the Group borrows in local currency to mitigate the risk of exposure to foreign currency exchange. The Group's ability to reduce its foreign currency exchange exposure may be limited by lack of long-term financing in local currency or derivative instruments in the currencies in which the Group operates. As such, there is a risk that the Group may not be able to finance local capital expenditure needs or reduce the Group's foreign exchange exposure by borrowing in local currency.

**Investors in emerging markets, where most of the Group's operations are located, are subject to greater risks than investors in more developed markets, including significant political, legal and economic risks and risks related to fluctuations in the global economy.**

Most of the Group's operations are in emerging markets. Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including in some cases significant political, legal and economic risks. Emerging market governments and judiciaries often exercise broad, unchecked discretion and are susceptible to abuse and corruption and rapid reversal of political and economic policies on which the Group depends. Political and economic relations among the countries in which the Group operates are often complex and have resulted, and may in the future result, in conflicts, which could materially harm the Group's business, financial condition, results of operations, cash flows or prospects. The economies of emerging markets are vulnerable to market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in these markets and materially adversely affect their economies. Turnover of political leaders or parties in emerging markets as a result of a scheduled election upon the end of a term of service or in other circumstances may also affect the legal and regulatory regime in those markets to a great extent than turnover in established countries. Some of the emerging markets in which the Group operates are susceptible to social unrest, which may lead to military conflict in some cases. These developments could severely limit the Group's access to capital and could materially harm the purchasing power of the Group's customers and, consequently, the Group's business, which could adversely affect the Group's business, financial condition and results of operations.

Further, the nature of much of the legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the legal systems in emerging markets, place the enforceability and, possibly, the constitutionality of, laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. The legislation often contemplates implementing regulations that have not yet been promulgated, leaving substantial gaps in the regulatory infrastructure. Any of these factors could affect the Group's ability to enforce the Group's rights under the Group's licenses or the Group's contracts, or to defend the Group's company against claims by other parties.

**Most of the countries where the Group operates lack reliable nationwide infrastructure or have infrastructure in poor condition and, particularly in Africa, have an insufficient supply of electricity.**

Most of the countries in which the Group operates lack modern or reliable infrastructure or have infrastructure in poor or very poor condition, including roads and power networks. In general, the rural areas in each of the countries in which the Group operates lack the most basic infrastructure. In some cases, the Group must build its cell sites without the benefit of roads and other infrastructure, which increases the Group's network development and maintenance costs. Governments in emerging markets have been known to address the lack of telecommunications infrastructure by implementing universal service funds, which are taxes levied on revenue from telecommunications services. The purpose of universal service funds is to subsidise the expansion of basic communication services throughout a country, even in remote areas, at affordable prices. Of the markets in which the Group operates, only Bolivia imposes a universal service fund levy on telecommunications providers, in the amount of 1.0 per cent. to 2.0 per cent. of revenue. If the governments of the other markets in which the Group operates were to impose similar levies it would negatively impact the profitability of the Group's operations.

The electricity supply is insufficient in certain of the African countries in which the Group operates due to underdevelopment of electricity sectors compared to the pace of economic growth in such countries. In certain countries, the Group must rely on diesel-powered generators or solar panels to power the Group's radio sites and some of the Group's towers have solar back-up power or hybrid

deep cycle backup batteries. These measures increase the Group's costs and impact the profitability and reliability of the Group's network in the Group's African operations.

**Unpredictable tax systems give rise to significant uncertainties and risks that could complicate the Group's tax planning and business decisions.**

The tax systems in the markets in which the Group operates are unpredictable, which gives rise to significant uncertainties and complicates the Group's tax planning and business decisions. For example, in Colombia, a net wealth tax was introduced in 2015, which applies to both residents and non-residents of Colombia whose net worth exceeds COP 1 billion (approximately \$300,000), and El Salvador approved the introduction of a 5 per cent. tax on telecommunication services to finance government security plans in 2015. Additionally, on 1 January 2017, an 18 per cent. excise tax on revenues was introduced in Chad. These new taxes impact the profitability of the Group's operations.

The tax laws and regulations in the markets in which the Group operates are complex and subject to varying interpretations. The tax authorities in the markets in which the Group operates are often arbitrary in their interpretation of tax laws, as well as in their enforcement and tax collection activities. The Group cannot be sure that its interpretations are accurate or that the responsible tax authority agrees with its views. Tax declarations are subject to review and investigation by several authorities, which are empowered to impose fines and penalties on taxpayers. Tax audits may result in additional costs to the Group if the relevant tax authorities conclude that entities in the Group did not satisfy their tax obligations in any given year. Such audits may also impose additional burdens on the Group by diverting the attention of management resources. The outcome of these audits could harm the Group's business, financial condition, results of operations, cash flows or prospects. Many of the Group's operating companies are often forced to negotiate their tax bills with tax inspectors who may assess additional taxes. The Group is currently addressing tax disputes with the local tax authorities in several jurisdictions. Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on the Group's business, results of operations, financial conditions or cash flows.

**Developing legal systems in the countries in which the Group operates create uncertainties for the Group's businesses.**

The nature of much of the legislation in emerging markets, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of emerging markets legal systems, place the enforceability and, possibly, the constitutionality of, laws and regulations in doubt and result in ambiguities, inconsistencies and anomalies. The legislation often contemplates implementing regulations that have not yet been promulgated, leaving substantial gaps in the regulatory infrastructure. These factors could affect the Group's ability to enforce its rights under its licenses and contracts or to defend against claims by others.

Further, the legal systems in many of the emerging market countries in which the Group operates are less developed than those in more established markets, which creates uncertainties with respect to many of the legal and business decisions that the Group makes. Such uncertainties include, among others, potential for negative changes in laws, gaps and inconsistencies between the laws and regulatory structure, difficulties in enforcement, broad regulatory authority held by telecommunications regulators, inconsistency and lack of transparency in the judicial interpretation of legislation and corruption in judicial or administrative processes or systems. The Group may not always have access to efficient avenues for appeal and may have to accept the decisions imposed upon the Group, which could adversely affect the Group's business, revenue and results of operations.

**The Group has a weaker market position and faces a challenging competitive and regulatory environment in Colombia, its largest Latin American market, relative to its other markets.**

Relative to the Group's other markets, the telecommunications sector in Colombia is characterised by having a larger number of competitors, including America Movil and Telefónica, which are larger than the Group and have greater access to capital and other resources than the Group does, and by having more stringent regulatory conditions. For example, regulation implemented in 2015 impedes the Group's ability to bundle service contracts with handset subsidies, and in 2017, new regulation was implemented to cap the rates that the Group may charge on services sold on a wholesale basis. Relative to the Group's other markets, the Group's competitive position is also weaker in Colombia, where the Group is the third-largest mobile operator and the second-largest provider of fixed services, as measured by subscribers based on information submitted by mobile operators to the regulators. This position contrasts with the Group's competitive position in its other markets, where the Group is either the largest or second-largest mobile operator, as measured by subscribers based on information submitted by mobile operators to the regulators, and where the Group faces more benign competition for its fixed services. Among the countries where the Group competes, Colombia is the largest, as measured by the size of its population and GDP, and the largest contributor to the Group's revenues. Given the importance of Colombia to the Group's results, if the Group is unable to sustain or improve its position in that market, or if the Group is faced with new regulation, the Group's business, financial condition, results of operations and business prospects could be adversely affected.

**Most of the Group's operations generate revenue in the local currency of the country in which they operate. The governments of the countries in which the Group's operations are located may impose foreign exchange controls that could restrict the Group's ability to receive funds from the operations.**

As substantially all the Group's revenue is generated by its local operations, MIC S.A. is reliant on its subsidiaries' and joint ventures' ability to transfer funds to it. Although foreign exchange controls exist in some of the countries in which the Group operates, none of these controls significantly restricts the Group's ability to pay interest, dividends, technical service fees, and royalty fees or repay loans by exporting cash, instruments of credit or securities in foreign currencies. However, foreign exchange controls may be strengthened, or introduced in the countries where the Group operates, which could restrict MIC S.A.'s ability to receive funds from those operations. In addition, in some countries it may be difficult to convert local currency into foreign currency due to limited liquidity in foreign exchange markets. These restrictions may constrain the frequency for possible upstreaming of cash from the Group's subsidiaries to MIC S.A. in the future. These and any similar controls enacted in the future may cause delays in accumulating significant amounts of foreign currency, and cause exchange risk, which could have an adverse effect on the Group's results of operations.

The Group's functional currency is the U.S. dollar; however, the Group's headquarters are in Luxembourg and the Group's operations are in various countries with different currencies. The Group is exposed to the potential impact of any alteration to, or abolition of, foreign exchange which is "pegged" at a fixed rate against the U.S. dollar. Any "unpegging", particularly if the currency weakens against the U.S. dollar, could have an adverse effect on the Group's business, financial condition or results of operations.

**Risks relating to MIC S.A. and the Millicom Group**

**The Group's ability to generate cash depends on many factors beyond the Group's control and the Group may need to resort to additional external financing.**

The Group's ability to generate cash is dependent on its future operating and financial performance, which is driven by the Group's ability to successfully implement its business strategy, as well as general economic, financial, competitive, regulatory, and technical elements and other factors beyond the Group's control. If the Group cannot generate sufficient cash, the Group may, among other things,

need to refinance all or a portion of the Group's debt, obtain additional financing, delay capital expenditure or sell assets.

The Group requires a significant amount of capital to operate and grow its business. The Group funds its capital needs in part through borrowings in the public and private credit markets. Adverse changes in the credit markets, including increases in interest rates, could increase the Group's cost of borrowing and/or make it more difficult to obtain financing for its operations or refinance existing indebtedness. In addition, the Group's borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on the Group's performance as measured by customary credit metrics. A decrease in these ratings would likely increase the Group's cost of borrowing and/or make it more difficult for the Group to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which the Group does business, and such instability could also affect the Group's access to financing. In particular, periods of industry consolidation require businesses to raise debt and equity capital to remain competitive. An inability to access capital during such periods could have an adverse effect on the Group's business, financial condition or results of operations.

**The amount, structure and obligations connected with the Group's debt could impair the Group's liquidity and the Group's ability to expand or finance the Group's future operations.**

The Group has significant indebtedness and may incur additional debt in the future. As at 31 March 2019, the Group's consolidated indebtedness was \$5,655 million, of which MIC S.A. incurred \$2,279 million directly, and MIC S.A. guaranteed \$620.3 million of indebtedness incurred by its subsidiaries. In addition, the Guatemala and Honduras joint ventures had indebtedness of \$1,640 million as at 31 March 2019. Although certain of the Group's outstanding debt instruments contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. The incurrence of additional debt could, among other things, require the Group to dedicate a substantial portion of its cash flow to payments on its debt, thus reducing availability of cash to fund organic growth or corporate purposes, omit its flexibility to plan for or react to changes in its business or the industry or markets in which it operates, increase its vulnerability to a downturn in its business or general economic conditions, place it at a competitive disadvantage compared to competitors who might have less debt, or restrict it from pursuing strategic acquisitions or exploiting certain business opportunities. If the Group substantially increases its level of debt, it may experience other negative consequences and find it more difficult to satisfy its obligations with respect to its debt.

**MIC S.A. is a holding company, and as a result, it is dependent on cash flow from its operating subsidiaries and joint ventures to service its indebtedness, which may be limited by local law.**

MIC S.A. is a holding company and its primary assets consist of shares in its subsidiaries and joint ventures and cash in its bank accounts. As a holding company, MIC S.A. has no significant revenue generating operations of its own, and therefore its cash flow and ability to service its indebtedness will depend primarily on the operating performance and financial condition of its operating subsidiaries and its receipt of funds from such subsidiaries in the form of dividends or otherwise. There are legal limits on dividends that some of MIC S.A.'s subsidiaries are permitted to pay. Further, some of the Group's indebtedness imposes restrictions on dividends and other restricted payments. MIC S.A.'s operating subsidiaries may not generate income and cash flow sufficient to enable MIC S.A. to fund its payment obligations on its debt obligations, because its ability to provide funds will depend, to some extent, on general economic, financial, competitive, market and other factors, many of which are beyond its control.

**The cash flow the Group generates are highly dependent on the dividends the Group receives from its joint ventures in Guatemala and Honduras.**

The Group's joint ventures in Guatemala and Honduras are the largest providers of mobile services in their respective markets, as measured by subscribers, and the Group's Guatemala and Honduras joint ventures have historically generated healthy cash flows and paid dividends. For fiscal 2018, the Group received \$243 million in dividends from these joint ventures, and the Group paid \$266 million in dividends to its own shareholders during fiscal 2018. If the financial condition of the Group's joint ventures deteriorates or if they choose to reduce future dividend payments, or if the Group fails to diversify its sources of cash flow, the Group's liquidity could suffer and it may be unable to satisfy its debt obligations.

**MIC S.A. provides essential support and services to the Group's operating subsidiaries and joint ventures which would be detrimental if discontinued or might be challenged as not being on an arm's-length basis.**

MIC S.A. provides to the Group's operating subsidiaries and joint ventures services that substantially benefit them and would be detrimental to the Group's future operations and growth if they were to be discontinued. These services include:

- financing;
- increased bargaining power with its suppliers;
- technical and management services, such as business support services (including a shared services centre in El Salvador, digital transformation, customer experience, procurement, human resources support and legal, IT and marketing services) and advisory services related to the construction, installation, operation, management and maintenance of its networks; and
- trademark licensing agreements for use of the Tigo trademark and/or Millicom name, which are non-transferable and continue for an indefinite period unless terminated pursuant to the terms of the agreement.

If MIC S.A. were unable to provide these services to the Group's operating subsidiaries and joint ventures on a timely basis and at a level that meets the Group's needs, or if these trademark license agreements were terminated, the Group's operating subsidiaries and joint ventures may be disrupted and the Group's business, financial condition and results of operations could be materially adversely affected. In addition, tax authorities could argue that some of these services are on terms more favourable than those that could be obtained from independent third parties and assess higher taxes or fines in respect of the service MIC S.A. provides.

**Risks relating to the Notes**

**The Notes will be structurally subordinated to all indebtedness of MIC S.A.'s subsidiaries and will be effectively subordinated to any of MIC S.A.'s existing and future obligations that are secured by assets or property that do not secure the Notes.**

MIC S.A. intends to distribute most of the proceeds of the Notes to its operating subsidiary in El Salvador (Telemovil El Salvador, S.A. de C.V.). Neither Telemovil El Salvador, S.A. de C.V. nor any of MIC S.A.'s other subsidiaries will guarantee the Notes, so they will not have any obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or otherwise. The Notes will be structurally subordinated to all indebtedness and other obligations of MIC S.A.'s subsidiaries, such that in the event of insolvency, liquidation, reorganisation, dissolution or other winding up of any subsidiary, all of the subsidiary's creditors would be entitled to payment in full out of such subsidiary's assets before

MIC S.A. would be entitled to any payment. Any of the Group's future indebtedness that is secured by the Group's assets will be effectively senior to MIC S.A.'s obligations under the Notes to the extent of the value of the property and assets securing such obligations. In the event of an insolvency, any right of the Noteholders to participate in the assets securing the Group's other indebtedness will be subject to the prior claims of its secured creditors.

**The restrictive covenants governing the Notes could adversely impact MIC S.A.'s financial and operating flexibility and subject MIC S.A. to other risks.**

The Terms and Conditions governing the Notes (the "**Terms and Conditions**") and certain of MIC S.A.'s other indebtedness contain, or will contain, restrictive covenants that limit MIC S.A.'s ability to, among other things: incur or guarantee additional indebtedness; make certain asset sales; create or permit to exist certain liens; and consolidate, merge or sell all or substantially all of its assets. These limitations are subject to important qualifications and exceptions. Complying with the restrictions contained in some of these covenants may require MIC S.A. meet certain ratios and tests in order to undertake particular transactions. Failure to comply with these covenants could constitute a default under the Terms and Conditions, and the principal and accrued interest on the outstanding Notes may become due and payable. The operating and financial restrictions in the Terms and Conditions may adversely affect MIC S.A.'s ability to finance its future operations or capital needs, or engage in other business activities that may be in its interest, or react to adverse market developments.

**MIC S.A. may not be able to raise the funds necessary to finance the change of control offer required by the Terms and Conditions if a Change of Control occurs.**

Upon the occurrence of certain Change of Control events, MIC S.A. must make an offer to repurchase all the then outstanding Notes for a price equal to 101 per cent. of the principal amount of the Notes, plus any accrued and unpaid interest to the date of repurchase. MIC S.A. may not have sufficient funds available to make any such required repurchase of the Notes upon a Change of Control. Additionally, if a Change of Control is triggered and MIC S.A. fails to make any required prepayment, this could lead to an event of default, and could trigger cross default/cross acceleration provisions under certain of the Group's other debt agreements, which would have a material adverse effect on the Group's business, financial condition and results of operations.

**Luxembourg insolvency laws may not be as favourable as insolvency laws in other jurisdictions.**

MIC S.A. is incorporated in Luxembourg. Accordingly, insolvency proceedings with respect to MIC S.A. may proceed under, and be governed by, Luxembourg insolvency laws, which may not be as favourable to investors' interests as those of jurisdictions with which investors may be familiar and may limit the ability of Noteholders to enforce the terms of the Notes.

**An active trading market may not develop for the Notes.**

MIC S.A. will apply for registration of the Notes on the sustainable bond list of Nasdaq Stockholm. However, even if the Notes are admitted to trading on a regulated market, there is a risk that active trading in the Notes does not occur and that a liquid market for trading in the Notes does not develop or if it develops, it may not be maintained. As a result, Noteholders may not be able to sell their Notes when they wish or at a price comparable to similar investments having an existing and functioning secondary market. A lack of liquidity in the market could have an adverse effect on the market value of the Notes. Accordingly, an investment in the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes. Furthermore, the nominal value of the Notes may not be indicative of the market price of the Notes if the Notes are admitted for trading on Nasdaq Stockholm, as the Notes may trade below their nominal value (for instance, to accommodate an increased premium to compensate for an actual or perceived increase in the Group's credit risk).

### **Decisions affecting all Notes may be made at Noteholders' meetings.**

The Terms and Conditions will include certain provisions regarding Noteholders' meetings. Such meetings may be held in order to decide on matters relating to the Noteholders' interests. The Terms and Conditions will allow for stated majorities to bind all Noteholders, including Noteholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted Noteholders' meeting. Consequently, the actions of the majority in such matters could impact a Noteholder's rights in a manner that would be undesirable for some of the Noteholders.

### **Noteholder's representation.**

Pursuant to the Terms and Conditions, in certain circumstances the Agent may make decisions and take measures that bind all Noteholders. The Agent represents all Noteholders in all matters in relation to the Notes, and the Noteholders are only able to bring their own action against MIC S.A. subject to certain conditions. To enable the Agent to represent the Noteholders in court, Noteholders may be required to submit a written power of attorney for legal proceedings. If all Noteholders do not submit such a power of attorney, the Agent's ability to enforce the Terms and Conditions of the Notes may be adversely affected.

### **Risks associated with sustainable bonds.**

The Notes are defined as "sustainable" according to the Group's applicable sustainability bond framework as at the First Issue Date (as defined in the Terms and Conditions) (the "**Sustainability Bond Framework**"). The Sustainability Bond Framework, as well as market practice for sustainable bonds, may be amended and develop after the First Issue Date, thus affecting any the requirements applicable to MIC S.A. in respect of any subsequent Notes. Amendments to the Sustainability Bond Framework after the First Issue Date will not affect the conditions applicable to the Notes issued as at the First Issue Date. MIC S.A.'s failure to comply with the Sustainability Bond Framework does not constitute an event of default and would not permit Noteholders to exercise any early redemption rights or receive any other type of compensation for non-compliance with the Sustainability Bond Framework.

### **Clearing and settlement will occur in Euroclear's book-entry system.**

The Notes will be affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Notes will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system.

### **Changes in law may adversely affect the Notes.**

The Notes will be subject to English law as well as applicable European Union and Luxembourg laws and administrative practices in effect as at the date of the Terms and Conditions. There is a risk that future changes in applicable legislation, case law or administrative practice after the date of the Terms and Conditions could adversely impact MIC S.A.'s ability to make payments under the Notes.

### **Credit ratings may not reflect all risks of an investment in the Notes, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.**

One or more independent credit rating agencies have assigned credit ratings to MIC S.A. and may assign credit ratings to the Notes. The credit ratings address MIC S.A.'s ability to perform its obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may

affect the value of the Notes. In February 2019, Moody's confirmed MIC S.A.'s Ba1 credit rating, outlook stable, and in March 2019, Fitch confirmed MIC S.A.'s BB+ credit rating, outlook stable. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the relevant rating agency at any time. MIC S.A.'s credit rating may not remain constant for any given period of time and it may be lowered or withdrawn entirely by any credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of any credit rating of MIC S.A. or any credit rating that may be assigned to the Notes by one or more credit rating agencies could adversely affect the value and trading of the Notes.

**The Notes may not be freely transferred.**

The Notes have not been and will not be registered under the Securities Act, or any U.S. state securities laws. Subject to certain exemptions, a Noteholder may not offer or sell the Notes in the United States. MIC S.A. has not undertaken to register the Notes under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Notes in the future. Furthermore, MIC S.A. has not registered the Notes under any other country's securities laws. Each potential investor should read the information in the Terms and Conditions for further information about the transfer restrictions that apply to the Notes. It is each Noteholder's obligation to ensure that its offers and sales of Notes comply with all applicable securities laws.

**DNB Bank ASA, Sweden Branch, and Nordea Bank Abp (collectively with their respective affiliates, the "Joint Bookrunners") may provide other services to the Group that could result in conflicts of interest.**

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Group. In particular, the Joint Bookrunners are lenders under certain credit facilities with MIC S.A. as borrower and may also in the future serve as lenders to other members of the Group as borrowers. There is a risk that conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

**Changes or uncertainty in respect of STIBOR and other benchmark rates might affect the Notes.**

The manner in which benchmark rates such as STIBOR are set is undergoing significant change. Benchmark rates have been the subject of recent English, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective, including most of the Benchmark Regulation, which became fully effective on 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks (including STIBOR), the contribution of input data to a benchmark and the use of a benchmark within the EU. The Terms and Conditions provide for certain fallback arrangements if STIBOR becomes unavailable, which could result in the effective application of a fixed rate for the Notes, and there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Any significant change to the setting or existence of STIBOR might have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

**Currency risks**

If Noteholders measure their investment return by reference to a currency other than SEK, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference which Noteholders measure the return on their investments. These relative changes could also cause a decrease in the effective yield of the Notes below their stated coupon rates, resulting in a loss to Noteholders when the return on the Notes is translated into the currency by reference to which the

Noteholders measure the return on their investments. Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate or MIC S.A.'s ability to make SEK payments in respect of the Notes. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal at all.

### **Interest rate risk**

The Notes' value depends on several factors, one of the most significant over time being the level of market interest given that the Notes will carry a floating rate interest. The Notes will bear interest at a floating rate, by reference to STIBOR plus a margin. Investments in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in market interest rates.

## STATEMENT OF RESPONSIBILITY

The issuance of the Notes was authorised by resolutions taken by the MIC S.A. board of directors on 12 March 2019, and the Notes were subsequently issued by MIC S.A. in the total nominal amount of SEK 2,000,000,000 on 15 May 2019.

MIC S.A. is responsible for the information contained in this Prospectus and has taken all reasonable precautions to ensure that, as far as MIC S.A. is aware, the information in this Prospectus is accurate and does not omit anything likely to affect its import. To the extent prescribed by law, the board of directors of MIC S.A. is responsible for the information contained in this Prospectus. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as MIC S.A. is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may render the information misleading or incorrect. The board of directors of MIC S.A. confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, accurate and does not omit anything likely to affect its import.

*10 June 2019*

MILLICOM INTERNATIONAL CELLULAR S.A.

*The Board of Directors*

## THE NOTES IN BRIEF

The following summary of the Notes contains basic information about the Notes. It does not purport to be complete, and is qualified in its entirety by reference to the Trust Deed and the Terms and Conditions. Capitalised terms used in this summary without definition shall have the same meanings assigned to such terms in the Terms and Conditions.

<b>Issuer:</b>	Millicom International Cellular, S.A. (the " <b>Issuer</b> ").
<b>First Issue Date</b>	15 May 2019.
<b>Issue Price</b>	100 per cent.
<b>Total Nominal Amount; Currency</b>	SEK 2,000,000,000.
<b>ISIN</b>	SE0012454841.
<b>Nominal Amount</b>	SEK 2,000,000.
<b>Minimum Investment</b>	SEK 2,000,000.
<b>Interest Rate</b>	The Notes bear interest at a floating rate of STIBOR (3 months) (excluding a STIBOR floor) plus 2.35 per cent. <i>per annum</i> , with quarterly interest payments in arrears.
<b>Interest Dates</b>	Quarterly, each 15 May, 15 August, 15 November and 15 February commencing on 15 August 2019 and thereafter every three months continuing until the Final Maturity Date.
<b>Day Count Basis and Business Day convention</b>	Actual/360, modified following business day.
<b>Business Days</b>	Sweden and Luxembourg.
<b>Final Maturity Date</b>	15 May 2024.
<b>Redemption at Maturity</b>	The outstanding Notes will be redeemed in full at 100 per cent. of the Nominal Value of each Note, together with accrued but unpaid interest, at the Final Maturity Date.
<b>Status of the Notes</b>	The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves and at least <i>pari passu</i> with all its other direct, unconditional, unsubordinated and unsecured obligations except those obligations which are mandatorily preferred by law.
<b>Use of Proceeds</b>	Funding or refinancing Eligible Assets and Projects in accordance with the Sustainability Bond Framework, either directly or by lending all or a portion of the Net Proceeds to Telemovil El Salvador, S.A. de C.V. for such purposes. The proceeds from any issuance of Additional Notes shall be used for substantially the

same purposes, in each case in accordance with the Sustainability Bond Framework.

**Form**

The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical Notes will be issued. Accordingly, the Notes will be registered in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**Additional Notes**

The Issuer may also issue Additional Notes, which will be consolidated, and form a single series, with the Initial Notes. The issuance of Additional Notes will be subject to certain conditions precedent including, but not limited to, the absence of any Event of Default and satisfaction of any conditions to the incurrence of Financial Indebtedness set out in the Terms and Conditions.

**Early Redemption (Call Option)**

At any time on or after First Call Date, the Issuer may, subject to certain notice periods, redeem all, but not some only, of the outstanding Notes at an amount per Note equal to (i) if redeemed during the 12-month period commencing on 15 May 2022, 101.175 per cent. of the Nominal Amount, (ii) if redeemed during the 12-month period commencing on 15 May 2023, 100.588 per cent. of the Nominal Amount and (iii) if redeemed during the 3-month period commencing on 15 February 2024 and refinanced using the proceeds of, or replaced with, a Market Loan issued in aggregate principal amount at least equal to the amount of outstanding Notes so redeemed, 100 per cent. of the Nominal Amount, in each case together with accrued but unpaid interest, if any. In addition, if at any time it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents, the Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid interest, if any, subject to certain notice periods.

**Repurchase with Excess Proceeds (Put Option)**

If the Excess Proceeds remaining from the disposition of assets by the Issuer and its Subsidiaries (other than an Unrestricted Subsidiary and after taking into account any application of the Net Available Proceeds in accordance with the Terms and Conditions) exceed \$75 million (or its equivalent in any other currency), the Issuer shall make an offer to redeem from the Noteholders (at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest, if any, to the date of purchase) and from the holders of any Pari Passu Financial Indebtedness (at a price no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such debt together with accrued and unpaid interest if any to the date of purchase), to the

**Mandatory Repurchase due to a Change of Control Triggering Event or a Listing Failure Event (Put Option)**

extent required by the terms thereof, on a *pro rata* basis, the maximum principal amount of the Notes and any such Financial Indebtedness that may be purchased with the amount of the Excess Proceeds.

Upon the occurrence of (i) a Change of Control Triggering Event or (ii) a Listing Failure Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount, together with accrued but unpaid interest, if any, within 20 Business Days after notice of the relevant event is delivered by the Issuer. Thereafter, if Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them be repurchased, the Issuer shall give the remaining Noteholders a further right to request that their Notes be repurchased on terms equal to those set out above, for a period of 20 Business Days after notice of such right is delivered by the Issuer.

A Change of Control Triggering Event will occur if (i) among other things, any person (other than Kinnevik or its related parties) gains direct or indirect control of more than 50 per cent. of the maximum number of votes (measured by voting power) that may be cast at a general meeting of the Issuer and (ii) within 90 days after the earlier of the announcement or the occurrence of a Change of Control of the Issuer, a rating agency withdraws its rating of the Issuer or downgrades its rating by (x) one or more gradations (if, on the Rating Date, the Issuer was not rated Investment Grade by at least two rating agencies) or (y) two or more gradations or such that the Issuer is no longer rated Investment Grade (if, on the Rating Date, the Issuer was rated Investment Grade by at least two rating agencies), *provided* that when announcing the relevant decision(s) to withdraw or decrease the rating, each such rating agency announces publicly or confirms in writing that such decision(s) resulted in whole or in part from the occurrence (or expected occurrence) of the Change of Control or the Issuer's announcement of the intention to effect a Change of Control.

A Listing Failure Event will occur if the Issuer fails to list the Notes on a Regulated Market within 120 days of the First Issue Date or fails to maintain such listing for a period of 120 days or more.

**Information Undertakings**

The Issuer is required to provide to the Noteholders certain information on an ongoing basis while the Notes are outstanding. Such information is of a type set out in the Swedish Securities Dealers Association standard terms (version 2) and includes annual (within 4 months) and quarterly (within 2 months) financial statements.

The Issuer is required to promptly notify of the occurrence of a Change of Control Triggering Event and/or a Listing Failure Event.

The Issuer is required to deliver an annual compliance certificate together with its annual financial statements.

### **Incurrence Test**

The Terms and Conditions include restrictions on the ability of the Issuer and its Subsidiaries to incur Financial Indebtedness, which is subject to satisfaction of a pro forma Net Leverage Ratio test under which the ratio of Consolidated Net Debt to Consolidated EBITDA is less than 3.0:1.0 or the relevant Financial Indebtedness constitutes Permitted Financial Indebtedness.

### **General Undertakings**

Subject to the suspension mechanic referred to below, the Terms and Conditions include the following covenants and restrictions:

- No substantial change to the general nature of the business subject to agreed exceptions.
- Preservation of material properties necessary for the conduct of its business subject to agreed exceptions.
- Incurrence of Financial Indebtedness subject to the Net Leverage Ratio being less than 3.0 to 1.0, unless the relevant Financial Indebtedness falls within certain agreed exceptions and baskets constituting Permitted Financial Indebtedness.
- Negative Pledge restricting the creation or subsistence of security or quasi-security over the Group's assets subject to certain agreed exceptions and baskets.
- Disposal of Assets restricting the disposal of certain specified classes of assets and the application of the proceeds of any disposal subject to certain agreed exceptions.
- Restriction on merger prohibiting consolidations or mergers involving the Issuer or the disposal of all the Issuer's assets unless certain conditions are satisfied.

### **Suspension of Certain Covenants**

If and for so long as the Issuer is rated Investment Grade by at least two rating agencies and provided that no Event of Default is continuing at the time the Issuer notifies the Trustee that the foregoing requirements are satisfied, the restrictions on the disposal of assets and the incurrence of Financial Indebtedness and the requirement that certain financial covenants be satisfied in order to permit a merger of the Issuer in accordance with the Terms and Conditions, will no longer apply. Any action taken by a Group Company during any such covenant suspension that would otherwise give rise to a breach of any of the aforementioned undertakings upon such covenant

suspension ceasing to be in effect shall be deemed not to be a breach of the Terms and Conditions.

### **Admission to Trading**

In addition to the put option triggered by a Listing Failure Event, the Issuer is obliged to use all reasonable efforts to ensure a listing on the sustainable bond list of Nasdaq Stockholm or, if such listing is not possible to obtain or maintain, another Regulated Market within 120 days of the First Issue Date.

### **Events of Default**

Each of the following events constitutes an Event of Default under the Terms and Conditions:

- Non-payment of principal or premium (if any) when due.
- Non-payment of interest when due, subject to a 30-day grace period.
- Failure to pay the purchase price for the Notes which are required to be purchased by the Issuer following exercise of a put option following an Excess Proceeds Offer, a Change of Control Triggering Event or a Listing Failure Event.
- Breach of the restrictions on mergers.
- Breach of any terms or condition of any Finance Document (other than those expressly listed above), subject to a 60-day grace period following notice of the breach.
- Cross Payment Default and Cross Acceleration subject to a \$100,000,000 threshold.
- Failure to pay final court judgments within 60 days, subject to a \$100,000,000 threshold and other agreed exceptions.
- Insolvency and insolvency proceedings in respect of Material Companies.

### **Prescription**

The right to receive repayment of the principal of the Notes shall become prescribed ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void five years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed.

### **Decisions by Noteholders**

Decisions of Noteholders may be taken at a Meeting or by way of Written Procedure at the Trustee's discretion. Any of the Issuer, the Trustee or Noteholders representing at least ten per cent. of the Adjusted Nominal Amount may request a decision of the Noteholders on a matter relating to the Finance Documents.

The Trustee shall convene a Meeting by sending a notice to each Noteholder no later than ten Business Days after receipt of a valid meeting request. The Meeting shall be

held no earlier than ten and no later than thirty Business Days after the effective date of the notice. Only matters that are included in the notice may be resolved at the Meeting.

The Trustee shall instigate a Written Procedure as soon as practicable and, in any event, no later than ten Business Days after a receipt of a valid request, subject to limited exceptions, by sending a communication to each registered Noteholder on the record date (which shall be no more than five Business Days prior to the date on which the communication is sent). The communication must include the deadline for responding to the Written Procedure which must be at least ten and no more than thirty Business Days from the effective date of the communication. The relevant decision is deemed adopted when consents representing the applicable consent threshold have been received.

For the avoidance of doubt, the application of articles 86 to 94-8 inclusive of the Luxembourg law of 10 August 1915 on commercial companies, as amended, have been excluded and will not apply to the Notes nor to the representation of Noteholders.

**Transfer Restrictions**

The Notes are freely transferable but individual Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, under applicable laws to which a Noteholder may be subject (e.g., due to such Noteholder's nationality, residency, registered address and/or place(s) of business). It is the responsibility of each Noteholder to ensure compliance with such laws at its own cost and expense.

**Listing**

Application will be made to list the Notes on the sustainable bond list of Nasdaq Stockholm in connection with the SFSA approval of this Prospectus. If the application is approved, the number of Notes admitted to trading will be 1,000.

**Trustee**

Intertrust (Sweden) AB (Reg. No. 556625-5476).

**Issuing Agent**

Nordea Bank Abp, acting through Nordea Bank, Abp, filial i Sverige.

**The CSD**

Euroclear Sweden AB.

**Governing law of the Notes and the Trust Deed**

English law.

**Jurisdiction**

The courts of England.

**Documentation**

Trust Deed, including the Terms and Conditions, dated 13 May 2019 between the Issuer and the Trustee, or any replacement or supplemental trust deed entered into after the First Issue Date between the Issuer and a trustee (the

"**Trust Deed**"). For more information, see "*Material Contracts–Trust Deed*".

**Note Register**

The Issuer, the Trustee and, for the purposes of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent, shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes (initially Euroclear Sweden AB).

**Benchmark Regulation**

As at the date of this Prospectus, the Swedish Banker's Association (*Sw. Svenska Bankföreningen*), which provides STIBOR, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that the Swedish Banker's Association is not currently required to obtain authorisation or registration.

## BUSINESS DESCRIPTION

### Business overview

Millicom is a leading provider of cable and mobile services dedicated to emerging markets. Through its Tigo and Tigo Business™ brands, it provides a wide range of digital services in nine countries in Latin America and two countries in Africa, including high-speed data, cable TV, direct-to-home satellite TV (together with cable TV "pay-TV"), mobile voice, mobile data, SMS, MFS, fixed voice, and business solutions including value-added services ("VAS"). Millicom provides services on both a business-to-consumer ("B2C") and a business-to-business ("B2B") basis.

Millicom offers the following principal categories of services:

- B2C mobile services ("**B2C Mobile**"): mobile data, mobile voice, SMS and MFS to consumers;
- B2C home services ("**B2C Home**"): broadband, fixed voice and pay-TV to consumers; and
- B2B services: broadband, fixed voice, pay-TV and VAS (collectively, together with pay-TV, "**fixed services**") and mobile services to corporate and government customers.

In Latin America, Millicom provides both mobile and fixed services in six countries (Bolivia, Colombia, El Salvador, Guatemala, Honduras and Paraguay). In addition, it provides fixed services in Costa Rica, Nicaragua and, since its acquisition of Cable Onda in December 2018, Panama. In Africa, Millicom provides mobile services in Tanzania and Chad. Millicom's joint venture with Bharti Airtel provides mobile services in Ghana. In 2018, Millicom completed the divestiture of its operations in Rwanda and Senegal, and in March 2019, signed an agreement to divest its operations in Chad, subject to customary closing conditions, as these were less profitable businesses that lacked scale and would have required significant amounts of additional capital investment over the medium to long term to improve profitability meaningfully on a sustainable basis. These divestitures are part of a broader effort by Millicom in recent years to improve its financial performance and better invest capital, including by selling underperforming businesses in its Africa segment, which has historically produced lower returns on capital than the Latin America segment.

### B2C Mobile

Millicom provides a comprehensive set of mobile communications services, including voice, SMS, MFS and data. Millicom focuses on monetising the trend of growing data consumption in the markets in which it operates by supplementing network-based B2C Mobile revenues with income from MFS and other value-added digital media, applications and services, such as the Tigo Music platform and Tigo Sports in local languages. Millicom believes the availability of these services encourages additional data use among its customers and simultaneously helps to differentiate its brand and drive revenue growth. Millicom provides communications services to consumers, businesses and wholesale customers, including MVNOs, on both prepaid and postpaid bases. Millicom's B2C Mobile customer base is predominantly prepaid.

Millicom provides services through 2G, 3G networks and 4G networks in all of its B2C Mobile markets, allowing it to respond to rapidly accelerating data penetration and growth of mobile data usage. A number of factors, including proliferation of affordable entry-level smartphones and a lack of legacy fixed-line infrastructure beyond metropolitan areas, have resulted in the rapid growth of mobile data usage. Data services have become an increasingly important contributor to the B2C Mobile business, as digitisation has rapidly accelerated across the markets in which the Group operates.

## **MFS**

MFS offer existing customers, many of whom have limited access to traditional banking services, the convenience and speed of cashless transactions by using their mobile phones to transfer funds to any other registered customer on Millicom's network (or, in relation to the Tanzanian operations, across networks), pay bills, receive salary payments, make merchant and transport payments, and use other financial services. MFS enable customers in economies that are largely cash-based to utilise electronic transactions that are safer, traceable and instantaneous. Millicom currently provides MFS in four countries across its operations—Tanzania in Africa and Paraguay, Honduras and El Salvador in Latin America.

## **B2C Home**

Millicom provides fixed-line telephone, broadband, and pay-TV, including premium high-definition content, services to residential customers in Millicom's Latin American markets mainly through a high-quality Hybrid Fibre Coaxial network. Millicom also provides satellite pay-TV services to rural and remote areas through the direct-to-home platform and broadband services through WiMAX and copper-based technologies in some markets. Millicom is focused on further diversifying the cable and digital media revenue streams by adding relevant local content to product offerings, such as local football broadcasting rights through its dedicated television channel and mobile app, Tigo Sports.

## **B2B**

In addition to serving residential customers, Millicom is leveraging its existing fixed and mobile networks to capture B2B opportunities. Millicom's B2B services cover broadband, fixed voice, pay-TV and VAS and mobile services to corporate and government customers in all the markets in which it operates. Millicom is focused on expanding its offerings to include 4G services, data centres, cloud-based solutions and security products. Millicom's B2B customers include small and medium sized businesses, large national corporations, governments and multinationals. Millicom provides a wide range of digital products and services that are tailored to the needs of its B2B customers. With a significant Latin American footprint, Millicom is well-positioned to attract B2B business from major regional players who often prefer to work with a single provider across markets.

## DESCRIPTION OF THE GROUP

### MIC S.A.

The Issuer, MIC S.A., is a public limited liability company (*société anonyme*) governed by the laws of the Grand-Duchy of Luxembourg and by the 1915 Luxembourg Companies Act. MIC S.A. was formed on 14 December 1990 and incorporated on 16 June 1992, for an unlimited duration and registered with the Luxembourg Trade and Companies' Register (*Registre du Commerce et des Sociétés de Luxembourg*) under the number RCS B 40 630. MIC S.A.'s registered office is in Luxembourg City at 2, rue du Fort Bourbon, L-1249 Luxembourg.

Under its articles of association (*statuts coordonnés*), MIC S.A.'s purpose is defined as follows:

[T]o engage in all transactions pertaining directly or indirectly to the acquisition and holding of participating interests, in any form whatsoever, in any Luxembourg or foreign enterprise, including but not limited to, the administration, management, control and development of such enterprise. [MIC S.A.] may, in connection with the foregoing purposes, (i) acquire or sell by way of subscription, purchase exchange or in any other manner equity or debt securities or other financial instruments representing ownership rights, claims or assets issue by, or offered or sold to, any public or private issuer, (ii) issue any debt instruments exercise any rights attached to the foregoing securities or financial instruments, and (iii) grant any type of direct or indirect assistance, in any form, to or for the benefit of subsidiaries, affiliates or other companies in which it holds a participation directly or indirectly, including but not limited to loans, guarantees, credit facilities, technical assistance.

In a general fashion [MIC S.A.] may carry out any commercial, industrial or financial operation and engage in such other activities as [MIC S.A.] deems necessary, advisable, convenient, incidental to, or not inconsistent with, the accomplishment and development of the foregoing.

MIC S.A.'s authorised share capital is \$199,999,800, represented by 133,333,200 shares with a par value of \$1.50. The issued share capital of MIC S.A. is \$152,608,825.50, represented by 101,739,217 shares with a par value of \$1.50, which are fully paid in.

Millicom's common shares are listed on NASDAQ in the United States and on Nasdaq Stockholm in the form of Swedish Depository Receipts. Millicom's principal listing is on Nasdaq Stockholm and, accordingly, Millicom's Corporate Governance Framework is primarily based on Luxembourg and other EU legislation, the listing requirements of Nasdaq Stockholm, the Swedish Code of Corporate Governance and good stock market practice.

### History

In 1979, Kinnevik acquired a small mobile telephone company in Sweden, which became Comviq GSM. Also in 1979, Millicom Incorporated was formed to pursue cellular telephone opportunities in America. In 1982, the U.S. Federal Communications Commission awarded Millicom Incorporated one of three cellular development licenses. The same year, Millicom Incorporated formed a joint venture with Racal Electronics Plc, which ultimately became Vodafone Group Plc. Starting in 1983, Kinnevik and Millicom Incorporated began applying for cellular licenses internationally. MIC S.A. was formed on 14 December 1990 when Industriförvaltnings AB Kinnevik, an affiliate of Kinnevik, and Millicom Incorporated contributed their respective interests in international cellular joint ventures to form the Group.

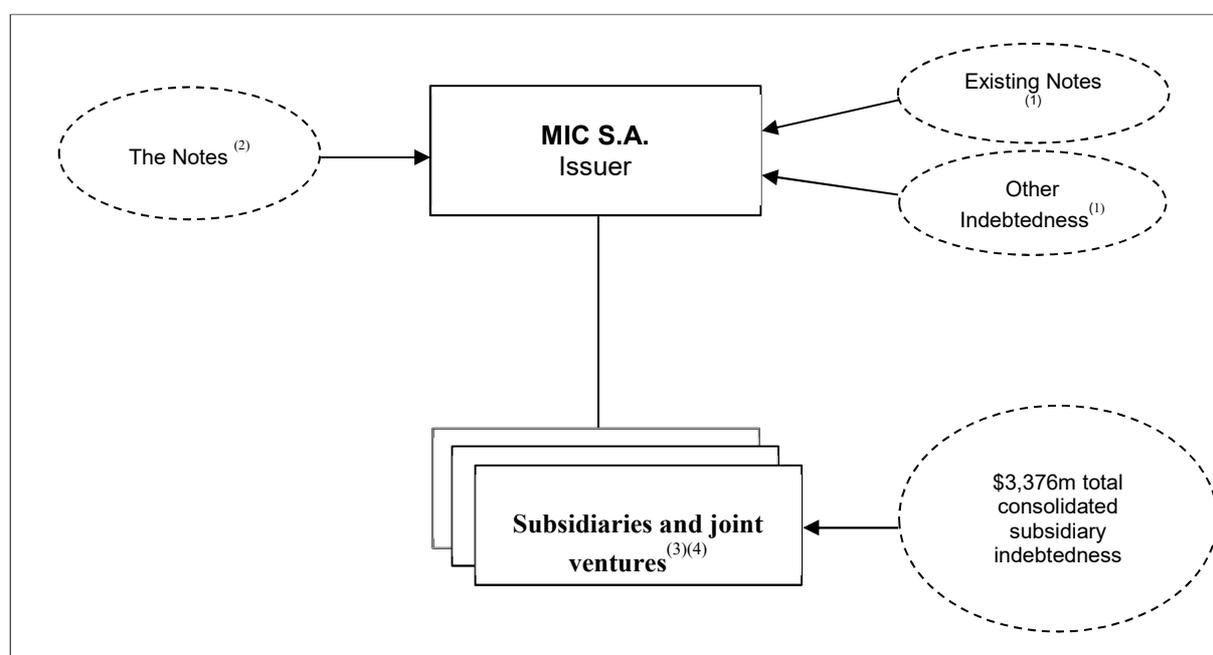
In 1993, MIC S.A. acquired Millicom Incorporated to facilitate listing on NASDAQ in the United States. In 2004, MIC S.A.'s shares started trading on Nasdaq Stockholm in the form of Swedish

Depository Receipts. In 2011, MIC S.A. voluntarily delisted its shares from NASDAQ and consolidated the listing of its shares onto one single exchange, Nasdaq Stockholm. In January 2019, MIC S.A.'s common shares started trading again on NASDAQ in the United States under the ticker symbol TIGO. MIC S.A.'s shares are traded as Swedish Depository Receipts on Nasdaq Stockholm under the symbol "TIGO-SDB.ST".

## Group Structure

MIC S.A. is a holding company and the ultimate parent of the Group. Kinnevik owns approximately 37.2 per cent. of MIC S.A. MIC S.A.'s operations are conducted via directly and indirectly owned operating subsidiaries, joint ventures and associates located in each country in which the Group operates and its shares are listed on NASDAQ in the United States and Nasdaq Stockholm. The following is a simplified structure chart showing the Group's corporate structure.

MIC S.A. depends on cash flow from its operating subsidiaries to service its indebtedness, which may be limited by local law, see "*Risk Factors—Risks relating to MIC S.A.—MIC S.A. is a holding company, and as a result, it is dependent on cash flow from its operating subsidiaries and joint ventures to service its indebtedness, which may be limited by local law*".



- (1) In addition to the Notes described herein, as at 31 March 2019, MIC S.A. had \$2,279 million in total direct indebtedness, as further discussed under "*Legal and Supplementary Information—Material Contracts*".
- (2) The Notes are general senior obligations of MIC S.A. and are not guaranteed by any of MIC S.A.'s subsidiaries.
- (3) Not all of MIC S.A.'s subsidiaries are wholly-owned: (a) MIC S.A. has an approximate 66.7 per cent. and 55 per cent. equity interest in its Honduras and Guatemalan subsidiaries, respectively, which are accounted for under the equity method since 31 December 2015; (b) MIC S.A. owns 50 per cent. plus one voting share of Millicom's Colombian operations, UNE, and has effective control over management and the company's board of directors, so UNE's results are fully consolidated into the Group's results of operations; (c) MIC S.A. has an 85 per cent. ownership interest in its Zanzibar subsidiary, Zanzibar Telecom (Zantel), which is fully consolidated into the Group's results of operations; (d) MIC S.A. has a 50 per cent interest in Bharti Airtel Ghana Holdings B.V., a joint venture with Bharti Airtel to provide mobile services in Ghana, which is accounted for under the equity method; and (e) MIC S.A. has an 80 per cent. ownership interest in its Panama subsidiary Cable Onda, which is fully consolidated into the Group's results of operations.
- (4) As at 31 March 2019, MIC S.A.'s consolidated subsidiaries, joint ventures and associates, none of which guarantee the Notes, had \$3,376 million of total indebtedness, and MIC S.A., together with its consolidated subsidiaries, joint ventures and associates, had \$5,655 million of total indebtedness. See "*Risk Factors—Risk relating to the Notes—The Notes will be structurally subordinated to all indebtedness of MIC S.A.'s subsidiaries and will be effectively subordinated to any of MIC S.A.'s existing and future obligations that are secured by assets or property that do not secure the Notes*".

## Principal shareholders

The table below sets out certain information known to Millicom as at 30 April 2019, unless indicated otherwise, with respect to beneficial ownership of Millicom common shares, par value \$1.50 each, by each person who beneficially owns more than 5 per cent. of Millicom common shares.

Name of Shareholder	Number of shares	Percentage of voting shares
Kinnevik AB .....	37,835,438	37.2%
Dodge & Cox .....	7,935,067	7.8%
Southeastern Asset Management, Inc. ....	4,756,809	4.7%

For the purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares as at a given date which such person or group of persons has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by the holders on a given date, any security which such holder has the right to acquire within 60 days after such date (including shares which may be acquired upon exercise of vested portions of share options) is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

MIC S.A. is not aware that any person other than the holders listed above has voting and investment power with respect to these shares. The holders listed above have the same voting rights as all other holders of MIC S.A.'s common shares. To MIC S.A.'s knowledge, there are no shareholders' agreements or other agreements between its shareholders that give joint influence over MIC S.A. or the Group.

### Kinnevik

MIC S.A.'s principal shareholder is Kinnevik, an entrepreneurial investment group focused on investing in digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment and Financial Services. Kinnevik's shares are listed on Nasdaq Stockholm's list for large cap companies under the ticker symbols "KINV A" and "KINV B". Since 2010, Kinnevik has not purchased any MIC S.A. shares.

Kinnevik has informed MIC S.A. that it intends to sell 11 million of its Millicom common shares (approximately 10.8% of the total outstanding Millicom common shares) held by Kinnevik AB, and/or its affiliates, in underwritten registered public offerings in the United States pursuant to a registration statement filed by MIC S.A. with the United States Securities and Exchange Commission on 3 June 2019, and granted the underwriters the option to purchase up to 1.65 million Millicom common shares within 30 days from the offering date (a total of 12.4%, including the underwriters' option, of the total outstanding Millicom common shares). Kinnevik has also informed MIC S.A. that it currently intends to distribute all of its remaining Millicom common shares to Kinnevik's shareholders through a distribution or a similar arrangement. The proposed distribution will be subject to approval by Kinnevik's shareholders. If approved, the distribution is intended to be settled in December 2019.

### Board of directors

MIC S.A.'s board of directors currently consists of eight members and must have at least six members. The office of MIC S.A.'s board of directors and senior management is 2, rue du Fort Bourbon, L-1249 Luxembourg.

MIC S.A.'s directors, their positions, years of election to the board and years of birth are set forth in the table below.

Name	Position	Year first Elected	Born in
Mr José Antonio Ríos García <sup>(1)</sup>	Chairman	2017	1945
Ms Pernille Erenbjerg <sup>(2)</sup>	Deputy Chairman	2019	1967
Mr Odilon Almeida	Member	2015	1961
Ms Janet Davidson	Member	2016	1956
Mr Tomas Eliasson	Member	2014	1962
Mr Lars-Åke Norling	Member	2018	1968
Mr James Thomson	Member	2019	1961
Ms Mercedes Johnson	Member	2019	1954

(1) First appointed as Chairman in January 2019.

(2) Elected as Deputy Chairman in January 2019.

**Mr José Antonio Ríos García, Non-Executive Director, Chairman of the Board, member of the Audit Committee and Member of the Compensation Committee**

Mr Ríos is currently the Chairman and CEO of Celistics Holdings, a leading provider of distribution and intelligent logistics solutions for the consumer technology industry in Latin America. Prior to joining Celistics in 2012, Mr Ríos was the founding President and CEO of DIRECTV Latin America (GLA), and the International President of Global Crossing, the telecommunications company later acquired by Level 3 Communications.

Education: Degree in Industrial Engineering, Universidad Católica Andrés Bello, Caracas, Venezuela.

**Ms Pernille Erenbjerg, Non-Executive Director, Deputy Chairman of the Board and Member of the Audit Committee**

Ms Erenbjerg is formerly the President and Group Chief Executive of TDC, the leading provider of integrated communications and entertainment solutions in Denmark and Norway. Before being appointed President and Group Chief Executive Officer, Ms Erenbjerg served as TDC's Chief Financial Officer and as Executive Vice President of Corporate Finance. She currently serves on the Boards of Nordea, the largest financial services group in the Nordic region, and Genmab, the Danish international biotechnology company. Prior to joining TDC in 2003, Ms Erenbjerg worked for 16 years in the auditing industry, finishing in 2003 as equity partner in Deloitte.

Education: Master of Science in Business Economics and Auditing, Copenhagen Business School.

**Mr Odilon Almeida, Non-Executive Director, Member of the Compliance and Business Conduct Committee**

Mr Almeida is currently the President for Western Union Global Money Transfer. He leads Western Union's global consumer omni-channel business across more than 200 countries and territories, bridging all continents. He joined Western Union in 2002, and assumed his current position in 2016. Prior to joining Western Union, Mr Almeida held positions at BankBoston (now Bank of America),

The Coca-Cola Company and Colgate-Palmolive, working in Brazil, Canada, Mexico and the United States.

Education: Bachelor's degree in Engineering, Maua Engineering School in São Paulo, Brazil, and in Business Administration, University of São Paulo, Brazil; Master of Business Administration with specialisation in Marketing, the Getulio Vargas Foundation, São Paulo, Brazil; advanced education at IMD Lausanne, The Wharton School, and Harvard Business School.

**Ms Janet Davidson, Non-Executive Director and Chairman of the Compliance and Business Conduct Committee**

Ms Davidson has served as a supervisory board member of STMicroelectronics since 2013. Prior to that, during a tenure of over thirty years at Alcatel-Lucent S.A., Ms Davidson held a number of key positions at the company. Most recently, she served as President of Quality Assurance & Customer Care and Executive Vice President (2009–2011). Ms Davidson's other roles within the company included Chief Compliance Officer and Chief Strategy Officer, Head of Corporate Strategy and Business Development, President of Alcatel-Lucent USA, Inc. and President of Integrated Network Solutions. She began her career as a member of the technical staff in Bell Labs and has extensive experience in software design and development, global product strategy, marketing and product management. Between 2011 and 2014, she served as a director of the Alcatel-Lucent Foundation. She has also served as a director of LGS Innovations, LLC and as a member of the advisory board of Digital Reef, Inc.

Education: Bachelor of Science, Lehigh University; Master of Science Electrical Engineering, Georgia Institute of Technology; Master of Science in Computer Science, Bell Laboratories.

**Mr Tomas Eliasson, Non-Executive Director and Chairman of the Audit Committee**

Mr Eliasson is Executive Vice President, Chief Financial Officer of Sandvik, having joined Sandvik in April 2016. Previously, he served as Chief Financial Officer and Senior Vice-President of Electrolux, the Swedish household and professional appliances manufacturer, since 2012. Mr Eliasson also held various management positions in Sweden and abroad, at the leading power and automation technologies company ABB Group, between 1987 and 2002. Mr Eliasson was Chief Financial Officer of the tools manufacturer Seco Tools AB from 2002 to 2006 and Chief Financial Officer of the intelligent lock and security solutions company Assa Abloy AB from 2006 to 2012.

Education: Bachelor of Science in Business Administration and Economics, the University of Uppsala.

**Mr Lars-Åke Norling, Non-Executive Director and Chairman of the Compensation Committee and member of the Compliance and Business Conduct Committee**

Mr Norling joined Kinnevik as an Investment Director and Sector Head of TMT in September 2018. Most recently he was the Chief Executive Officer of Total Access Communications (dtac) in Thailand where he executed a digital transformation and led a turnaround of the company's financial performance. He has also been EVP of Developed Asia for Telenor as well as Chief Executive Officer of Digi Telecommunications Malaysia and of Telenor Sweden.

Education: Masters in Business Administration, Gothenburg School of Economics; Master of Science in Engineering Physics, Uppsala University; Master of Science in Systems Engineering, Case Western Reserve University, USA.

**Ms Mercedes Johnson, Non-Executive Director**

Ms Johnson serves on the Boards of three NASDAQ or NYSE listed technology companies: Synopsys, a provider of solutions for designing and verifying advanced silicon chips; Teradyne, a

developer and supplier of automated semiconductor test equipment; and Juniper Networks, a multinational developer of networking products. Ms Johnson previously has served as Chief Financial Officer of Avago Technologies (now Broadcom) and Chief Financial Officer of LAM Research Corporation.

Education: Degree in Accounting from the University of Buenos Aires.

**Mr James Thompson, Non-Executive Director, Member of the Audit Committee and Member of the Compensation Committee**

Mr Thompson is a Managing Principal at Kingfisher Family Office. Previously, he was a Managing Principal at Southeastern Asset Management. Between 2001 and 2006, he opened and managed Southeastern Asset Management's London research office.

Education: Masters in Business Administration, the Darden School at the University of Virginia; Bachelor's degree in Business Administration, University of North Carolina.

**Senior management**

Millicom's senior management are as follows:

<b>Name</b>	<b>Position</b>	<b>Born in</b>
Mauricio Ramos .....	President and Chief Executive Officer	1968
Tim Pennington .....	Senior Executive Vice President, Chief Financial Officer	1960
Esteban Iriarte.....	Executive Vice President, Chief Operating Officer, Latin America	1972
Mohamed Dabbour .....	Executive Vice President, Head of Africa Division	1977
Xavier Rocoplan.....	Executive Vice President, Chief Technology and Information Officer	1974
Rachel Samrén.....	Executive Vice President, Chief External Affairs Officer	1974
Salvador Escalón .....	Executive Vice President, General Counsel	1975
Susy Bobenrieth.....	Executive Vice President, Chief Human Resources Officer	1965
HL Rogers .....	Executive Vice President, Chief Ethics and Compliance Officer	1977

**Mauricio Ramos, Chief Executive Officer**

Mauricio Ramos joined Millicom in April 2015 as Chief Executive Officer (CEO). Before joining Millicom, he was President of Liberty Global's Latin American division, a position he held from 2006 until February 2015. During his career at Liberty Global, Mr Ramos held several leadership roles, including positions as Chairman and CEO of VTR in Chile and President of Liberty Puerto Rico. Throughout this period he has successfully developed both mobile and broadband businesses in Latin America, delivering solid operational improvement and outstanding financial results. Mr Ramos also serves as Chairman of TEPAL, the Latin American Association of Cable Broadband Operators and is a member of the board of directors of the GSMA.

Education: Degree in Economics, degree in Law, and postgraduate degree in Financial Law, Universidad de los Andes, Bogotá, Colombia.

### **Tim Pennington, Senior Executive Vice President, Chief Financial Officer**

Mr Pennington joined Millicom in June 2014 as Senior Executive Vice President, Chief Financial Officer. Previously, he was the Chief Financial Officer at Cable and Wireless Communications plc, Group Finance Director for Cable and Wireless plc and, prior to that, CFO of Hutchison Telecommunications International Ltd, listed in Hong Kong and New York. Mr Pennington was also Finance Director of Hutchison 3G (UK), Hutchison Whampoa's British mobile business. He also has corporate finance experience, firstly as Director in the Specialised Financing Department at Samuel Montagu & Co. Limited, and then as Managing Director of HSBC Investment Bank within its Corporate Finance and Advisory Department.

Education: Bachelor of Arts (Honours) in Economics and Social Studies, University of Manchester.

### **Esteban Iriarte, Executive Vice President, Chief Operating Officer, Latin America**

Mr Iriarte was appointed as Executive Vice President, Chief Operating Officer, Latin America in August 2016. Previously, he was General Manager of Millicom's Colombian businesses where he, in 2014, led the merger and integration of Tigo and the fixed-line company UNE. Prior to leading Tigo Colombia, Mr Iriarte was head of Millicom's regional Home and B2B divisions. From 2009 to 2011, he was CEO of Amnet, a leading service provider in Central America for broadband, cable TV, fixed line and data services that was bought by Millicom in 2008. In 2016 Mr Iriarte joined Sura Asset Management board. Sura is one of Latin America's biggest financial groups.

Education: Degree in Business Administration, Pontifica Universidad Catolica Argentina "Santa Maria do los Buenos Aires"; Masters in Business Administration, Universidad Austral, Buenos Aires.

### **Mohamed Dabbour, Executive Vice President, Head of Africa Division**

Mr Dabbour joined Millicom in 2008 and has held a broad variety of roles in the Africa region including Chief Financial Officer in Chad in 2009 and Chief Financial Officer in Ghana in 2011. Prior to being appointed as Head of the Africa division he held the position of Chief Financial Officer, Africa since August 2015. Prior to joining Millicom, he worked for BESIX, the largest Belgian construction company. He started his career at PricewaterhouseCoopers in Brussels as a Senior Accountant.

Education: Executive Masters in Business Administration, London Business School.

### **Xavier Rocoplan, Executive Vice President, Chief Technology and Information Officer.**

Mr Rocoplan started working with Millicom in 2000 and joined the Executive Committee as Chief Technology and IT Officer in December 2012. He currently heads all mobile and fixed network and IT activities across the group as well as all procurement and supply chain activities. Mr Rocoplan first joined Millicom in 2000 as CTO in Vietnam and subsequently for South East Asia. In 2004, he was appointed CEO of Millicom's subsidiary in Pakistan (Paktel), a role he held until mid-2007. During this time, he launched Paktel's GSM operation and led the process that was concluded with the disposal of the business in 2007. Mr Rocoplan was then appointed as head of Corporate Business Development, where he managed the disposal of various Millicom operations in Asia, the monetisation of Millicom infrastructure assets as well as numerous spectrum acquisitions and license renewal processes in Africa and in Latin America.

Education: Master degrees, École Nationale Supérieure des Télécommunications de Paris and Université Paris IX Dauphine.

### **Rachel Samrén, Executive Vice President, Chief External Affairs Officer**

Ms Samrén joined Millicom in July 2014 and manages the Group's Government Relations, Corporate Communications and Corporate Responsibility functions. Her focus is on driving Millicom's global engagement with particular responsibility for special situation strategies. Ms Samrén's background is in the risk management consulting sector, most recently as Head of Business Intelligence at The Risk Advisory Group plc. Previously, she worked for Citigroup as well as non-governmental and governmental organisations. Ms Samrén currently serves as Chairman of the board of directors of Reach for Change and Zantel.

Education: Bachelor of Science in International Relations, London School of Economics and Political Science; Master of Letters in International Security Studies, University of St Andrews.

### **Salvador Escalón, Executive Vice President, General Counsel**

Mr Escalón was appointed as Millicom's General Counsel in March 2013 and became Executive Vice President in July 2015. Mr Escalón leads Millicom's legal team and advises the board of directors and senior management on legal, governance and compliance matters. He first joined Millicom as Associate General Counsel Latin America in April 2010. In this role he successfully led legal negotiations for the merger of Millicom's Colombian operations with UNE-EPM Telecomunicaciones S.A., as well as the acquisition of Cablevision Paraguay. From January 2006 to March 2010, Mr Escalón was Senior Counsel at Chevron Corporation, with responsibility for legal matters relating to Chevron's downstream operations in Latin America. Previously, he was in private practice at the law firms Skadden, Morgan Lewis and Akerman Senterfitt.

Education: Bachelor of Business Administration in Finance and International Business, Florida International University; Juris Doctorate, Columbia Law School.

### **Susy Bobenrieth, Executive Vice Present, Chief Human Resources Officer**

Ms Bobenrieth has over 25 years of experience in major multi-national companies that include Nike Inc., American President Lines and IBM. As an ex-Nike Executive, she has extensive international knowledge and proven results in leading large scale organizational transformations, driving talent management agenda and leading teams. Ms Bobenrieth has deep international experience having lived and worked in Mexico, USA, Brazil, Netherlands and Spain.

Education: Degree, University of Maryland, University College.

### **HL Rogers, Executive Vice President, Chief Ethics and Compliance Officer**

As the leader of Millicom's Compliance function, Mr Rogers is committed to maintaining a world class compliance program. Previously, he was partner in the Washington DC office of international law firm Sidley Austin LLP where he represented individual, corporate and government clients in compliance issues and complex litigation. Mr Rogers clerked for Judge Thomas Griffith of the United States Court of Appeals for the District of Columbia Circuit in 2005.

Education: Bachelor of Arts in English, Brigham Young University.

### **Conflicts of Interest**

Except as set forth below, no director or member of the Executive Committee has any personal interests that could conflict with the interests of MIC S.A. Directors and members of the Executive Committee may own shares in MIC S.A.

Lars-Åke Norling, a non-executive director of MIC S.A., joined Kinnevik as an Investment Director and Sector Head of TMT in September 2018.

Millicom conducts transactions with a number of its related parties including: Kinnevik and subsidiaries; Helios Towers Africa Ltd (in which Millicom has a direct equity interest); EPM and subsidiaries (the non-controlling shareholder in the Group's Colombian operation); Miffin Associates Corp and subsidiaries (Millicom's joint venture partner in Guatemala); and Cable Onda partners and subsidiaries (the non-controlling shareholder in the Group's Panama operations). Transactions with related parties are conducted on normal commercial terms and conditions.

### **Auditors**

Ernst & Young S.A. has served as MIC S.A.'s auditor since its re-election at the General Meeting of the Shareholders on 2 May 2019. MIC S.A. generally elects its auditors to serve one year terms. Olivier Lemaire is the auditor in charge. Mr Lemaire is an authorised public accountant and member of the IRE (*Institut des Réviseurs d'Entreprises*). Ernst & Young S.A.'s office address is 35E avenue John F. Kennedy, L1855 Luxembourg. Ernst & Young S.A. has been MIC S.A.'s auditor throughout the entire period which the historical financial information in this Prospectus covers.

## HISTORICAL FINANCIAL INFORMATION

### Documents Incorporated by Reference

Millicom's consolidated annual reports and audit reports for the financial years 2017 and 2018 and its unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2019 are incorporated into this Prospectus by reference and are available in electronic format on its webpage, [www.millicom.com](http://www.millicom.com).

Millicom's consolidated annual reports have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Other than the auditing of Millicom's annual reports for the financial years 2017 and 2018, the Group's auditor has not audited any part of this Prospectus.

Millicom's consolidated income statement, balance sheet, statement of cash flows, statement of changes in equity for the three-months ended 31 March 2019 can be found in its unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2019, at the pages set out below:

- consolidated statement of income, page 2;
- consolidated statement of comprehensive income, page 3;
- consolidated statement of financial position, pages 4-5;
- consolidated statement of cash flows, page 6; and
- consolidated statement of changes in equity, page 7.

Millicom's consolidated income statement, balance sheet, statement of cash flows, statement of changes in equity and audit report for fiscal year 2018 can be found in its 2018 annual report, at the pages set out below:

- consolidated statement of income, page 95;
- consolidated statement of comprehensive income, page 96;
- consolidated statement of financial position, page 97-98;
- consolidated statement of cash flows, page 99-100;
- consolidated statement of changes in equity, page 101; and
- audit report, page 190-194.

Millicom's consolidated income statement, balance sheet, statement of cash flows, statement of changes in equity and audit report for fiscal year 2017 can be found in its 2017 annual report, at the pages set out below:

- consolidated statement of income, page 99;
- consolidated statement of comprehensive income, page 100;
- consolidated statement of financial position, page 101-102;
- consolidated statement of cash flows, page 103;
- consolidated statement of changes in equity, page 104; and
- audit report, page 88-92.

## LEGAL AND SUPPLEMENTARY INFORMATION

### Legal and Arbitral Proceedings

In June 2015, Millicom identified that an incorrect filing related to one of its African operations, MIC Tanzania Public Limited, had been made in the commercial register causing the register to incorrectly indicate that shares in Millicom's operation were transferred to a third party. On 26 July 2018, the Court of Appeal of Tanzania, the country's highest court, reaffirmed in a ruling that MIC Tanzania Public Limited Company remains owned and controlled by Millicom. In late 2018, the opposite party filed a review of the ruling by the same Court of Appeal. Millicom considers the success of this review as remote.

In June 2016, an amendment to the Electronic and Postal Communications Act in the Finance Act 2016 required all Tanzanian licensed telecom operators to sell 25 per cent. of the authorised share capital in a public offering on the Dar Es Salaam Stock Exchange by 31 December 2016. Early 2017, Tigo Tanzania, Zantel and Telesis each received from the Tanzanian Communications Regulatory Authority (the "TCRA") a notice of material breach of the license giving 30 days to comply. Millicom has signalled its intention for its subsidiaries to comply with the law and list its businesses but did not complete the public offerings by such time and will not be able to do so until the incorrect filing related to Tigo Tanzania made in the commercial register referred to above is corrected. Accordingly, Millicom's businesses in Tanzania may face sanctions from the regulator or other government bodies, which could include financial penalties, or even suspension or cancellation of its license although to-date there has been no notification from the TCRA of any indication or intention to proceed with sanctions. Management has not been able to assess the potential impact on Millicom's consolidated financial statements (although Millicom deems the suspension or cancellation of the license to be unlikely) and therefore no provision was recorded as at 31 March 2019. Millicom is currently working on the preliminary steps (e.g., converting Tigo Tanzania into a public limited company) with a view to listing during 2019.

On 14 July 2017, the CICIG disclosed an ongoing investigation into alleged illegal campaign financing that includes a competitor of Comcel, Millicom's Guatemalan joint venture. The CICIG further indicated that the investigation would include Comcel. On 23 and 24 November 2017, Guatemala's attorney general and the CICIG executed search warrants on the offices of Comcel. As at 31 March 2019, the matter was still under investigation, and management has not been able to assess the potential impact on Millicom's interim condensed consolidated financial statements of any remedial actions that may need to be taken as a result of the investigations, or penalties that may be imposed by law enforcement authorities. Accordingly, no provision has been recorded as at 31 March 2019.

In addition, the Group is involved in a number of legal proceedings and arbitration proceedings that have arisen in the ordinary course of business. While Millicom does not expect these proceedings to have a material adverse effect on its business or consolidated financial position, the outcome of such proceedings, can be extremely difficult to predict with certainty, and there can be no assurances that these matters will be successfully resolved.

### Material Contracts

Except as described below, the Group has not entered into any material contracts outside the ordinary course of its business which could have a material impact on MIC S.A.'s ability to meet its obligations under the Notes.

## Existing Notes

### **6.25 per cent. Notes**

On 25 March 2019, MIC S.A. issued a \$750 million, ten-year bond with an interest rate of 6.25 per cent. at an issue price of 100 per cent. (the "**6.25 per cent. Notes**"). The 6.25 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in March 2019. The proceeds were applied to finance, in part, the Telefónica Acquisitions.

The 6.25 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 6.25 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 6.25 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

Prior to 25 March 2024, MIC S.A. may redeem, during each 12-month period commencing on the issue date, up to 10 per cent. of the 6.25 per cent. Notes at a purchase price equal to 103 per cent. of the principal amount plus all accrued but unpaid interest.

Prior to 25 March 2024, MIC S.A. may redeem all or a portion of the 6.25 per cent. Notes by paying the relevant premium plus all accrued and unpaid interest. On or after 25 March 2024, MIC S.A. may redeem all or a portion of the 6.25 per cent. Notes at specified redemption prices plus all accrued and unpaid interest.

Prior to 25 March 2024, MIC S.A. may redeem up to 40 per cent. of the 6.25 per cent. Notes with the net proceeds of certain equity offerings, including certain equity offerings of its subsidiaries, or from the sale of certain specified assets at a redemption price equal to 106.25 per cent. of the principal amount plus all accrued and unpaid interest if at least 50 per cent. of the originally issued aggregate principal amount of the 6.25 per cent. Notes remains outstanding.

Upon the occurrence of certain changes in applicable tax law, MIC S.A. may redeem all of the 6.25 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

### **6.625 per cent. Notes**

On 16 October 2018, MIC S.A. issued a \$500 million, eight-year bond with an interest rate of 6.625 per cent. at an issue price of 100 per cent. (the "**6.625 per cent. Notes**"). The 6.625 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in October 2018. The proceeds were used to finance Cable Onda's acquisition (see "*Cable Onda Acquisition*").

The 6.625 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 6.625 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 6.625 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

Prior to 15 October 2021, MIC S.A. may redeem, during each 12-month period commencing on the issue date, up to 10 per cent. of the 6.625 per cent. Notes at a purchase price equal to 103 per cent. of the principal amount plus all accrued but unpaid interest.

Prior to 15 October 2021, MIC S.A. may redeem all or a portion of the 6.625 per cent. Notes by paying the relevant premium plus all accrued and unpaid interest. On or after 15 October 2021, MIC S.A. may redeem all or a portion of the 6.625 per cent. Notes at specified redemption prices plus all accrued and unpaid interest.

Prior to 15 October 2021, MIC S.A. may redeem up to 40 per cent. of the 6.625 per cent. Notes with the net proceeds of certain equity offerings at a redemption price equal to 106.625 per cent. of the principal amount plus all accrued and unpaid interest if at least 50 per cent. of the originally issued aggregate principal amount of the 6.625 per cent. Notes remains outstanding. Prior to 15 October 2021, MIC S.A. may redeem up to 40 per cent. of the 6.625 per cent. Notes with the proceeds from the sale of specified assets at a redemption price of 106.625 per cent. of the principal amount plus all accrued and unpaid interest.

Upon the occurrence of certain changes in applicable tax law, MIC S.A. may redeem all of the 6.625 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

### ***5.125 per cent. Notes***

On 20 September 2017, MIC S.A. issued a \$500 million, ten-year bond with an interest rate of 5.125 per cent. at an issue price of 100 per cent. (the "**5.125 per cent. Notes**") pursuant to an indenture, as amended and restated on 30 May 2018. The 5.125 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in September 2017.

The 5.125 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 5.125 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 5.125 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

During any 12-month period until 15 September 2022, MIC S.A. may redeem up to 10 per cent. of the aggregate principal amount of the 5.125 per cent. Notes on an annual basis at a redemption price equal to 103 per cent. of the principal amount plus accrued and unpaid interest.

Prior to 15 September 2022, MIC S.A. may redeem all or a portion of the 5.125 percent Notes at a purchase price equal to 100 per cent. of the principal amount plus the applicable premium and all accrued but unpaid interest. On or after 15 September 2022, MIC S.A. may redeem all or a portion of the 5.125 per cent. Notes at specified redemption prices plus accrued unpaid interest.

Prior to 15 September 2022, MIC S.A. may redeem up to 40 per cent. of the 5.125 per cent. Notes with the net proceeds of certain equity offerings or the sale of specified assets at a redemption price equal to 105.125 percent of the principal amount of the 5.125 per cent. Notes plus accrued and unpaid interest.

Upon the occurrence of certain changes in applicable tax law, MIC S.A. may redeem all of the 5.125 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

The 5.125 per cent. Notes contain certain restrictions on the incurrence of new financial indebtedness.

### **6.00 per cent. Notes**

On 11 March 2015, MIC S.A. issued a \$500 million, ten-year bond with an interest rate of 6.00 per cent. (the "**6.00 per cent. Notes**") pursuant to an indenture, as amended and restated on 8 April 2019. The 6.00 per cent. Notes were listed on the Official List of the Luxembourg Stock Exchange in March 2015.

The 6.00 per cent. Notes are not guaranteed and rank *pari passu* in right of payment with any existing and future indebtedness of MIC S.A. that is not subordinated to the 6.00 per cent. Notes, including the Notes.

If MIC S.A. were to undergo certain events constituting a change of control and an accompanying ratings decline of at least one gradation, MIC S.A. will be required to make an offer to repurchase all outstanding 6.00 per cent. Notes at 101 per cent. of their principal amount plus all accrued and unpaid interest.

During any 12 month period until 15 March 2020, MIC S.A. may redeem up to 10 per cent. of the original aggregate principal amount of the Notes at a redemption price equal to 103 per cent. of the principal amount, plus accrued and unpaid interest.

Prior to 15 March 2020, MIC S.A. may redeem all or a portion of the 6.00 per cent. Notes at a purchase price equal to 100 per cent. of the principal amount plus the applicable premium and all accrued but unpaid interest. On or after 22 May 2017, MIC S.A. may redeem all or a portion of the 6.00 per cent. Notes at specified redemption prices plus accrued and unpaid interest.

Prior to 15 March 2018, MIC S.A. may redeem up to 40 per cent. of the 6.00 per cent. Notes with the proceeds of certain equity offerings or the sale of certain specified subsidiaries at a redemption price equal to 106.00 per cent. of the principal amount of the Notes redeemed, plus accrued and unpaid interest.

Upon the occurrence of certain changes in applicable tax law, MIC S.A. may redeem all of the 6.00 per cent. Notes at a price equal to the principal amount plus accrued and unpaid interest.

In addition to certain specified permitted indebtedness, MIC S.A. may incur new debt if the net leverage ratio is below 3.0x, tested on a pro forma basis to include such new financial indebtedness and calculated as if such new financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the incurrence date. New debt includes the issuance of any subsequent notes and guarantees for the indebtedness of other companies within the Group.

### **Telefónica Bridge Facility**

In February 2019, MIC S.A. entered into a \$1.65 billion term loan facility agreement with a consortium of banks (the "**Telefónica Bridge Facility**"), subsequently reduced to \$1.05 billion in April 2019, and then subsequently reduced to \$650 million on 7 June 2019. The Telefónica Bridge Facility is available to be drawn from the date of the Telefónica Bridge Facility to and including the earlier of (i) 1 March 2020 and (ii) the date the Telefónica Bridge Facility is terminated. The Telefónica Bridge Facility matures on the date following twelve months after the date of the Telefónica Bridge Facility (unless extended for a period not exceeding six months). Interest on amounts drawn under the Telefónica Bridge Facility is payable at LIBOR plus a variable margin.

Amounts drawn under the Telefónica Bridge Facility may be used by MIC S.A. to (i) pay the purchase price for the Telefónica Acquisition (see "*Telefónica Acquisition*" below), (ii) refinance the

debts of any member of the Telefónica CAM Group and/or (iii) pay any costs, fees, interests or other expenses in connection with the Telefónica Acquisition or the Telefónica Bridge Facility.

Loans outstanding under the Telefónica Bridge Facility may be declared immediately repayable if, among other things, MIC S.A. is not the surviving entity in a merger; upon the occurrence of a change of control of MIC S.A. or if other indebtedness of Millicom, in an amount equal to or greater than \$50 million, becomes subject to an event of default resulting from Millicom's failure to make payment when due or has its due date accelerated as a result of any event of default. In addition, the due date of all loans outstanding under the Telefónica Bridge Facility may be accelerated upon the occurrence of an event of default under the Telefónica Bridge Facility agreement.

Under the terms of the Telefónica Bridge Facility, MIC S.A. is required to apply the net proceeds of (i) any issuance of debt securities or bonds or loans (subject to certain exceptions) by any obligor, including MIC S.A., Cable Onda, Telecom CAM and/or the Telecom CAM Group and, (ii) any disposal of all or a material part of the shares or assets of Cable Onda, Telecom CAM and their subsidiaries (subject to certain exceptions) to prepay loans drawn under the Telefónica Bridge Facility and to cancel the available commitments thereunder, except that certain amounts may be applied to repay other outstanding debt.

MIC S.A. is required to retain, at all times (i) a net leverage ratio below 3.0x, tested on a pro forma basis to include all applicable financial indebtedness and calculated as if such financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the relevant incurrence date and (ii) an interest coverage ratio of at least 4.0x, tested quarterly. The Telefónica Bridge Facility agreement includes additional covenants which, among other things, restrict MIC S.A.'s ability to incur additional indebtedness, grant liens, dispose of assets and (if any amounts are outstanding under the facility) pay dividends while an event of default is continuing.

As at 31 March 2019, the facility was undrawn.

### **Revolving Credit Facility**

In January 2017, MIC S.A. entered into a \$600 million revolving credit facility with a consortium of banks (the "**Revolving Credit Facility**"). The Revolving Credit Facility matures on 27 January 2022. The Revolving Credit Facility is a senior unsecured obligation of MIC S.A.

Amounts drawn under the Revolving Credit Facility may be used for general corporate and working capital purposes of the Group, including financing acquisitions, licenses, capital expenditure, and payment of dividends to the extent permitted under the Revolving Credit Facility agreement. Interest on amounts drawn under the Revolving Credit Facility is payable at LIBOR or EURIBOR, as applicable, plus an initial margin of 1.5 per cent., provided that the margin may be reduced or increased if the net leverage ratio of MIC S.A. in respect of the most recently completed financial year is within a specified range.

Loans outstanding under the Revolving Credit Facility may be declared immediately repayable if, among other things, MIC S.A. is not the surviving entity in a merger or upon the occurrence of a change of control of MIC S.A. or if an event of default (other than a payment default) occurs with respect to other indebtedness and the amount of the affected indebtedness, together with any indebtedness that is the subject of a payment default or the due date of which is accelerated following any other event of default, is equal to or greater than \$50 million. In addition, the due date of all loans outstanding under the Revolving Credit Facility may be accelerated upon the occurrence of an event of default under the Revolving Credit Facility Agreement.

MIC S.A. is required to retain, at all times (i) a net leverage ratio below 3.0x, tested on a pro forma basis to include all applicable financial indebtedness and calculated as if such financial indebtedness had been outstanding at the beginning of the period consisting of the four full fiscal quarters prior to the relevant incurrence date and (ii) an interest coverage ratio of at least 4.0x, tested quarterly. The Revolving Credit Facility agreement includes additional covenants which, among other things, restrict

MIC S.A.'s ability to incur additional indebtedness, grant liens, dispose of assets and (if any amounts are outstanding under the facility) pay dividends while an event of default is continuing.

As at 31 March 2019, \$150 million was drawn under the facility.

### **Term Facility Agreement**

On 24 April 2019, MIC S.A. entered into a \$300 million Term Facility Agreement arranged by DNB Bank ASA, Sweden Branch and Nordea Bank Abp, Filial i Sverige (the "**Term Facility**"), of which \$150 million was drawn on 29 April 2019. The Term Facility will bear interest at a maximum of LIBOR + 3% per annum and matures on 24 April 2024. The Term Facility contains financial and other restrictive covenants that are consistent with those in the Revolving Credit Facility, including net leverage and interest coverage requirements, restrictions on the sale of assets and other restrictions on the incurrence of additional indebtedness. The net proceeds of the Term Facility are intended to be used, among other things, to finance the Telefónica Acquisitions.

### **Trust Deed**

The Notes are governed by English law and are constituted by a trust deed. Upon constitution, such notes are deemed trust property held by the trustee on trust for the Noteholders. While MIC S.A. owes the obligations set out in the Terms and Conditions to the Noteholders, MIC S.A. also makes further payment and performance covenants in favour of the Trustee to enable it to perform its role. MIC S.A. and the Trustee entered into the Trust Deed in respect of the Notes on 13 May 2019. In addition, pursuant to an Agency Agreement between MIC S.A. and the Trustee dated 13 May 2019, MIC S.A. has agreed to pay the Trustee certain fees to the Trustee for serving as Trustee under the Trust Deed.

### **Telefónica Acquisitions**

On 20 February 2019, the Group agreed to purchase Telefónica's telecommunications operations in Panama, Costa Rica and Nicaragua for \$1.65 billion, subject to customary purchase price adjustments (the "**Telefónica Acquisitions**"). On 16 May 2019, Millicom completed the Telefónica Acquisition in Nicaragua, while the acquisitions in Panama and Costa Rica remain subject to regulatory approvals and other customary closing conditions, with closings expected during the second half of 2019. MIC S.A. issued the 6.25 per cent. Notes and entered into the Revolving Credit Facility and the Term Facility to finance the acquisition (see "*Existing Notes—6.25 per cent. Notes*", "*Revolving Credit Facility*" and "*Term Facility Agreement*" above). In addition, the Group may draw under other loan facilities to fund the purchase price.

### **Cable Onda Acquisition**

On 7 October 2018, Millicom agreed to purchase 80 per cent. of the shares of Panamanian company Cable Onda S.A., for \$956 million, subject to customary purchase price adjustments. The transaction was completed on 13 December 2018. In addition, Millicom assumed Cable Onda's debt obligations (see "*Risk Factors—The Group may not successfully complete or realise the benefits anticipated from its recently completed or recently announced acquisitions in Latin America*"). The Group funded the purchase price for this acquisition by incurring additional indebtedness, including \$250 million under a bridge facility and \$500 million in newly issued 6.625 per cent. Notes and with available resources. As at 31 March 2019, the purchase accounting is still provisional.

### **Significant Changes and Trend Information**

Save as described below, there has been no significant change in the financial position or trading position of the Group since the date of publication of the most recent interim quarterly report, being 31 March 2019.

No material adverse changes in the prospects of MIC S.A. or the Group as a whole since the date of publication of the latest consolidated audited financial report of MIC S.A. has occurred.

## Credit Rating

In February 2019, Moody's confirmed MIC S.A.'s Ba1 credit rating, outlook stable, and in March 2019, Fitch confirmed MIC S.A.'s BB+ credit rating, outlook stable. Credit ratings are a way of evaluating credit risk. Moody's and Fitch are registered under Regulation (EC) No. 1060/2009 (as amended).

The credit scales from Moody's and Fitch, respectively, are set out below. For more information on credit ratings, visit ([www](http://www.moodys.com)).moodys.com and ([www](http://www.fitchratings.com)).fitchratings.com.

Moody's	Fitch
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-
Ba1	BB+
Ba2	BB
Ba3	BB-
B1	B+
B2	B
B3	B-
Caa1	CCC
Caa2	CC
Caa3	C
Ca	RD/D
C	

## Certain Material Interests

The Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for MIC S.A. and the Group. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or engaging in future, transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Costs related to Listing of the Notes

The estimated costs related to the listing of the Notes are estimated to be approximately SEK 60,000.

## Documents on Display

Copies of the following documents will be on display at MIC S.A.'s office, 2 rue du Fort Bourbon, L-1249 Luxembourg, on business days during ordinary office hours:

- MIC S.A.'s articles of association
- MIC S.A.'s consolidated annual reports and audit reports for the financial years 2017 and 2018

- MIC S.A.'s unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2019
- The annual reports and audit reports for the financial years 2017 and 2018 for the companies within the Group
- This Prospectus
- The Trust Deed, which includes the Terms and Conditions
- The Agency Agreement

## **TERMS AND CONDITIONS**



**TERMS AND CONDITIONS FOR**

**MILLICOM INTERNATIONAL CELLULAR S.A.**

**SEK 2,000,000,000**

**SENIOR UNSECURED FLOATING RATE SUSTAINABILITY**

**NOTES**

**ISIN: SE0012454841**

**TABLE OF CONTENTS**

1. DEFINITIONS AND CONSTRUCTION..... 59

2. STATUS OF THE NOTES ..... 90

3. USE OF PROCEEDS ..... 90

4. CONDITIONS PRECEDENT ..... 91

5. NOTES IN BOOK-ENTRY FORM..... 91

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER ..... 92

7. PAYMENTS IN RESPECT OF THE NOTES ..... 92

8. INTEREST ..... 93

9. REDEMPTION AND REPURCHASE OF THE NOTES ..... 93

10. INFORMATION TO NOTEHOLDERS..... 97

11. GENERAL UNDERTAKINGS ..... 98

12. ACCELERATION OF THE NOTES..... 104

13. DISTRIBUTION OF PROCEEDS ..... 107

14. DECISIONS BY NOTEHOLDERS ..... 107

15. NOTEHOLDERS' MEETING ..... 110

16. WRITTEN PROCEDURE ..... 110

17. AMENDMENTS AND WAIVERS..... 111

18. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE..... 112

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT ..... 115

20. APPOINTMENT AND REPLACEMENT OF THE CSD ..... 115

21. NO DIRECT ACTIONS BY NOTEHOLDERS ..... 115

22. PRESCRIPTION..... 116

23. NOTICES AND PRESS RELEASES ..... 116

24. FORCE MAJEURE AND LIMITATION OF LIABILITY ..... 117

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999..... 117

26. GOVERNING LAW AND JURISDICTION ..... 117

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

"**Acquired Debt**" means Financial Indebtedness of a person or its Subsidiary:

- (a) incurred and outstanding on the date on which such person (i) was acquired by a Group Company or (ii) is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) a Group Company; or
- (b) incurred to provide all or part of the funds utilised to consummate the transaction or series of related transactions pursuant to which such person became a Restricted Subsidiary or was otherwise acquired by a Group Company; *provided* that, after giving pro forma effect to the transactions by which such person became a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with a Group Company, (i) the Issuer would have been able to incur \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to clause (a) of Condition 11.3 hereof; or (ii) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions.

"**Additional Notes**" means any Notes issued after the First Issue Date on one or more occasions.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

"**Affiliate**" means (i) means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i).

"**Asset Disposition**" means any transfer, conveyance, sale, lease or other disposition by a Group Company (including a consolidation or merger or other sale of any Restricted Subsidiary with, into or to another person in a transaction in which such Restricted Subsidiary ceases to be a Restricted Subsidiary of the Issuer, but excluding a disposition by a Restricted Subsidiary which is an 80 per cent. or more owned Restricted Subsidiary of the Issuer) of (i) shares of Capital Stock (other than directors' qualifying shares and shares to be held by third parties to satisfy applicable legal requirements) or other ownership interests of a Restricted Subsidiary, (ii) substantially all of the assets of a Group Company representing a division or line of business or (iii) other assets or rights of a

Group Company outside of the ordinary course of business; *provided* that the term "Asset Disposition" shall not include:

- (c) any dispositions of assets in a single transaction or series of transactions with an aggregate Fair Market Value in any calendar year of not more than the greater of (x) \$25 million (or its equivalent in any other currency or currencies) and (y) 1 per cent. of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of \$25 million (or its equivalent in any other currency or currencies) and 1 per cent. of Total Assets of carried over amounts for any calendar year);
- (d) any disposition of Tower Equipment, including any sale/leaseback transaction; provided that any cash or Cash Equivalents received in connection with such disposition or sale/leaseback transaction must be applied in accordance with Condition 11.5;
- (e) any Specified Subsidiary Sale;
- (f) a transfer of assets between or among Group Companies;
- (g) the issuance of Capital Stock by a Restricted Subsidiary to another Group Company;
- (h) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a person (other than a Group Company) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (i) the sale, lease or other transfer of products, services, accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, surplus, worn-out or obsolete assets;
- (j) dispositions in connection with Permitted Liens;
- (k) disposals of assets, rights or revenue not constituting part of the Permitted Business and other disposals of non-core assets acquired in connection with any acquisition permitted under these Terms and Conditions;
- (l) licenses and sublicenses of a Group Company in the ordinary course of business;
- (m) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (n) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;
- (o) the granting of Liens not prohibited by Condition 11.4 hereof;
- (p) a transfer or disposition of assets that is governed by the provisions of these Terms and Conditions described under Condition 11.6 hereof;

- (q) the sale or other disposition of cash or Cash Equivalents;
- (r) the foreclosure, condemnation or any similar action with respect to any property or other assets;
- (s) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity, and Investments in a Receivables Entity consisting of cash or Securitisation Obligations;
- (t) any disposition or expropriation of assets or Capital Stock which a Group Company is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction;
- (u) any disposition of Capital Stock, Financial Indebtedness or other securities of an Unrestricted Subsidiary;
- (v) disposal of non-core assets acquired in connection with any acquisition permitted under these Terms and Conditions;
- (w) any disposition of assets to a person who is providing services related to such assets, the provision of which have been or are to be outsourced by a Group Company to such person;
- (x) any disposition of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; provided that any cash or Cash Equivalents received in such disposition is applied in accordance with the requirements set forth in Condition 11.5;
- (y) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by a Group Company pursuant to customary sale and leaseback transactions, asset securitisations and other similar financings permitted by these Terms and Conditions;
- (z) any dispositions constituting the surrender of tax losses by a Group Company (i) to another Group Company; (ii) in order to eliminate, satisfy or discharge any tax liability of any person that was formerly a Subsidiary of the Issuer which has been disposed of pursuant to a disposal permitted by the terms of these Terms and Conditions, to the extent that a Group Company would have a liability (in the form of an indemnification obligation or otherwise) to one or more persons in relation to such tax liability if not so eliminated, satisfied or discharged; and
- (aa) any other disposal of assets not described in clauses (a) to (z) above comprising in aggregate percentage value 10 per cent. or less of Total Assets.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated pursuant thereto (the "**Exchange Act**"), except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the

passage of time. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Business Day**" means a day in Luxembourg or Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) and any other day on which banking institutions are closed in Luxembourg or Sweden shall for the purpose of this definition be deemed to be public holidays.

"**Business Day Convention**" means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"**Capital Lease Obligation**" means the obligation to pay rent or other payment amounts under a lease of real or personal property of a person which is required to be classified and accounted for as a capital lease on the face of a statement of financial position of such person in accordance with IFRS. The stated maturity of such obligation shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of Financial Indebtedness represented by such obligation shall be the capitalised amount thereof that would appear on the face of a statement of financial position of such person in accordance with IFRS.

"**Capital Stock**" of any person means any and all shares, interests, participation or other equivalents (however designated) of corporate stock or other equity participation, including partnership interests, whether general or limited, of such person.

"**Cash Equivalents**" means, with respect to any person:

- (a)
  - (i) direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States of America is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein and
  - (ii) any direct obligations of, or obligations guaranteed by, a member of the European Union for the payment of which the full faith and credit of such member of the European Union is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of Investment therein;
- (b) term deposit accounts (excluding current and demand deposit accounts), certificates of deposit and Eurodollar time deposits and money market deposits and bankers' acceptances, in each case, issued by or with (i) Banco Itaú BBA, BBVA, BNP Paribas, Citigroup, Credit Agricole CIB, DNB, Goldman Sachs, J.P. Morgan, ICBC, Bank of China, Nordea, Standard Bank, Standard Chartered Bank, The Bank of Nova Scotia, Morgan Stanley, and their respective Affiliates (ii) a bank or trust company which is organised under the laws of the United States of America, any state thereof, the United Kingdom, Switzerland, Canada, Australia or any member state of the European Union, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of \$100,000,000 (or its equivalent in any other currency or currencies) and has outstanding debt which is rated "A3/A-" (or such similar equivalent rating) or higher by at least one nationally recognised statistical rating organisation (as defined in Rule 436 under the United States Securities Act of 1933, as amended from time to time), or (iii) any money market fund sponsored by a U.S. registered broker dealer or mutual fund distributor;

- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (b)(i) and (ii) entered into with any financial institution meeting the qualifications specified in paragraph (b)(ii) above;
- (d) commercial paper having one of the two highest ratings obtainable from Fitch Ratings Ltd or Moody's Investor Services Limited and in each case maturing within 365 days after the date of acquisition;
- (e) money market funds mutual funds at least 95 per cent. of the assets of which constitute Cash Equivalents of the types described in paragraphs (a) through (d) of this definition; and
- (f) with respect to any person organised under the laws of, or having its principal business operations in, a jurisdiction outside the United States, the United Kingdom or the European Union, those investments that are of the same type as investments in paragraphs (a), (c) and (d) of this definition except that the obligor thereon is organised under the laws of the country (or any political subdivision thereof) in which such person is organised or conducting business.

**"Change of Control"** means:

- (a) any person (other than a Permitted Holder) becomes the Beneficial Owner, directly or indirectly, of more than 50 per cent. of the Voting Stock of the Issuer, measured by voting power rather than number of shares;
- (b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its subsidiaries, taken as a whole, to any person (other than a Permitted Holder) occurs; or
- (c) a plan relating to the liquidation or dissolution of the Issuer is adopted.

**"Change of Control Triggering Event"** means the occurrence of a Change of Control and a Rating Decline, *provided* that if at the time a Change of Control occurs the Issuer is not rated by any Rating Agency, then a Change of Control Triggering Event shall be deemed to occur upon the occurrence of a Change of Control.

**"Consolidated EBITDA"** means, for any period, operating profit of the Issuer, as such amount is determined on a consolidated basis in accordance with IFRS, plus the sum of the following amounts, in each case, without duplication. Losses shall be added (as a positive number) and gains shall be deducted, in each case, to the extent such amounts were included in calculating operating profit:

- (a) depreciation and amortisation expenses;
- (b) the net loss or gain on the disposal and impairment of assets;
- (c) share-based compensation expenses;
- (d) at the Issuer's option, other non-cash charges reducing operating profit (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating profit to such extent, and excluding

amortisation of a prepaid cash item that was paid in a prior period) less other non cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (x) a receipt of cash payments in any future period, (y) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (z) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);

- (e) any material extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);
- (f) at the Issuer's option, the effects of adjustments in its consolidated financial statements pursuant to IFRS (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortisation or write-off or write-down of amounts thereof, net of taxes;
- (g) any reasonable expenses, charges or other costs related to any sale of Capital Stock (other than Redeemable Stock) of the Issuer or a Holding Company of the Issuer, Investment, acquisition, disposition, recapitalization or the incurrence, waiver or amendment of any Financial Indebtedness (or the refinancing thereof) (whether or not successful or consummated), in each case, as determined in good faith by a responsible financial or accounting officer of the Issuer;
- (h) any gains or losses on associates;
- (i) any unrealised gains or losses due to changes in the fair value of equity Investments;
- (j) any unrealised gains or losses due to changes in the fair value of Permitted Interest Rate, Currency or Commodity Price Agreements;
- (k) any unrealised gains or losses due to changes in the carrying value of put options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (l) any unrealised gains or losses due to changes in the carrying value of call options in respect of Capital Stock of, or voting rights with respect to, any Subsidiary, joint venture or associate;
- (m) any net foreign exchange gains or losses;

- (n) at the Issuer's option, any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (o) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition that are so required to be established as a result of such acquisition in accordance with IFRS;
- (p) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Issuer or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period);
- (q) the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets;
- (r) any net gain (or loss) realised upon any sale/leaseback transaction that is not sold or otherwise disposed of in the ordinary course of business, determined in good faith by a responsible financial or accounting officer of the Issuer;
- (s) the amount of loss on the sale or transfer of any assets in connection with an asset securitisation program, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction); and
- (t) Specified Legal Expenses.

For the purposes of calculating Consolidated EBITDA for any period, as of such date of determination:

- (i) if, since the beginning of such period the Issuer or any Restricted Subsidiary has made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale"), including any Sale occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;
- (ii) if, since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "**Purchase**"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, then Consolidated EBITDA for such period will be calculated after

giving pro forma effect thereto as if such Purchase occurred on the first day of such period;

- (iii) if, since the beginning of such period any person (that became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to paragraphs (i) or (ii) above if made by the Issuer or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period, including anticipated synergies and cost savings as if such Sale or Purchase occurred on the first day of such period;
- (iv) whenever pro forma effect is applied, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated synergies and cost savings) as though the full effect of synergies and cost savings were realised on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by the Issuer or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period;
- (v) for the purposes of determining the amount of Consolidated EBITDA under this definition denominated in a foreign currency, the Issuer may, at its option, calculate the U.S. Dollar equivalent amount of such Consolidated EBITDA based on either (i) the weighted average exchange rates for the relevant period used in the consolidated financial statements of the Issuer for such relevant period or (ii) the relevant currency exchange rate in effect on the First Issue Date; and
- (vi) the amount of any fees payable by any member of the Group to another member of the Group in connection with any services rendered (including, without limitation, any management fees, value creation fees and similar fees), shall be excluded.

For the purpose of calculating the Consolidated EBITDA of the Issuer, any Joint Venture Consolidated EBITDA shall be added to the amount determined in accordance with the foregoing.

**"Consolidated Net Debt"** means, with respect to the Issuer as of any date of determination, the sum without duplication of:

- (u) the total amount of Financial Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, *minus*
- (v) the sum without duplication of (i) all Financial Indebtedness outstanding under Minority Shareholder Loans, (ii) any Financial Indebtedness which is a contingent obligation of the Issuer or its Restricted Subsidiaries on such date, (iii) all Financial Indebtedness permitted by paragraph (c) of the definition of Permitted Financial Indebtedness and (iv) all Financial Indebtedness permitted by paragraph (q) of the definition of Permitted Financial Indebtedness, *minus*
- (w) the amount of cash and Cash Equivalents (other than cash or Cash Equivalents received from the incurrence of Financial Indebtedness by the Issuer or any of its

Restricted Subsidiaries to the extent such cash or Cash Equivalents has not been subsequently applied or used for any purpose not prohibited by these Terms and Conditions) of the Issuer and its Restricted Subsidiaries on a consolidated basis that would be stated on the statement of financial position of the Issuer as of such date in accordance with IFRS, excluding, for the avoidance of doubt, Restricted Cash.

**"Credit Facility"** means, a debt facility, arrangement, instrument, trust deed, note purchase agreement, indenture, purchase money financing, commercial paper facility or overdraft facility with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Financial Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended, in whole or in part from time to time, and in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including, but not limited to, any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (i) changing the maturity of any Financial Indebtedness incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Financial Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

**"Cross Acceleration"** means any Financial Indebtedness of the Issuer or any of its Restricted Subsidiaries is cancelled, or declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

**"Cross Payment Default"** means any event of default (howsoever described) arising from a failure by the Issuer or any of its Restricted Subsidiaries to pay any Financial Indebtedness when due or within any originally applicable grace period.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

**"CSD Regulations"** means the CSD's rules and regulations applicable to the Issuer, the Trustee and the Notes from time to time.

**"Default"** means an Event of Default or any event or circumstance specified in Condition 12.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**"Eligible Assets and Projects"** means one or more of the "Eligible Assets and Projects with Environmental Benefits" or "Eligible Assets and Projects with Social Benefits" identified in the Sustainability Bond Framework.

**"Event of Default"** means an event or circumstance specified in Condition 12.1.

"**Excess Proceeds**" has the meaning set forth in Condition 11.5.3.

"**Excess Proceeds Offer**" has the meaning set forth in Condition 9.5.1.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer.

"**Final Maturity Date**" means 15 May 2024.

"**Finance Documents**" means the Trust Deed (including these Terms and Conditions) and any other document designated by the Issuer and the Trustee (on behalf of the Noteholders) as a Finance Document.

"**Financial Indebtedness**" means (without duplication), with respect to any person, whether recourse is to all or a portion of the assets of such person and whether or not contingent:

- (a) the principal of and premium, if any, in respect of every obligation of such person for money borrowed;
- (b) the principal of and premium, if any, in respect of every obligation of such person evidenced by bonds, debentures, notes or other similar instruments;
- (c) every reimbursement obligation of such person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such person (but only to the extent such obligations are not reimbursed within 30 days following receipt by such person of a demand for reimbursement); and
- (d) the principal component of every obligation of the type referred to in paragraphs (a) through (c) of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or is responsible or liable for, directly or indirectly, as obligor, guarantor or otherwise to the extent not otherwise included in the Financial Indebtedness of such person.

The "**amount**" or "**principal amount**" of Financial Indebtedness at any time of determination as used herein represented by (x) any Financial Indebtedness issued at a price that is less than the principal amount at maturity thereof, shall be the amount of the liability in respect thereof determined in accordance with IFRS, (y) any Redeemable Stock, shall be the maximum fixed redemption or repurchase price in respect thereof; and (z) any amount of Financial Indebtedness that has been cash-collateralised, to the extent so cash-collateralised, shall be excluded from any calculation of Financial Indebtedness. Notwithstanding anything else to the contrary, for all purposes under these Terms and Conditions, the amount of Financial Indebtedness incurred, repaid, redeemed, repurchased or otherwise acquired by a Group Company shall equal the liability in respect thereof determined in accordance with IFRS and reflected on the Issuer's consolidated statement of financial position.

The term "Financial Indebtedness" shall not include:

- (i) obligations described in paragraphs (a), (b) or (d) of the first paragraph of this definition of Financial Indebtedness that are incurred by a Group Company (the

"**Proceeds Recipient**") and owed to a bank or other lending institution (the "**On-Lend Bank**") to facilitate the substantially concurrent on-lending of proceeds (the "**Proceeds On-Loan**") from Financial Indebtedness incurred by the Issuer or any Group Company (other than the Proceeds Recipient) as permitted by Condition 11.3 to the extent (A) the principal obligations in respect of the Proceeds On-Loan are secured by security over cash granted in favour of the On-Lend Bank or any of its affiliates in an amount not less than the principal amount of the Proceeds On-Loan, (B) the Proceeds On-Loan is put in place substantially concurrently with a loan by any Group Company (other than the Proceeds Recipient) to the On-Lend Bank (the "**On-Lend Bank Borrowing**") pursuant to which the Proceeds Recipient is entitled to reduce the principal amount of the Proceeds On-Loan by an amount equal to the principal amount of the On-Lend Bank Borrowing if a default or acceleration occurs with respect to such On-Lend Bank Borrowing, or (C) the substantial risks and rewards of the Proceeds On-Loan are transferred, using a synthetic instrument or any other arrangement or agreement, from the On-Lend Bank to any Group Company (other than the Proceeds Recipient) in exchange for an amount not less than (x) the amount of cash granted in favour of the On-Lend Bank or any of its Affiliates, or (y) the outstanding amount of the On-Lend Bank Borrowing, as applicable, in each case as at the effective date of such transfer;

- (ii) any liability of the Issuer or any other Group Company (other than the Proceeds Recipient) attributable to a synthetic instrument or any other arrangement or agreement described in paragraph (i)(C) above to the extent such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS and recorded as a current liability on the Issuer's consolidated statement of financial position;
- (iii) any liability of the Issuer or any Group Company to another Group Company;
- (iv) any Restricted MFS Cash;
- (v) any liability of the Issuer attributable to put option or similar instrument, arrangement or agreement entered into after the First Issue Date granted by the Issuer relating to an interest in any other entity, in each case to the extent such option has not been exercised or such obligation under the relevant instrument, arrangement or agreement has not come due but is classified as a financial liability in accordance with IFRS, and recorded as a current liability on the Issuer's consolidated statement of financial position;
- (vi) any standby letter of credit, performance bond or surety bond provided by a Group Company that is customary in the Permitted Business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honoured in accordance with their terms;
- (vii) any deposits or prepayments received by a Group Company from a customer or subscriber for its service and any other deferred or prepaid revenue;
- (viii) any obligations to make payments in relation to earn outs;
- (ix) Financial Indebtedness which is in the nature of equity (other than redeemable shares) or equity derivatives;
- (x) Capital Lease Obligations or operating leases;

- (xi) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any debt in respect of Qualified Receivables Transactions, including without limitation guarantees by a Receivables Entity of the obligations of another Receivables Entity;
- (xii) pension obligations or any obligation under employee plans or employment agreements;
- (xiii) any "parallel debt" obligations to the extent that such obligations mirror other Financial Indebtedness;
- (xiv) any payments or liability for assets acquired or services supplied deferred (including trade payables) in accordance with the terms pursuant to which the relevant assets were or are to be acquired or services were or are to be supplied;
- (xv) the principal component or liquidation preference of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (including, in each case, any accrued dividends); and
- (xvi) the net obligations of such person under any Permitted Interest Rate, Currency or Commodity Price Agreement.

For the purposes of determining compliance with any covenant in these Terms and Conditions or whether an Event of Default has occurred, in each case, where Financial Indebtedness is denominated in a currency other than U.S. Dollars, the amount of such Financial Indebtedness will be the U.S. Dollar Equivalent determined on the date of such incurrence and any covenant in these Terms and Conditions shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values; *provided, however*, that if any such Financial Indebtedness that is denominated in a different currency is subject to an Interest Rate, Currency or Commodity Price Agreement with respect to U.S. Dollars covering principal and premium, if any, payable on such Financial Indebtedness, the amount of such Financial Indebtedness expressed in U.S. Dollars will be adjusted to take into account the effect of such an agreement.

**"Disqualified Stock"** means, with respect to any person, any Capital Stock of such person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (e) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (f) is convertible or exchangeable for Financial Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or
- (g) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding, provided that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; provided, further that any Capital Stock that would constitute

Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in these Terms and Conditions) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Issuer may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Issuer with the Condition 9.6 and Condition 11.5 hereof.

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

**"Financial Quarter"** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

**"Financial Year"** means the annual accounting period of the Issuer ending on or about 31 December in each year.

**"First Call Date"** means 15 May 2022.

**"First Issue Date"** means 15 May 2019.

**"Fitch"** has the meaning set forth in the definition "Rating Agency".

**"Force Majeure Event"** has the meaning set forth in Condition 24.1.

**"GAAP"** means generally accepted accounting principles in the United States.

**"Gradation"** means a gradation within a Rating Category or a change to another Rating Category, which shall include: (i) "+" and "-" in the case of Fitch's current Rating Categories (e.g., a decline from BB+ to BB would constitute a decrease of one gradation), (ii) 1, 2 and 3 in the case of Moody's current Rating Categories (e.g., a decline from Ba1 to Ba2 would constitute a decrease of one gradation), or (iii) the equivalent in respect of successor Rating Categories of Fitch or Moody's or Rating Categories used by Rating Agencies other than Fitch and Moody's.

**"Group"** means the Issuer and its Restricted Subsidiaries (including the Issuer) from time to time (each a **"Group Company"**).

**"Holding Company"** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**"IFRS"** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements, as in effect on the First Issue Date; *provided* that the Issuer may, at any time, irrevocably elect by written notice to the Trustee to use IFRS as in effect from time to time, and, upon such notice, references herein to IFRS shall thereafter be construed to mean IFRS as in effect from time to time. The Issuer also may, at any time, irrevocably elect by written notice to the Trustee to use GAAP as in effect from time to time in lieu of IFRS and, upon such notice, references herein to IFRS shall thereafter be construed to mean GAAP as in effect from time to time; *provided* that upon first reporting its fiscal year results under GAAP, the Issuer shall restate the financial statements required to be delivered under Condition

10.1.1, on the basis of GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of GAAP.

**"Initial Notes"** means the Notes issued on the First Issue Date.

**"Insolvent"** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Interest"** means the interest on the Notes calculated in accordance with Conditions 8.1 to 8.3.

**"Interest Payment Date"** means 15 May, 15 August, 15 November and 15 February of each year or, to the extent any such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Initial Notes shall be 15 August 2019 and the last Interest Payment Date shall be the Final Maturity Date or any relevant Redemption Date prior thereto.

**"Interest Period"** means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**"Interest Rate"** means a *per annum* rate equal to STIBOR plus 2.35 per cent.

**"Interest Rate, Currency or Commodity Price Agreement"** of any person means any forward contract, futures contract, swap, option or other financial agreement or arrangement (including, without limitation, caps, floors, collars and similar agreements) relating to, or the value of which is dependent upon, interest rates, currency exchange rates or commodity prices or indices (excluding contracts for the purchase or sale of goods in the ordinary course of business).

**"Investment"** by any person means any direct or indirect loan, advance or other extension of credit or capital contribution (by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise) to, or purchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or evidence of Financial Indebtedness issued by, any other person, including any payment on a guarantee of any obligation of such other person, together with all items that are or would be classified as Investments on a statement of financial position (excluding the footnotes thereto) prepared in accordance with IFRS, but shall not include:

- (a) trade accounts receivable in the ordinary course of business on credit terms made generally available to the customers of such person; or

- (b) commission, travel, payroll, entertainment, relocation and similar advances to officers and employees and profit sharing and other employee benefit plan contributions made in the ordinary course of business.

Except as otherwise provided in these Terms and Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to a subsequent change in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

**"Investment Grade"** means (i) BBB- or above in the case of Fitch (or its equivalent under any successor Rating Categories of Fitch), (ii) Baa3 or above, in the case of Moody's (or its equivalent under any successor Rating Categories of Moody's), and (iii) the equivalent in respect of the Rating Categories of any Rating Agencies.

**"Issuer"** means Millicom International Cellular, S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 2, rue du Fort Bourbon, L-1249 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 40630.

**"Issuing Agent"** means Nordea Bank Abp, acting through Nordea Bank Abp, filial i Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

**"Joint Venture Consolidated EBITDA"** means an amount equal to the product of (i) the Consolidated EBITDA of any joint venture (determined in good faith by a responsible financial or accounting officer of the Issuer on the same basis as provided for in the definition of "Consolidated EBITDA" (with the exception of clause (i) and the last sentence thereof) as if each reference to the "Issuer and its Restricted Subsidiaries" in such definition was to such joint venture) whose financial results are not consolidated with those of the Issuer in accordance with IFRS and (ii) a percentage equal to the direct or indirect equity ownership percentage of the Issuer and/or its Restricted Subsidiaries in the Capital Stock of such joint venture and its Subsidiaries.

**"Lien"** means, with respect to any property or assets, any mortgage, pledge, security interest, lien, charge, encumbrance, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

**"Limited Condition Transaction"** means (i) any Investment or acquisition, including by way of merger, amalgamation or consolidation, in each case, by one or more of the Issuer and its Restricted Subsidiaries of any assets, business or person whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Financial Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

**"Listing Failure Event"** means (i) that the Note Loan is not admitted to trading on a Regulated Market within one hundred twenty (120) days following the First Issuing Date, or (ii) in the case of a successful admission, that a period of one hundred twenty (120) days has elapsed since the Note Loan ceased to be listed on a Regulated Market.

**"Market Loan"** means any loan or other indebtedness in the form of certificates, convertibles, subordinated debentures, notes or any other debt securities (including, for the

avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on any Regulated Market or a multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

**"Material Company"** means:

- (a) the Issuer;
- (b) a Significant Subsidiary; or
- (c) any other Restricted Subsidiaries which are not Significant Subsidiaries but where taken together, account for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group, or whose assets, taken together, represent more than 10 per cent. of the assets of the Group.

**"Minority Shareholder Loan"** means Financial Indebtedness of a Restricted Subsidiary that is issued to and held by an equity owner of such Restricted Subsidiary, other than a Group Company.

**"Moody's"** has the meaning set forth in the definition "Rating Agency".

**"Net Available Proceeds"** from any Asset Disposition means cash or readily marketable cash equivalents received (including by way of sale or discounting of a note, installment receivable or other receivable, but excluding any assets described in clauses (iv) and (v) of Condition 11.5.1(c) and other consideration received in the form of assumption by the acquiror of Financial Indebtedness or other obligations relating to such properties or assets) therefrom by the Issuer or any of its Restricted Subsidiaries, net of:

- (a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, including, without limitation, legal, consultant, accounting and investment banking fees, sales commissions, discounts and brokerage costs, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability as a consequence of such Asset Disposition;
- (b) all payments made by the Issuer or any of its Restricted Subsidiaries, on any Financial Indebtedness which is secured by such assets in accordance with the terms of any Lien upon or with respect to such assets or which must by the terms of such Financial Indebtedness or Lien, or in order to obtain a necessary consent to such Asset Disposition or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (c) all distributions and other payments made to other equity holders in the Issuer's Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (d) appropriate amounts to be provided by the Issuer or any of its Restricted Subsidiaries, as the case may be, as a reserve in accordance with IFRS, against any liabilities associated with such assets and retained by the Issuer or any of its Restricted Subsidiaries, as the case may be, after such Asset Disposition, including, without limitation, liabilities under any indemnification obligations, relocation costs and severance and other employee termination costs associated with such Asset Disposition, in each case as determined by the Issuer's senior management or board of directors, in its reasonable good faith judgment.

**"Net Leverage Ratio"** means, as of any date of determination, the ratio of (a) the Consolidated Net Debt to (b) the Consolidated EBITDA for the four most recent Financial Quarters ending immediately prior to such date for which consolidated financial statements are available, determined, in each case, on a pro forma basis as if any such Financial Indebtedness had been incurred, or such other Financial Indebtedness had been repaid, redeemed or repurchased, as applicable, at the beginning of such four Financial Quarter period; *provided, however*, that the pro forma calculation shall not give effect to (i) any Financial Indebtedness incurred on such determination date pursuant to Condition 11.3(b) (other than Financial Indebtedness incurred pursuant to paragraph (f) of the definition of "Permitted Financial Indebtedness"), or (ii) the discharge on such determination date of any Financial Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to Condition 11.3(b) (other than the discharge of Financial Indebtedness using proceeds of Financial Indebtedness incurred pursuant to paragraph (f) of the definition of "Permitted Financial Indebtedness"). For the avoidance of doubt, in determining Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Financial Indebtedness in respect of which the pro forma calculation is to be made.

**"Net Proceeds"** means the gross proceeds from the offering of the relevant Notes, minus (i) in respect of the Initial Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on Nasdaq Stockholm (or any other Regulated Market, as applicable) thereof, and (ii) in respect of any Additional Notes, the costs incurred by the Issuer in conjunction with the issuance and listing on Nasdaq Stockholm (or any other Regulated Market, as applicable) thereof.

**"Nominal Amount"** has the meaning set forth in Condition 2.3.

**"Noteholder"** means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

**"Noteholders' Meeting"** means a meeting among the Noteholders held in accordance with Condition 15 (*Noteholders' Meeting*).

**"Note Loan"** means the loan constituted by these Terms and Conditions and evidenced by the Notes.

**"Notes"** means the SEK Senior Unsecured Floating Rate Sustainability Notes due 15 May 2024, ISIN: SE0012454841 (including the Initial Notes and any Additional Notes), being debt instruments (*skuldförbindelser*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are issued on the terms set out in these Terms and Conditions and constituted by, are subject to and have the benefit of, the Trust Deed.

**"Offer Amount"** has the meaning set forth in Condition 9.5.3.

**"Offer Period"** has the meaning set forth in Condition 9.5.3.

**"Pari Passu Financial Indebtedness"** means any Financial Indebtedness of the Issuer that ranks *pari passu* in right of payment with the Notes.

**"Permitted Asset Swap"** means the concurrent purchase and sale or exchange of related business assets or a combination of related business assets, cash and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another person.

**"Permitted Business"** means:

- (a) any business, services or activities engaged in by any Group Company on the First Issue Date; and
- (b) any business, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments thereof, including, without limitation, broadband internet, network-related services, cable television, broadcast content, network neutral services, electronic transactional, financial and commercial services related to provision of telephony or internet services.

**"Permitted Discontinuance of Property Maintenance"** means the discontinuance of the operation or maintenance of the properties of any Group Company which is, in the Issuer's judgment, desirable in the conduct of its business or the business of such other Group Company (as applicable), and which will not materially adversely affect the Noteholders.

**"Permitted Financial Indebtedness"** means:

- (a) the incurrence by the Issuer or the Issuer of Financial Indebtedness pursuant to the Notes (other than Additional Notes);
- (b) any Financial Indebtedness of a Group Company outstanding on the First Issue Date after giving effect to the use of proceeds of the Notes;
- (c) Pari Passu Financial Indebtedness of the Issuer and Financial Indebtedness of any Group Company under Credit Facilities in an aggregate principal amount at any one time outstanding that does not exceed an amount equal to the greater of (x) \$500 million (or its equivalent in any other currency or currencies) and (y) 8 per cent. of Total Assets; and any Permitted Refinancing Debt in respect thereof, plus, (A) any accrual or accretion of interest that increases the principal amount of Financial Indebtedness under Credit Facilities and (B) in the case of any refinancing of Financial Indebtedness permitted under this paragraph (c) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;
- (d) Financial Indebtedness owed by the Issuer to any Restricted Subsidiary or Financial Indebtedness owed by any Restricted Subsidiary to the Issuer or any other Restricted Subsidiary; *provided*, however, that (A) if the Issuer is the obligor on such Financial Indebtedness and the payee is not the Issuer, such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due with respect to the Issuer's obligations under the Notes, and (B) either (x) the transfer or other disposition by the Issuer or such Restricted Subsidiary of any Financial Indebtedness so permitted to a person (other than to the Issuer or any of its Restricted Subsidiaries) or (y) such Restricted Subsidiary ceasing to be a Restricted Subsidiary, will at the time of such transfer or other disposition, in each case, be deemed to be an incurrence of such Financial Indebtedness not permitted by this paragraph (d);
- (e) the guarantee by a Group Company of Financial Indebtedness of any of the Issuer's Restricted Subsidiaries to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of this definition;
- (f) Acquired Debt;

- (g) Minority Shareholder Loans;
- (h) the incurrence by a Group Company of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to refund, replace or refinance, Financial Indebtedness incurred by it pursuant to clause (a) of Condition 11.3 and paragraphs (a), (b), (f) and (h) of this definition, as the case may be;
- (i) Financial Indebtedness of a Group Company represented by letters of credit in order to provide security for workers' compensation claims, health, disability or other employee benefits, payment obligations in connection with self-insurance or similar requirements of a Group Company in the ordinary course of business;
- (j) customary indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any assets of a Group Company, and earn-out provisions or contingent payments in respect of purchase price or adjustment of purchase price or similar obligations in acquisition agreements other than guarantees of Financial Indebtedness incurred by any person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of each such incurrence of such Financial Indebtedness will at no time exceed the gross proceeds actually received by a Group Company in connection with the related disposition;
- (k) obligations in respect of (i) customs, VAT or other tax guarantees, (ii) bid, performance, completion, guarantee, surety and similar bonds, including guarantees or obligations of a Group Company with respect to letters of credit supporting such obligations, (iii) customary cash management, cash pooling or netting or setting off arrangements, and (iv) the financing of insurance premiums, in each case in the ordinary course of business and not related to Financial Indebtedness for borrowed money;
- (l) Financial Indebtedness of a Group Company arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument including, but not limited to, electronic transfers, wire transfers, netting services and commercial card payments, drawn against insufficient funds; provided that such Financial Indebtedness is extinguished within 30 days of incurrence; and
- (m) Financial Indebtedness consisting of (i) mortgage financings, Purchase Money Obligations or other financings, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment acquired or constructed in the ordinary course of business or (ii) Financial Indebtedness otherwise incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in the ordinary course of business, whether through the direct purchase of assets or the Capital Stock of any person owning such assets, and any Financial Indebtedness that refinances, replaces or refunds such Financial Indebtedness, in an aggregate outstanding principal amount that, when taken together with the principal amount of all other Financial Indebtedness incurred pursuant to this paragraph (m) and then outstanding, will not exceed at any time the greater of \$250,000,000 and 3 per cent. of Total Assets;
- (n) Guarantees by a Group Company of Financial Indebtedness or any other obligation or liability of a Group Company (other than of any Financial Indebtedness incurred in violation of this covenant); provided, however, that if the Financial

Indebtedness being Guaranteed is subordinated in right of payment to the Notes, then such Guarantee shall be subordinated substantially to the same extent as the relevant Financial Indebtedness Guaranteed;

- (o) Financial Indebtedness of a Group Company in an aggregate outstanding principal amount which, when taken together with any Permitted Refinancing Debt in respect thereof and the principal amount of all other Financial Indebtedness incurred pursuant to this paragraph (o) and then outstanding, will not exceed 100 per cent. of the cash proceeds (net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements)) received by the Issuer from the issuance or sale (other than to the Issuer or a Restricted Subsidiary) of its Subordinated Shareholder Loans or Capital Stock or otherwise contributed to the equity of the Issuer, in each case, subsequent to the First Issue Date (and in each case, other than through the issuance of Disqualified Stock or Preferred Stock);
- (p) Financial Indebtedness arising under borrowing facilities provided by a special purpose vehicle to a Group Company in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of a Group Company in connection with any vendor financing platform; and
- (q) the incurrence by a Group Company of Financial Indebtedness not otherwise permitted to be incurred pursuant to paragraphs (a) through (p) above, which, together with any other outstanding Financial Indebtedness incurred pursuant to this paragraph (q), has an aggregate principal amount at any time outstanding not in excess of the greater of \$300,000,000 (or its equivalent in any other currency or currencies) and 4 per cent. of Total Assets, and any Permitted Refinancing Debt of any debt which on the date it was incurred was permitted to be incurred pursuant to this paragraph (q), plus, in the case of any refinancing of Financial Indebtedness permitted under this paragraph (q) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

In the event that an item of Financial Indebtedness meets the criteria of more than one of the types of Permitted Financial Indebtedness or is entitled to be incurred pursuant to paragraph (a) of Condition 11.3, the Issuer in its sole discretion may classify and from time to time reclassify such item of Financial Indebtedness or any portion thereof and only be required to include the amount of such Financial Indebtedness as one of such types.

**"Permitted Holders"** means (i) Investment Kinnevik AB, (ii) any controlling stockholder, partner or member, or any 50 per cent. (or more) owned Subsidiary, of Investment Kinnevik AB and (iii) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or person Beneficially Owning a majority or a controlling interest of which consists of Investment Kinnevik AB and/or such other persons referred to in clause (ii).

**"Permitted Interest Rate, Currency or Commodity Price Agreement"** means any Interest Rate, Currency or Commodity Price Agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect against fluctuations in interest rates or currency exchange rates and which shall have a notional

amount no greater than the payments due with respect to the Financial Indebtedness being hedged thereby, or in the case of currency or commodity protection agreements against currency exchange or commodity price fluctuations in the ordinary course of business relating to the then existing financial obligations and not for purposes of speculation.

**"Permitted Investments"** means (i) loans or advances to employees and officers (or loans to any direct or indirect parent, the proceeds of which are used to make loans or advances to employees or officers, or guarantees of third-party loans to employees or officers) in the ordinary course of business; and (ii) customary cash management, cash pooling or netting or setting off arrangements; and (iii) the granting of Liens pursuant to paragraph (jj) of the definition of Permitted Liens.

**"Permitted Lien"** means:

- (a) Liens for taxes, assessments or governmental charges, or levies on the property of a Group Company if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceeds promptly instituted and diligently concluded, provided that any reserve or other appropriate provision that shall be required in conformity with IFRS shall have been made therefor;
- (b) Liens imposed by law, such as statutory Liens of landlords', carriers', materialmen's, repairmen's, construction, warehousemen's and mechanics' Liens and other similar Liens, on the property of a Group Company arising in the ordinary course of trading or Liens arising solely by virtue of any statutory or common law provisions relating to attorneys' liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;
- (c) Liens on the property of a Group Company incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance bids, trade contracts, letters of credit, performance or return-of-money bonds, surety bonds or other obligations of a like nature and incurred in a manner consistent with industry practice, in each case which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Group taken as a whole;
- (d) Liens on property at the time a Group Company acquired such property and Liens incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by a Group Company, **provided** that any such Lien may not extend to any other property of a Group Company;
- (e) Liens on the property of a person at the time such person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that any such Lien may not extend to any other property of a Group Company that is not a Restricted Subsidiary of such person (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

- (f) pledges or deposits by a Group Company under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Financial Indebtedness) or leases to which a Group Company is party, or deposits to secure public or statutory obligations of a Group Company or deposits for the payment of rent, in each case incurred in the ordinary course of business;
- (g) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (h) any provision for the retention of title to any property by the vendor or transferor of such property which property is acquired by a Group Company in a transaction entered into in the ordinary course of business of a Group Company and for which kind of transaction it is customary market practice for such retention of title provision to be included;
- (i) Liens arising by means of any judgment, decree or order of any court, to the extent not otherwise resulting in a Default, so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order have not been fully terminated or the period within which such proceedings may be initiated has not expired and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;
- (j) Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement;
- (k) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement has easement rights or on any real property leased by Liens securing any Credit Facility or any Permitted Interest Rate, Currency or Commodity Price Agreement or similar agreements relating thereto, and any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (l) Liens existing on the First Issue Date;
- (m) Liens in favour of a Group Company;
- (n) Liens on insurance policies and the proceeds thereof, or other deposits, to secure insurance premium financings in respect of a Group Company;
- (o) Liens arising from financing statement filings (or other similar filings in any applicable jurisdiction) regarding operating leases entered into by any Restricted Subsidiary in the ordinary course of business;
- (p) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Financial Indebtedness in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such inventory or other goods;

- (q) Liens on property of any Restricted Subsidiary of the Issuer to secure Financial Indebtedness incurred by such Restricted Subsidiary pursuant to Condition 11.3 or paragraphs (i) through (q) (inclusive) of the definition of Permitted Financial Indebtedness;
- (r) Liens for the purpose of securing the payment of all or a part of the purchase price of Capital Lease Obligations or payments incurred by a Group Company to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that such Liens do not encumber any other assets or property of a Group Company other than such assets or property and assets affixed or appurtenant thereto;
- (s) Liens on the property of a Group Company to replace in whole or in part, any Lien described in the foregoing paragraphs (a) through (r); provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Financial Indebtedness being refinanced or in respect of property that is the security for a Permitted Lien hereunder;
- (t) Any interest or title of a lessor under any Capital Lease Obligation or operating lease;
- (u) Liens on any escrow account used in connection with an acquisition of property or Capital Stock of any person or pre-funding a refinancing of Financial Indebtedness otherwise permitted under these Terms and Conditions;
- (v) Liens on a Group Company's deposits in favour of financial institutions arising from any netting or set-off arrangement substantially consistent with its current practice for the purpose of netting debt and credit balances substantially consistent with the Issuer's or the Restricted Subsidiaries' existing cash pooling arrangements;
- (w) Liens incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that do not exceed the greater of US\$ 250,000,000 (or its equivalent in any other currency or currencies) or 4 per cent. of Total Assets at any one time outstanding and that do not in the aggregate materially detract from the value of the property of the Issuer, or materially impair the use thereof in the operation of business by the Group;
- (x) Liens over cash or other assets that secure collateralised obligations incurred as Permitted Financial Indebtedness; provided that the amount of cash collateral does not exceed the principal amount of the Permitted Financial Indebtedness;
- (y) Liens on Restricted MFS Cash in favour of the customers or dealers of, or third parties in relation to, one or more Restricted Subsidiaries engaged in the provision of mobile financial services, in each case who provided such Restricted MFS Cash to the relevant Restricted Subsidiary;
- (z) Liens on Receivables and related assets of the type described in the definition of "Qualified Receivables Transaction" incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;

- (aa) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;
- (bb) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (cc) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Issuer or any of its Restricted Subsidiaries;
- (dd) Liens on Receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction" pursuant to any Qualified Receivables Transaction;
- (ee) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capital Lease Obligations, Purchase Money Obligations or other payments incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business), provided that such Liens do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;
- (ff) Liens securing Financial Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary;
- (gg) Liens in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements, other than joint ventures and similar arrangements that are Restricted Subsidiaries, securing obligations of such joint ventures or similar agreements;
- (hh) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (ii) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Financial Indebtedness, which Liens are created to secure payment of such Financial Indebtedness; and
- (jj) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Financial Indebtedness of such Unrestricted Subsidiary.

For purposes of determining compliance with Condition 11.4, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens the Issuer shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with Condition 11.4 and the definition of "Permitted Liens".

With respect to any Lien securing Financial Indebtedness that was permitted to secure such Financial Indebtedness at the time of the incurrence of such Financial Indebtedness,

such Lien shall also be permitted to secure any Increased Amount of such Financial Indebtedness. The "**Increased Amount**" of any Financial Indebtedness shall mean any increase in the amount of such Financial Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortisation of original issue discount, the payment of interest in the form of additional Financial Indebtedness with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Financial Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Financial Indebtedness.

"**Permitted Refinancing Debt**" means any renewals, extensions, substitutions, defeasances, discharges, refinancings or replacements (each, for purposes of this definition and clause (h) of the definition of Permitted Financial Indebtedness, a "**refinancing**") of any Financial Indebtedness of a Group Company or pursuant to this definition, including any successive refinancings, as long as:

- (i) such Permitted Refinancing Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value plus all accrued interest) then outstanding of the Financial Indebtedness being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;
- (ii) such Permitted Refinancing Debt has (i) a stated maturity date that is either (X) no earlier than the stated maturity date of the Financial Indebtedness being refinanced or (Y) after the Final Maturity Date of the Notes and (ii) a weighted average life to maturity that is equal to or greater than the weighted average life to maturity of the Financial Indebtedness being refinanced; and
- (iii) if the Financial Indebtedness being refinanced is subordinated in right of payment to the Notes, such Permitted Refinancing Debt is subordinated in right of payment to, the Notes on terms at least as favourable to the Holders of Notes as those contained in the documentation governing the Financial Indebtedness being refinanced; and
- (iv) if the Issuer was the obligor on the Financial Indebtedness being refinanced, such Permitted Refinancing Debt is incurred by the Issuer.

Permitted Refinancing Debt in respect of any Credit Facility or any other Financial Indebtedness may be incurred from time to time after the termination, discharge or repayment of all or any part of such Credit Facility or other Financial Indebtedness. Permitted Refinancing Debt shall not include any Financial Indebtedness of the Issuer or any Restricted Subsidiary that refinances Financial Indebtedness of an Unrestricted Subsidiary.

"**Proceeds On-Loan**" has the meaning set forth in the definition "Financial Indebtedness".

"**Purchase Date**" has the meaning set forth in Condition 9.5.3

**"Purchase Money Note"** means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from a Group Company in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which is (a) repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

**"Purchase Money Obligations"** means any Financial Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any person owning such property or assets, or otherwise.

**"Qualified Receivables Transaction"** means any transaction or series of transactions that may be entered into by a Group Company pursuant to which a Group Company may sell, convey or otherwise transfer to (i) a Receivables Entity (in the case of a transfer by the a Group Company) and (ii) any other person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of a Group Company, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitisation involving Receivables and any Interest Rate, Currency or Commodity Price Agreement entered into by a Group Company in connection with such Receivables.

**"Quarter Date"** means each of 31 March, 30 June, 30 September and 31 December.

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

**"Rating Agency"** means (i) each of Standard & Poor's Rating Services ("**S&P**"), Fitch Ratings Ltd ("**Fitch**"), Moody's Investor Services Limited ("**Moody's**") or (ii) if any of S&P, Fitch or Moody's are not making ratings of the Notes publicly available, an internationally recognised credit rating agency or agencies, as the case may be, selected by the Issuer which will be substituted for any of S&P, Fitch or Moody's.

**"Rating Category"** means (i) with respect to Fitch, any of the following categories (any of which may include a "+" or "-"): AAA, AA, A, BBB, BB, B, CCC, CC, C, R, SD and D (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories (any of which may include a "1", "2" or "3"): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C (or equivalent successor categories), and (iii) the equivalent of any such categories of Fitch or Moody's used by another Rating Agency, if applicable.

**"Rating Date"** means the date which is the earlier of (i) 120 days prior to the occurrence of an event specified in clauses (a), (b) or (c) of the definition of Change of Control and (ii) the date of the first public announcement of the possibility of such event.

**"Rating Decline"** means the occurrence of, at any time within the earlier of (i) 90 days after the date of public notice of a Change of Control, or the Issuer's intention or the intention of any person to effect a Change of Control and (ii) the occurrence of the Change of Control (which period shall in either event be extended so long as the rating of the Issuer is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdrawal of its rating of the Issuer or a decrease in the rating of the Issuer by a Rating Agency as follows:

- (a) if the Issuer is not rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, by one or more Gradations; or
- (b) if the Issuer is rated Investment Grade by at least two of the three Rating Agencies on the Rating Date, either (i) by two or more Gradations or (ii) such that the Issuer is no longer rated Investment Grade.

*provided* that, when announcing the relevant decision(s) to withdraw or decrease the rating, each such Rating Agency announces publicly or confirms in writing that such decision(s) resulted, in whole or in part, from the occurrence (or expected occurrence) of the Change of Control or the Issuer's announcement of the intention to effect a Change of Control.

**"Receivable"** means a right to receive payment arising from a sale or lease of goods or the performance of services by a person pursuant to an arrangement with another person pursuant to which such other person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an "account," "chattel paper," "payment intangible" or "instrument" under the Uniform Commercial Code as in effect in the State of New York and any "supporting obligations" as so defined.

**"Receivables Entity"** means a direct or indirect wholly owned Subsidiary of the Issuer (or another person in which a Group Company makes an Investment or to which a Group Company transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Issuer (as provided below) as a Receivables Entity:

- (a) no portion of the Financial Indebtedness or any other obligations (contingent or otherwise) of which:
  - (i) is Guaranteed by a Group Company (excluding guarantees of obligations (other than the principal of, and interest on, Financial Indebtedness) pursuant to Standard Securitisation Undertakings);
  - (ii) is recourse to or obligates a Group Company in any way other than pursuant to Standard Securitisation Undertakings; or
  - (iii) subjects any property or asset of a Group Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitisation Undertakings, except, in each such case, Permitted Liens as defined in clauses (z) through (dd) of the definition thereof;
- (b) with which no Group Company has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favourable to the such

Group Company than those that might be obtained at the time from persons that are not Affiliates of the Issuer, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(c) to which no Group Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction).

Any such designation by the Board of Directors or senior management of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing conditions.

**"Receivables Fees"** means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person that is not a Receivables Entity in connection with, any Qualified Receivables Transaction.

**"Receivables Repurchase Obligation"** means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

**"Record Date"** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Condition 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Redeemable Stock"** of any person means any Capital Stock of such person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Financial Indebtedness or is redeemable at the option of the holder thereof, in whole or in part, at any time prior to the Final Maturity Date.

**"Redemption Date"** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Condition 9 (*Redemption and repurchase of the Notes*).

**"Reference Banks"** means Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ) and DNB Bank ASA (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

**"Regulated Market"** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**"Restricted Cash"** means the sum of (a) Restricted MFS Cash, and (b) without duplication, the amount of cash that would be stated as "restricted cash" on the consolidated statement of financial position of the Issuer as of such date in accordance with IFRS.

**"Restricted MFS Cash"** means, as of any date of determination, an amount equal to any cash paid in or deposited by or held on behalf of any customer or dealer of, or any other third party in relation to, one or more Group Company engaged in the provision of mobile financial services and designated as "restricted cash" on the consolidated statement of financial position of the Issuer, together with any interest thereon.

**"Restricted Subsidiary"** means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

**"Securities Account"** means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

**"Significant Subsidiary"** means, at the date of determination, a Restricted Subsidiary that:

- (a) for the most recent fiscal year, accounted for more than 10 per cent. of the Consolidated EBITDA of the Group or consolidated revenues of the Group; or
- (b) whose assets represent more than 10 per cent. of the assets of the Group.

**"Specified Legal Expenses"** means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys' and experts' fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

**"Specified Subsidiary Sale"** means the sale, transfer or other disposition of all of the Capital Stock, or all of the assets or properties of, (a) any entity, the primary purpose of which is to own Tower Equipment located in any market in which a Group Company operates; (b) any person which operates a Group Company's mobile financial services business; (c) Latin America Internet Holding GmbH (or any successor in interest thereto); or (d) Africa Internet Holding GmbH (or any successor in interest thereto).

**"STIBOR"** means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period (other than the first Interest Period to which, notwithstanding its duration, the applicable percentage rate per annum for the offering of deposits in Swedish Kronor for a period of three months as quoted as of or around 11.00 a.m. on the relevant Quotation Day will apply); or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the

interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

**"Standard Securitisation Undertakings"** means representations, warranties, covenants and indemnities entered into by a Group Company which are reasonably customary in a securitisation of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitisation Undertaking.

**"Subsidiary"** means in respect of any person:

- (a) any corporation in which it or one or more of its Subsidiaries directly or indirectly owns more than 50 per cent. of the combined voting power of the outstanding voting stock; or
- (b) any other entity in which it or one or more of its Subsidiaries:
  - (i) directly or indirectly has majority ownership, but only to the extent such majority ownership results in an entitlement to the majority of the profits generated by that entity; or
  - (ii) has the power to direct the policies, management and affairs thereof.

**"Sustainability Bond Framework"** means the sustainability bond framework of the Group as at the First Issue Date.

**"Swedish Kronor"** and **"SEK"** means the lawful currency of Sweden.

**"Total Assets"** means the consolidated total assets of the Group as shown on the Issuer's most recent consolidated statement of financial position prepared on the basis of IFRS prior to the relevant date of determination calculated to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period, including any such acquisitions to be made with the proceeds of Financial Indebtedness giving rise to the need to calculate Total Assets

**"Total Nominal Amount"** means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

**"Tower Equipment"** means passive infrastructure related to telecommunications services, excluding telecommunications equipment, but including, without limitation, towers (including tower lights and lightning rods), power breakers, deep cycle batteries, generators, voltage regulators, main AC power, rooftop masts, cable ladders, grounding, walls and fences, access roads, shelters, air conditioners and BTS batteries owned by any Group Company.

**"Trust Deed"** means the trust deed entered into on or prior to the First Issue Date, between the Issuer and the Trustee, or any replacement or supplemental trust deed entered into between the Issuer and the Trustee thereafter.

**"Trustee"** means Intertrust CN (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Trustee, in accordance with these Terms and Conditions and the Trust Deed.

"**Unrestricted Subsidiary**" means any Subsidiary of the Issuer designated as such pursuant to Condition 11.8.

"**USD**", "**\$**" and "**dollars**" means the lawful currency of the United States of America.

"**VAT**" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"**Written Procedure**" means the written or electronic procedure for decision making among the Noteholders in accordance with Condition 16 (*Written Procedure*).

## 1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) "**assets**" includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) a time of day is a reference to Stockholm time; and
- (f) unless a contrary indication appears, a reference to Nordea Bank Abp or Nordea Bank Abp, filial i Sverige (or any of its other branches) shall be construed as a reference to Nordea Bank Abp as a whole including its head office and all its branches.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (([www.riksbank.se](http://www.riksbank.se))). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly

1.2.5 No delay or omission of the Trustee or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2. STATUS OF THE NOTES**

2.1 The Notes are denominated in SEK and each Note is constituted by the Trust Deed and these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The nominal amount of each Initial Note is SEK 2,000,000 (the "**Nominal Amount**"). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 Provided that no Event of Default is continuing or would result from such issue and subject to the terms of the Trust Deed and the satisfaction of the conditions set out in Condition 4.1, the Issuer may, from time to time, without the consent of the Noteholders, issue Additional Notes having the same interest rate and ranking *pari passu* in all respects and so that the same shall be consolidated and form a single series with the Initial Notes and any other Additional Notes. The issue price of the Additional Notes may be set at a discount or at a premium compared to the Initial Notes. The aggregate nominal amount of Notes is not limited. Each Additional Note shall entitle its holder to Interest in accordance with Condition 8.1, and otherwise have the same rights as the Initial Notes.

2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are mandatorily preferred by law.

2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

## **3. USE OF PROCEEDS**

The Issuer shall use the Net Proceeds to finance or refinance Eligible Assets or Projects in accordance with the Sustainability Bond Framework, either directly or by lending all or a portion of such Net Proceeds to Telemovil El Salvador, S.A. de C.V. for such purposes. The proceeds from any issuance of Additional Notes shall be used for substantially the same purposes, in each case in accordance with the Sustainability Bond Framework.

#### **4. CONDITIONS PRECEDENT**

4.1 Prior to the issuance of any Additional Notes, the Issuer shall provide to the Issuing Agent the following documents and evidence, in form and substance satisfactory to the Issuing Agent (acting reasonably):

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Additional Notes and resolving to enter into any documents necessary in connection therewith;
- (b) a certificate addressed to the Trustee, duly signed by the Issuer, evidencing for the relevant issue of Additional Notes that (i) no Event of Default is continuing or would result from such issue and (ii) in relation to such issue, the requirements of Condition 11.3 have been complied with; and
- (c) such other documents and information as is agreed between the Issuing Agent and the Issuer.

4.2 The Issuing Agent and the Trustee (as the case may be) may assume that the documentation delivered to it pursuant to Condition 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and neither the Issuing Agent nor the Trustee shall be required to verify the contents of any such documentation.

#### **5. NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Lien, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Trustee shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Noteholders.

5.5 The Issuer and the Trustee may use the information referred to in Condition 5.3 and 5.4 only for the purpose of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholders or third party unless necessary for such purpose.

## **6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights of a Noteholder under the Finance Documents on behalf of such Noteholder, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Condition 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

## **7. PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD or the Issuer (or its agent) on the relevant payment date. In other cases, payments will be transferred by the CSD or the Issuer (or its agent) to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall promptly provide notice of such non-payment to the Trustee in accordance with Condition 23 (*Notices and Press Releases*) and procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Condition 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Condition 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount. The Trustee shall have no obligation to ensure any payments or repayments made in accordance with this Condition 7.4 are actually received by the person entitled to such payment or repayment.
- 7.5 Neither the Issuer nor the Trustee shall be liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or similar obligation.

## **8. INTEREST**

- 8.1 Each Initial Note shall bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Additional Note will bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period in accordance with Condition 7.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is one (1) per cent. higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Issuing Agent or the CSD.

## **9. REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first Business Day following the Final Maturity Date.

### **9.2 Purchase of Notes by Group Companies**

Any Group Company may, subject to applicable law, at any time and at any price purchase Notes in the open market or in any other way. Notes held by a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer.

### **9.3 Voluntary total redemption (call option)**

- 9.3.1 At any time on or after the First Call Date, the Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to (i) if redeemed during the 12-month period commencing on 15 May 2022, 101.175 per cent. of the Nominal Amount, (ii) if redeemed during the 12-month period commencing on 15 May 2023, 100.588 per cent. of the Nominal Amount and (iii) if redeemed during the 3-month period commencing on 15 February 2024 and refinanced using the proceeds of, or replaced with, a Market Loan issued in an aggregate principal amount at least equal to the amount of outstanding Notes so redeemed, 100 per cent. of the Nominal Amount, in each case together with accrued but unpaid Interest.
- 9.3.2 Redemption in accordance with Condition 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Trustee. The notice from the Issuer shall specify the Redemption Date and the Record Date on which a person

shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes specified in the notice at the applicable amount on the specified Redemption Date.

#### 9.4 **Early redemption due to illegality (call option)**

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.4.2 The Issuer shall give written notice of redemption pursuant to Condition 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

#### 9.5 **Repurchase with Excess Proceeds (put option)**

9.5.1 If, in accordance with Condition 11.5, the aggregate amount of Excess Proceeds from the disposition of assets by the Issuer or any of its Subsidiaries (other than an Unrestricted Subsidiary) exceeds \$75 million (or its equivalent in any other currency or currencies), the Issuer shall make an offer to repurchase from the Noteholders and from the holders of any Pari Passu Financial Indebtedness, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with this Condition 9.5 or the agreements governing any such Pari Passu Financial Indebtedness, in cash the maximum principal amount of the Notes (at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest if any to the date of purchase) and any such Pari Passu Financial Indebtedness (at a price no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such Pari Passu Financial Indebtedness together with accrued and unpaid interest if any to the date of purchase) that may be purchased with the amount of the Excess Proceeds (an "**Excess Proceeds Offer**").

9.5.2 The Issuer shall give written notice of its offer to redeem pursuant to Condition 9.5.1 no later than twenty (20) Business Days after the end of the 365 calendar day period referred to in Condition 11.5.1(c). The notice from the Issuer is irrevocable, shall specify the amount of Notes that may be repurchased, the Purchase Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Purchase Date.

9.5.3 Each Excess Proceeds Offer will remain open for a period of at least 20 Business Days and not more than 60 Business Days, following its commencement except to the extent that a longer period is required by applicable law (the "**Offer Period**"). No later than three Business Days after the termination of the Offer Period (the "**Purchase Date**"), the Issuer will apply all Excess Proceeds, in the case of an Excess Proceeds Offer (the "**Offer Amount**") to the purchase of the Notes and, if applicable, such other Pari Passu Financial Indebtedness (on a pro rata basis based on the principal amount of the Notes and such other Pari Passu Financial Indebtedness surrendered, if applicable or, if less than the Offer Amount has been tendered, all Notes tendered and, if applicable, other Financial Indebtedness tendered in response to the Excess Proceeds Offer).

- 9.5.4 If the Purchase Date is on or after a record date for the payment of interest and on or before the related payment date, any accrued and unpaid interest, if any, will be paid to the person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Noteholders who tender Notes pursuant to the Excess Proceeds Offer.
- 9.5.5 Upon the commencement of an Excess Proceeds Offer, the Issuer will send, by first class mail, a notice to the Trustee and each of the Noteholders with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Noteholders to tender Notes pursuant to the Excess Proceeds Offer. The notice, which will govern the terms of the Excess Proceeds Offer, will state:
- (a) that the Excess Proceeds Offer is being made pursuant to this Condition 9.5 the length of time the Excess Proceeds Offer will remain open;
  - (b) the Offer Amount, the purchase price and the Purchase Date;
  - (c) that any Note not tendered or accepted for payment will continue to accrue interest;
  - (d) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Excess Proceeds Offer will cease to accrue interest after the Purchase Date;
  - (e) that Notes purchased pursuant to the Excess Proceeds Offer will be purchased in a minimum amount of SEK 2,000,000;
  - (f) the manner in which Noteholders electing to have a Note purchased pursuant to any Excess Proceeds Offer will be required to transfer such Note to the Issuer or its agent before the Purchase Date;
  - (g) the circumstances under which Noteholders will be entitled to withdraw their election prior to the expiration of the Offer Period and the procedures required in relation to such withdrawal; and
  - (h) that, if the aggregate principal amount of Notes and other Pari Passu Financial Indebtedness surrendered by holders thereof exceeds the Offer Amount, the Issuer (or its agent) will randomly select the Notes and other Pari Passu Financial Indebtedness to be purchased on a pro rata basis based on the principal amount of Notes and such other Pari Passu Financial Indebtedness surrendered (provided that Notes will be purchased in a minimum amount of SEK 2,000,000).
- 9.5.6 On or before the Purchase Date, the Issuer will, to the extent lawful, accept for repurchase, the Offer Amount of Notes tendered pursuant to the Excess Proceeds Offer (which Notes shall be randomly selected by the Issuer or its agent if more than the Offer Amount has been tendered), or if less than the Offer Amount has been tendered, all Notes tendered. The Issuer will pay each tendering holder an amount equal to the purchase price of the Notes tendered by such Noteholder and accepted by the Issuer for purchase. Any purchase pursuant to this Condition 9.5 shall not be subject to conditions precedent.
- 9.5.7 To the extent that the amount of Notes and any such Pari Passu Financial Indebtedness purchased pursuant to this Condition 9.5 is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and such Pari Passu Financial Indebtedness for purposes that are not otherwise

prohibited by these Terms and Conditions. Upon completion of each redemption, the amount of Excess Proceeds will be reset to zero.

**9.6 Mandatory repurchase due to a Change of Control Triggering Event or a Listing Failure Event (put option)**

- 9.6.1 Upon the occurrence of a Change of Control Triggering Event or a Listing Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Triggering Event or Listing Failure Event, as applicable, pursuant to Condition 10.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Triggering Event or Listing Failure Event, as applicable.
- 9.6.2 The notice from the Issuer pursuant to Condition 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Condition 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Condition 9.6.1.
- 9.6.3 If Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Condition 9.6, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Condition 9.6.1, send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Condition 9.6.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Condition 9.6.3.
- 9.6.4 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 9.6 by virtue of the conflict.
- 9.6.5 The Issuer shall not be required to repurchase any Notes pursuant to this Condition 9.6, if a third party in connection with the occurrence of a Change of Control Triggering Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Condition 9.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased

- within the time limits stipulated in this Condition 9.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 9.6.6 No repurchase of Notes pursuant to this Condition 9.6 shall be required if the Issuer has given notice of a redemption pursuant to Condition 9.3 (*Voluntary total redemption (call option)*), provided that such redemption is duly exercised.

## **10. INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer shall provide the following information to the Trustee and make the same available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the Issuer's audited consolidated financial statements for that financial year prepared in accordance with IFRS;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the Issuer's consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with IFRS;
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
  - (d) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*), Regulation No 596/2014 on market abuse (*Market Abuse Regulation*), as applicable, and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.
- 10.1.2 The Issuer shall promptly notify the Noteholders and the Trustee in writing upon becoming aware of the occurrence of a Change of Control Triggering Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control and conditioned upon the occurrence of a Change of Control Triggering Event, if a definitive agreement is in place providing for a Change of Control.
- 10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Condition 10.1.1, the Issuer shall send copies of such financial statements and other information to the Trustee. Together with the annual financial statements of the Issuer, the Issuer shall submit to the Trustee a compliance certificate in a form agreed between the Issuer and the Trustee containing a confirmation that no Default or Event of Default has occurred (or if a Default or an Event of Default has occurred, what steps have been taken to remedy it).
- 10.1.4 The Issuer shall promptly notify the Trustee in writing (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes a Default or an Event of Default, and shall provide the Trustee with such further information as the Trustee may reasonably request in writing following receipt of such notice. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge by way of written notice of such event or circumstance.

10.1.5 The Issuer is only obliged to inform the Trustee as set out in this Condition 10 if informing the Trustee would not conflict with any applicable laws or, when the Notes are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee as set out in this Condition 10.

## 10.2 **Information from the Trustee**

10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Trustee in accordance with this Condition 10.2.1 and applicable law, the Trustee is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Trustee may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

10.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders pursuant to Condition 14 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Trustee shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## 10.3 **Publication of Finance Documents**

10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions), together with copies of the Sustainability Bond Framework and the second opinion of Sustainalytics on the Sustainability Bond Framework, shall be available on the website of the Issuer.

10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Trustee during normal business hours.

## 11. **GENERAL UNDERTAKINGS**

### 11.1 **Change of Business**

The Issuer shall ensure that no substantial change is made to the general nature of the business of the Issuer or the Group from that carried on at the First Issue Date, **provided** that this Condition shall not prevent the Issuer from engaging in any Permitted Business.

### 11.2 **Preservation of properties**

Subject to Permitted Discontinuance of Property Maintenance, the Issuer shall (and shall ensure that each other Group Company will) maintain in good repair, working order and condition (ordinary wear and tear excepted) all of its material properties necessary or desirable in the conduct of its business, all in accordance with the judgment of the Issuer (acting reasonably).

### 11.3 **Financial Indebtedness**

The Issuer may not (and shall ensure that no other Group Company will), directly or indirectly incur any Financial Indebtedness, unless:

- (a) at the time of such incurrence or immediately following the incurrence of such Financial Indebtedness and the application of the proceeds thereof, on a pro forma basis, the Net Leverage Ratio is less than 3.0 to 1.0; or
- (b) the Financial Indebtedness is Permitted Financial Indebtedness.

### 11.4 **Negative pledge**

The Issuer shall not (and shall ensure that no other Group Company will), directly or indirectly,

- (a) create or permit to subsist any Lien over any of its assets; or
- (b) (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any Group Company; (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms; (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or (iv) enter into any other preferential arrangement having a similar effect (each of paragraphs (i)-(iv) being a "**Quasi-Security**"), in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,

unless the Lien or Quasi-Security is a Permitted Lien.

### 11.5 **Disposal of Assets**

11.5.1 The Issuer may not, and may not permit any other Group Company to, make any Asset Disposition in one or more related transactions unless:

- (a) the consideration the Issuer or such Group Company receives for such Asset Disposition is not less than the Fair Market Value of the assets sold (as determined by the Issuer's senior management or board of directors); and
- (b) unless the Asset Disposition is a Permitted Asset Swap, at least 75 per cent. of the consideration the Issuer or such Group Company receives in respect of such Asset Disposition consists of:
  - (i) cash or Cash Equivalents;
  - (ii) the assumption of a Group Company's Financial Indebtedness or other liabilities (other than contingent liabilities or Financial Indebtedness or liabilities that are subordinated to the Notes) or Financial Indebtedness or other liabilities of such Group Company relating to such assets and, in each case, the Group Company is released from all liability on the Financial Indebtedness assumed;
  - (iii) any Capital Stock or assets of the kind referred to in paragraphs (c)(iv) or (c)(v) of Condition 11.5.1(c);

- (iv) a combination of the consideration specified in Conditions (i) to (iii) (inclusive) of this Condition 11.5.1(b); and
- (c) within 365 calendar days of such Asset Disposition, the Net Available Proceeds are applied (at the applicable Group Company's option):
  - (i) to repay, redeem, retire or cancel outstanding Financial Indebtedness secured by Lien over the assets of any Group Company;
  - (ii) if such Net Available Proceeds are received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries, first, to redeem Notes or purchase Notes pursuant to an offer to all Noteholders at a purchase price equal to at least 100 per cent. of the principal amount thereof, plus accrued and unpaid interest and second, to the extent any Net Available Proceeds from such Asset Disposition remain, to any other use as determined by the Issuer or the applicable Restricted Subsidiary that is not otherwise prohibited by these Terms and Conditions;
  - (iii) to repurchase, prepay, redeem or repay any Pari Passu Financial Indebtedness; **provided** that if such Net Available Proceeds are received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries, the Issuer makes an offer to all Noteholders on a *pro rata* basis to purchase their Notes in accordance with Condition 9.5 (*Repurchase with Excess Proceeds (put option)*);
  - (iv) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Group Company;
  - (v) to make a capital expenditure or acquire other assets (other than Capital Stock and cash or Cash Equivalents), rights (contractual or otherwise) and properties, whether tangible or intangible (including ownership interests) that are used or intended for use in connection with a Permitted Business;
  - (vi) to the extent permitted, to redeem Notes as provided under Condition 9.3 (*Voluntary total redemption (call option)*) hereof;
  - (vii) enter into a binding commitment to apply the Net Available Proceeds pursuant to paragraphs (iv) or (v) of this Condition 11.5.1(c) (which will be deemed to constitute a permitted application of the Net Available Proceeds from the date of such commitment until the earlier of (X) the date on which such acquisition or expenditure is consummated and (Y) the 180th day following the expiration of the initial 365-day period); or
  - (viii) any combination of the foregoing paragraphs (i) to (vii) (inclusive) of this Condition 11.5.1(c).

11.5.2 For purposes of Condition 11.5.1(c), any securities, notes or other obligations received by a Group Company from such transferee that are promptly converted by the recipient thereof into cash, Cash Equivalents or readily marketable securities (to the extent of the cash, Cash Equivalents or readily marketable securities received in that conversion), shall be deemed cash.

11.5.3 The amount of such Net Available Proceeds received by the Issuer or any of its Subsidiaries that are Restricted Subsidiaries and not applied pursuant to Condition 11.5.1(c) will constitute "**Excess Proceeds**". Pending the final application of any such Net Available Proceeds, the Issuer may temporarily use such Net Available Proceeds in any manner that is not prohibited by the terms of these Terms and Conditions.

## 11.6 **Merger**

The Issuer may not, in a single transaction or a series of related transactions, (i) consolidate with or merge into any other person, or (ii) directly or indirectly, convey, transfer, sell, lease or otherwise dispose of all or substantially all of its assets to any other person, unless:

- (a) the Issuer is the surviving corporation; or (ii) the person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made,
  - (i) shall expressly assume all of the Issuer's obligations under the Trust Deed and these Terms and Conditions and,
  - (ii) is organised under the laws of any member state of the European Union, the United Kingdom, Norway, Switzerland, Canada, Jersey, Guernsey, Mauritius, Cayman Islands, British Virgin Islands, any state of the United States of America or the District of Columbia
- (b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing
- (c) immediately after giving effect to such transaction and treating any Financial Indebtedness which becomes a Group Company's obligation, as applicable, as a result of such transaction as having been incurred at the time of the transaction, (x) a Group Company could incur at least \$1.00 (or its equivalent in any other currency or currencies) of additional Financial Indebtedness pursuant to Condition 11.3 hereof or (y) the Net Leverage Ratio would not be greater than such ratio before giving effect to such transactions; provided that this paragraph (c) will not apply if, in the good faith determination of the Issuer's board of directors the principal purpose of such transaction is to change the Issuer's or the Issuer's jurisdiction of incorporation; and
- (d) the Issuer delivers to the Trustee a certificate stating that such consolidation, merger or transfer complies with this Condition 11.6.

## 11.7 **Admission to trading and listing**

11.7.1 The Issuer shall use all reasonable efforts to ensure that within one hundred twenty (120) calendar days after each of the First Issue Date and the date of issuance of any Additional Notes, the Note Loan is admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

11.7.2 Following an admission to trading and listing on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), the Issuer shall use all reasonable efforts to ensure that the Notes continue being listed thereon (however, taking into account the rules and regulations of Nasdaq Stockholm (or any other Regulated

Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

## 11.8 Designation of Unrestricted Subsidiaries

- 11.8.1 (a) The Issuer may designate, after the First Issue Date, any Subsidiary of the Issuer (including any newly created or acquired Subsidiary) as an "**Unrestricted Subsidiary**" (a "**Designation**") only if, at the time of or after giving effect to such Designation:
- (b) no Default or Event of Default shall have occurred and be continuing;
- (c) a Group Company could incur US\$1.00 (or its equivalent in any other currency or currencies) of Financial Indebtedness pursuant to Condition 11.3(a); and
- (d) the aggregate Investments (other than Permitted Investments) by the Group in all Unrestricted Subsidiaries shall not exceed the greater of (x) \$950,000,000 or (y) 10 per cent. of Total Assets at any time outstanding.
- 11.8.2 No Group Company will at any time:
- (a) provide credit support for, subject any of its property or assets (other than Liens over the Capital Stock, Financial Indebtedness and other securities of any Unrestricted Subsidiary securing Financial Indebtedness of that Unrestricted Subsidiary and its Subsidiaries) to the satisfaction of, or Guarantee, any Financial Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Financial Indebtedness);
- (b) be directly or indirectly liable for any Financial Indebtedness of any Unrestricted Subsidiary;
- (c) be directly or indirectly liable for any Financial Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Financial Indebtedness of any Unrestricted Subsidiary; or
- (d) make any Investment (other than a Permitted Investment) in any Unrestricted Subsidiary to the extent such Investment, together with the aggregate Investments in all Unrestricted Subsidiaries then outstanding, exceeds the amount set out in Condition 11.8.1(d).
- 11.8.3 The Issuer may redesignate an Unrestricted Subsidiary as a Restricted Subsidiary (a "**Redesignation**") only if all Liens and Financial Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Redesignation if incurred at such time would have been permitted to be incurred for all purposes of these Terms and Conditions.
- 11.8.4 For purposes of this Condition 11.8:
- (a) "**Investments**" shall equal the portion (proportionate to the Issuer's direct or indirect equity interest in a Restricted Subsidiary to be Designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time of the Designation of such Subsidiary as an Unrestricted Subsidiary;

- (b) The aggregate Investments (other than Permitted Investments) by the Issuer and its Restricted Subsidiaries in all Unrestricted Subsidiaries shall be reduced upon the Redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary by an amount equal to the lesser of (x) the Issuer's direct or indirect "Investment" in such Unrestricted Subsidiary at the time of such Redesignation, and (y) the portion (proportionate to the Issuer's direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such Redesignation;
  - (c) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Issuer; and
  - (d) the amount of any Investment outstanding at any time shall be reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received by the Group in respect of such Investment.
- 11.8.5 The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all Subsidiaries of such Subsidiary as Unrestricted Subsidiaries.
- 11.8.6 All Designations and Redesignations shall be evidenced by an Officer's Certificate of the Issuer, delivered to the Trustee certifying compliance with this Condition 11.8.
- 11.9 **Financial Calculations for Limited Condition Transactions**
- 11.9.1 In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of these Terms and Conditions which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Issuer, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, if the Issuer has exercised its option under the first sentence of this paragraph, and any Default or Event of Default occurs following the date such definitive agreement for a Limited Condition Transaction is entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.
- 11.9.2 In connection with any action being taken in connection with a Limited Condition Transaction for purposes of:
- (a) determining compliance with any provision of these Terms and Conditions which requires the calculation of any financial ratio or test, including the Net Leverage Ratio; or
  - (b) testing baskets set forth in these Terms and Conditions (including baskets measured as a percentage of Total Assets);
- in each case, at the option of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be

the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the "**LCT Test Date**"); *provided*, however, that the Issuer shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated EBITDA" and "Net Leverage Ratio", the Issuer or any Restricted Subsidiary could have taken such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with.

- 11.9.3 If the Issuer has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets, of the Issuer and its Restricted Subsidiaries at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under these Terms and Conditions (including with respect to the Incurrence of Debt or Liens, or the making of Asset Dispositions, acquisitions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Issuer or any Restricted Subsidiary or the Designation of an Unrestricted Subsidiary) on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) have been consummated.

#### 11.10 **Suspension of certain covenants**

If on any date following the First Issue Date, the Issuer is assigned an external credit rating of at least BBB- (or equivalent) by two Rating Agencies and no Event of Default is continuing then the Issuer shall notify the Trustee in writing of these events and beginning on that date and until such time as the Issuer ceases to have an external credit rating of at least BBB- (or equivalent) by either such Rating Agency, Conditions 11.3 (*Financial Indebtedness*), 11.5 (*Disposal of assets*), and paragraph (c) of Condition 11.6 (*Merger*) shall not apply. Any action taken by a Group Company during any such covenant suspension that would otherwise give rise to a breach of the aforementioned Conditions upon such covenant suspension ceasing to be in effect shall be deemed not to be a breach of these Terms and Conditions.

### 12. **ACCELERATION OF THE NOTES**

- 12.1 Subject to Condition 12.2, the Trustee at its discretion may, and shall following an instruction in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such instruction may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the instruction is received by the Trustee) and in both instances, the Noteholder or Noteholders (as applicable) have offered an indemnity and/or security and/or pre-funding satisfactory to the Trustee (i) by notice to the Issuer, declare all, but not some

only, of the outstanding Notes immediately due and repayable at their Total Nominal Amount together with any other amounts payable under the Trust Deed (including, without limitation, pursuant to Condition 12.5) immediately or at such later date as the Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents if any of the following events occurs and is continuing:

- (a) the Issuer does not pay on the due date any principal of, or (if any) premium on any Note when due (at maturity, upon redemption or otherwise);
- (b) the Issuer does not pay on the due date any interest payable in respect of the Notes and such failure is not remedied within thirty (30) days from the relevant Interest Payment Date;
- (c) the Issuer does not pay on the due date any principal and interest on the Notes required to be purchased pursuant to Condition 9.5 or 9.6;
- (d) the Issuer does not comply with the provisions of Condition 11.6;
- (e) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) through (d) above), unless the non-compliance (i) is capable of remedy; and (ii) is remedied within sixty (60) days of the earlier of notice to the Issuer by the Trustee or Noteholders of at least 25 per cent. in aggregate principal amount of Notes outstanding;
- (f) the occurrence of a Cross Payment Default or a Cross Acceleration, unless the aggregate amount of Financial Indebtedness which is the subject of the Cross Payment Default or Cross Acceleration, as applicable, is less than \$100,000,000 (or its equivalent in any other currency or currencies), without double counting;
- (g) a Group Company fails to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100,000,000 (or its equivalent in any other currency or currencies) (exclusive of any amounts for which a solvent insurance company has acknowledged liability), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;
- (h) (i) a Material Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)); (ii) the value of the assets of any Material Company is less than its liabilities (taking into account contingent and prospective liabilities); or (iii) a moratorium is declared in respect of any indebtedness of any Material Company;
- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise, other than a

solvent reorganisation in which the relevant Material Company is the surviving entity) of any Material Company;

- (ii) a general assignment, arrangement or composition with or for the benefit of the creditors of any Material Company;
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Company other than the Issuer), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Material Company or any of its assets; or
- (iv) enforcement of any Lien over any assets of any Material Company,

or any analogous procedure or step is taken in any jurisdiction. This Condition (i) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

- 12.2 The Trustee may not accelerate the Notes in accordance with Condition 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default temporarily or permanently.
- 12.3 The Trustee may, or the Noteholders of at least fifty (50) per cent. of the Adjusted Nominal Amount may on demand in writing to the Trustee, waive all past or existing Events of Default (other than with respect to non-payment) and may rescind any such acceleration with respect to the Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction and if all amounts then due with respect to the Notes are paid (other than amount due solely because of such acceleration) and all other defaults with respect to the Notes are cured.
- 12.4 The Trustee shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee receives actual knowledge by way of written notice that an Event of Default has occurred and is continuing seek instructions from the Noteholders in accordance with Condition 14 (*Decisions by Noteholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.5 If the Noteholders instruct the Trustee to accelerate the Notes in accordance with Condition 12.1, the Trustee shall promptly declare the Notes due and payable and take such actions as the Noteholders deem to be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.6 If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.7 In the event of an acceleration of the Notes in accordance with this Condition 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

### **13. DISTRIBUTION OF PROCEEDS**

13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Condition 11.8 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee in accordance with the Trust Deed (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights as may have been incurred by the Trustee, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Condition 18.2.5, and (iv) any costs and expenses incurred by the Trustee in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Condition 14.13;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

13.2 Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Notes shall be held on trust by the Trustee on the terms set out in the Trust Deed. The Trustee shall arrange for payments of such funds in accordance with this Condition 13 as soon as reasonably practicable.

13.3 If the Issuer or the Trustee shall make any payment under this Condition 13, the Issuer or (in the case of payments by the Trustee) the Trustee, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Condition 7.1 shall apply.

### **14. DECISIONS BY NOTEHOLDERS**

14.1 A request by the Trustee for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

14.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Trustee) for a decision by the Noteholders on a matter

- relating to the Finance Documents shall be directed to the Trustee and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 14.3 The Trustee may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a person who is, or who has been provided with a power of attorney pursuant to Condition 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Condition 16.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 14.5 The following matters shall require the consent of Noteholders representing at least sixty six and two thirds (66-2/3) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16.2:
- (a) a change to the terms of any of Condition 2.1, and Conditions 2.5 to 2.7;
  - (b) a reduction of any premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms for the distribution of proceeds set out in Condition 13 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Condition 14;
  - (f) an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (g) a mandatory exchange of the Notes for other securities; and
  - (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Condition 11.8 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 14.6 Any matter not covered by Condition 14.5 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which

Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Condition 16.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Condition 17.1(a) or (b)), an acceleration of the Notes.

14.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Condition 14.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

14.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Noteholders' Meeting (in accordance with Condition 15.1) or initiate a second Written Procedure (in accordance with Condition 16.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Condition 14.8, the date of request of the second Noteholders' Meeting pursuant to Condition 15.1 or second Written Procedure pursuant to Condition 16.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Condition 14.7 shall not apply to such second Noteholders' Meeting or Written Procedure.

14.9 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as applicable.

14.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

14.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

14.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders and vice versa.

- 14.13 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 14.14 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 14.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Trustee, as applicable.

## **15. NOTEHOLDERS' MEETING**

- 15.1 The Trustee shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 15.2 Should the Issuer wish to replace the Trustee, it may convene a Noteholders' Meeting in accordance with Condition 15.1 with a copy to the Trustee. After a request from the Noteholders pursuant to Condition 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders Meeting in accordance with Condition 15.1.
- 15.3 The notice pursuant to Condition 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 15.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 15.5 Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **16. WRITTEN PROCEDURE**

- 16.1 The Trustee shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the

- Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Trustee which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 16.2 Should the Issuer wish to replace the Trustee, it may instigate a Written Procedure in accordance with Condition 16.1 with a copy to the Trustee.
- 16.3 A communication pursuant to Condition 16.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Condition 16.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.4 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Conditions 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Condition 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.
- 17. AMENDMENTS AND WAIVERS**
- 17.1 The Issuer and the Trustee (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Condition 14 (*Decisions by Noteholders*).
- 17.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 17.3 The Trustee shall promptly notify the Noteholders of any amendments or waivers made in accordance with Condition 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Condition 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Trustee, as the case may be.

## **18. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE**

### **18.1 Appointment of the Trustee**

- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Trustee to act pursuant to the Trust Deed as trustee in all matters relating to the Notes and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions or the Trust Deed) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each Additional Noteholder confirms such appointment and authorisation for the Trustee to act on its behalf.
- 18.1.2 The Trustee shall not be bound to take any action in relation to the Trust Deed and these Terms and Conditions unless directed to do so in accordance with Conditions 14, 15 and/or 16, as applicable, and it has been indemnified and/or secured and/or prefunded to its satisfaction.
- 18.1.3 The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Trustee's obligations as Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Trustee may act as Trustee or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **18.2 Duties of the Trustee**

- 18.2.1 The Trustee shall represent the Noteholders in accordance with the Finance Documents. The Trustee is not responsible for the execution or enforceability of the Finance Documents.
- 18.2.2 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Noteholders. The Trustee shall carry out its duties under the Finance Documents with the degree of care and diligence required of it as a trustee having regard to the provisions of the Trust Deed and the other Finance Documents.
- 18.2.3 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 18.2.4 The Trustee shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 18.2.5 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Trustee reasonably

- believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Condition 13 (*Distribution of proceeds*).
- 18.2.6 The Trustee shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Trustee, as may be necessary in order for the Trustee to carry out its duties under the Finance Documents.
- 18.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.8 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Lien has been provided therefore) as it may reasonably require.
- 18.2.9 The Trustee shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or (ii) if it refrains from acting for any reason described in Condition 18.2.8.
- 18.3 Limited liability for the Trustee**
- 18.3.1 The Trustee will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence, wilful default or fraud. The Trustee shall never be responsible for indirect or consequential loss.
- 18.3.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Noteholders, provided that the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.
- 18.3.4 The Trustee shall have no liability to the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with Condition 14 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Condition 12.1.
- 18.3.5 Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

#### 18.4 **Replacement of the Trustee**

- 18.4.1 Subject to Condition 18.4.6, the Trustee may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Trustee at a Noteholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- 18.4.2 Subject to Condition 18.4.6, if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer), require that a Noteholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Trustee be dismissed and a new Trustee appointed.
- 18.4.4 If the Noteholders have not appointed a successor Trustee within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- 18.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- 18.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- 18.4.7 Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.
- 18.4.8 In the event that there is a change of the Trustee in accordance with this Condition 18.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee agree otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

## **18.5 New Trustee and Separate and Co-Trustees**

- 18.5.1 One or more persons may hold office as trustee or trustees under the Trust Deed but such trustee or trustees shall be or include a trust corporation. The power to appoint a new trustee under the Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by the Noteholders pursuant to Condition 14.6. Any appointment of a new trustee shall as soon as practicable thereafter be notified by the Issuer to the Noteholders in accordance with these Terms and Conditions.
- 18.5.2 Notwithstanding the above, the Trustee may appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee in certain circumstances.

## **19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 19.1 The Issuer has appointed the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed.

## **20. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on a Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

## **21. NO DIRECT ACTIONS BY NOTEHOLDERS**

No Noteholder shall itself be entitled to proceed directly against the Issuer unless the Trustee, having become bound to so proceed, fails to do so within a reasonable time and such failure is continuing. Further, a Noteholder may not take any steps whatsoever to enforce or recover any amount due or owing to it pursuant to the Trust Deed and/or the Notes, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Trust Deed and/or the Notes. Such steps may only be taken by the Trustee.

## **22. PRESCRIPTION**

The right to receive repayment of the principal of the Notes shall become prescribed ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void five (5) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed.

## **23. NOTICES AND PRESS RELEASES**

### **23.1 Notices**

23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Trustee, shall be given at Sveavägen 9, 111 57 Stockholm;
- (b) if to the Issuer, shall be given at the address specified on its website ([www.millicom.com](http://www.millicom.com)) on the Business Day prior to dispatch; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Trustee.

23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Trustee, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 23.1.1, or, in case of email, when received in readable form by the email recipient.

23.1.3 Any notice pursuant to the Finance Documents shall be in English.

23.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

### **23.2 Press releases**

23.2.1 Any notice that the Issuer or the Trustee shall send to the Noteholders pursuant to Conditions 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 9.5 (*Repurchase with Excess Proceeds*), 10.1.2, 12.4, 14.15, 15.1, 16.1 and 17.3 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

23.2.2 In addition to Condition 23.2.1, if any information relating to the Notes, the Issuer contained in a notice the Trustee may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Trustee shall be entitled to issue such press release.

## **24. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 24.1 Neither the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Condition 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 25.1 No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent, if any, that the Notes expressly provide for such Act to apply to any of their terms. This does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 25.2 For the avoidance of doubt, the Issuing Agent is intended by the parties to this Agreement to have the rights under the Contract (Rights of Third Parties) Act 1999 to enforce the terms of Condition 4 (*Condition Precedent*)

## **26. GOVERNING LAW AND JURISDICTION**

- 26.1 The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with English law. For the avoidance of doubt, the articles 470-1 to Article 470-19 of the Luxembourg law dated 10 August 1915 as amended are excluded.
- 26.2 The Issuer has in the Trust Deed agreed for the benefit of the Trustee and the Noteholders that the English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with the Trust Deed or the Notes (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by the Trust Deed and the Notes; and (ii) any non-contractual obligation arising out of or in connection with the Trust Deed and the Notes and accordingly submits to the exclusive jurisdiction of the English courts. For such purposes each of the Issuer and the Trustee irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.
- 26.3 Notwithstanding that, under the Financial Instruments Accounts Act or the operating procedures, rules and regulations of the CSD, (together, the "**Swedish Remedies**"), holders of the Notes may have remedies against the Issuer or for non-payment or non-performance under the Trust Deed and the Notes, a Noteholder must first exhaust all available remedies in the courts of England and Wales for non-payment or non-

performance before any proceedings may be brought against the Issuer in Sweden in respect of the Swedish Remedies. Notwithstanding the above, and in this limited respect only, a Noteholder may not therefore take concurrent proceedings in Sweden.

26.4 The Issuer:

- (a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes; and
- (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with the Trust Deed and the Notes or any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

26.5 To the extent permitted by law, the Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed and the Notes against the Issuer in any other court of competent jurisdiction.

26.6 The Issuer shall appoint an agent in England to which service of process and any other documents in proceedings in England in connection with the Trust Deed and the Notes, including these Terms and Conditions may be made and any such documents may be served. Any writ, judgment or other notice of legal process shall be sufficiently served on the Issuer, if delivered to it (or, if appointed, such agent) at its address in England for the time being. The Issuer undertakes with the Trustee not to revoke the authority of any such agent without the prior written consent of the Trustee.

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