

Vonage Merger Agreement

On November 22, 2021, Ericsson, Vonage Holdings Corp. ("Vonage") and Ericsson Muon Holding Inc. ("Ericsson Muon") entered into an Agreement and Plan of Merger (the "Vonage Merger Agreement") providing for the acquisition of Vonage by Ericsson.

The Vonage Merger Agreement provides that, among other things, upon the terms and subject to the conditions set forth in the Vonage Merger Agreement, Ericsson Muon will merge with and into Vonage, with Vonage continuing as the surviving corporation and an indirect wholly owned subsidiary of Ericsson. Pursuant to the Vonage Merger Agreement, each share of common stock, par value \$0.001 USD per share, of Vonage prior to the effective time of the merger (other than specific exceptions noted in the Vonage Merger Agreement) were converted into the right to receive \$21.00 USD per share in cash, without interest.

The Vonage Merger Agreement was subject to customary representations and warranties, and customary covenants and agreements. On July 21, 2022, Ericsson completed the acquisition of Vonage through an all cash transaction for approximately \$6.2 billion USD.

Cradlepoint Merger Plan Agreement

On September 18, 2020, Ericsson and Cradlepoint Inc. ("Cradlepoint"), a US company providing wireless WAN Edge 4G and 5G solutions, entered into an agreement and plan of merger (the "Cradlepoint Merger Plan Agreement"). Pursuant to the Cradlepoint Merger Plan Agreement, Ericsson acquired all of the shares of Cradlepoint, and Cradlepoint became an indirect wholly owned subsidiary of Ericsson while continuing to operate under its existing brand, for a purchase price of SEK 9.5 billion (approximately \$1.1 billion USD).

The Cradlepoint Merger Plan Agreement was subject to customary representations and warranties, and customary covenants and agreements. On November 2, 2020, Ericsson completed the acquisition of Cradlepoint.

D. Exchange Controls

There is no Swedish legislation affecting the import or export of capital or the remittance of dividends, interest or other payments to non-resident holders of our securities, except that, subject to the provisions in any tax treaty, dividends are subject to withholding tax.

E. Taxation

General

The taxation discussion set forth below does not purport to be a complete analysis or listing of all potential tax effects relevant to the acquisition, ownership or disposition of Class B shares or ADSs. The statements of United States and Swedish tax laws set forth below are based on the laws in force as of the date of this report and may be subject to any changes in United States or Swedish law, and in any double taxation convention or treaty between the United States and Sweden, occurring after that date, which changes may then have a retroactive effect.

Specific tax provisions may apply for certain categories of taxpayers. Your tax treatment if you are a holder of Class B shares or ADSs depends in part on your particular situation. If you are a holder of Class B shares or ADSs, you should, therefore, consult a tax advisor as to the tax consequences relating to your particular circumstances resulting from the ownership of Class B shares or ADSs.

The tax consequences to holders of ADSs, as discussed below, apply equally to holders of Class B shares.

Certain Swedish Tax Considerations

This section describes the material Swedish income and net wealth tax consequences for a holder of ADSs or Class B shares who is not considered to be a Swedish resident for Swedish tax purposes. This section applies to you only if you are a holder of portfolio investments representing less than 10% of capital and votes and is not applicable if the ADSs or Class B shares pertain to a permanent establishment or fixed place of business in Sweden.

Taxation on Capital Gains

Generally, non-residents of Sweden are not liable for Swedish capital gains taxation with respect to the sale of ADSs or Class B shares. However, under Swedish tax law, capital gains from the sale of shares in Swedish companies and certain other securities by an individual may be taxed in Sweden at a rate of 30% if the seller has been a resident of Sweden or has lived permanently in Sweden at any time during the year of the sale or the 10 calendar years preceding the year of the sale (absent treaty provisions to the contrary). The provision is applicable to ADSs or Class B shares. From January 1, 2008, the rule has been extended so that it also applies to shares in foreign companies, provided that the shares were acquired during the time that the person was liable to tax in Sweden.

This provision may, however, be limited by tax treaties that Sweden has concluded with other countries. Under the tax treaty between Sweden and the United States (the "U.S. Tax Treaty"), this provision applies for ten years from the date the individual became a non-resident of Sweden.

Taxation on Dividends

A Swedish dividend withholding tax at a rate of 30% is imposed on dividends paid by a Swedish corporation, such as us, to non-residents of Sweden. The same withholding tax applies to certain other payments made by a Swedish corporation, including payments as a result of redemption of shares and repurchase of stock through an offer directed to its shareholders. Exemption from the withholding tax or a lower tax rate may apply by virtue of a tax treaty. Under the U.S. Tax Treaty, the withholding tax on dividends paid on portfolio investments to eligible U.S. holders is reduced to 15%.

Under all Swedish tax treaties, except the tax treaty with Switzerland, withholding tax at the applicable treaty rate should be withheld by the payer of the dividends. With regard to dividends paid from shares in corporations registered with the Euroclear Sweden (such as our shares), a reduced rate of

dividend withholding tax under a tax treaty is generally applied at the source by the Euroclear Sweden or, if the shares are registered with a nominee, the nominee, as long as the person entitled to the dividend is registered as a non-resident and sufficient information regarding the tax residency of the beneficial owner is available to the Euroclear Sweden or the nominee.

In those cases where Swedish withholding tax is withheld at the rate of 30% and the person who received the dividends is entitled to a reduced rate of withholding tax under a tax treaty, a refund may be claimed from the Swedish tax authorities before the end of the fifth calendar year following the year that the distribution was made.

Certain United States Federal Income Tax Consequences

The following discussion is a summary of the material United States federal income tax consequences relevant to the ownership and disposition of ADSs or Class B shares. This discussion is based on the tax laws of the United States (including the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed U.S. Treasury regulations thereunder, published rulings and court decisions) as in effect on the date hereof, all of which are subject to change, possibly with retroactive effect. The discussion is not a full discussion of all tax considerations that may be relevant to the ownership and disposition of ADSs or Class B shares, and does not address the Medicare tax on net investment income or the effects of any state, local or non-U.S. tax laws. The discussion applies only if you hold the ADSs and/or the Class B shares as capital assets and you use the USD as your functional currency. It does not deal with the tax treatment of investors subject to special rules, such as grantor trusts, real estate investment trusts, regulated investment companies, banks, brokers or dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of recording for their securities holdings, financial institutions, insurance companies, persons required to accelerate the recognition of any item of gross income with respect to our ADSs or Class B shares as a result of such income being recognized on an applicable financial statement, tax-exempt entities, investors liable for alternative minimum tax, holders (either actually or constructively) of 10% or more of the voting power or the value of our shares, persons holding ADSs and/or Class B shares as part of a hedging, straddle, conversion or constructive sale transaction and persons who are resident or ordinarily resident in Sweden. In addition, investors holding ADSs and/or Class B shares indirectly through partnerships are subject to special rules not discussed below. You should consult your tax advisors about the United States federal, state, local and non-U.S. tax consequences to you of the ownership and disposition of the ADSs or Class B shares.

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The discussion below is not binding on the U.S. Internal Revenue Service (the “IRS”) or any court. Therefore, we can provide no assurance that the United States federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS.

The discussion below applies to you only if you are a beneficial owner of ADSs and/or Class B shares not resident in Sweden for purposes of the U.S. Tax Treaty and you are, for United States federal income tax purposes, (1) a citizen or resident of the United States, (2) a corporation or any other entity treated as a corporation that is organized in or under the laws of the United States or its political subdivisions, including the District of Columbia, (3) a trust if all of the trust’s substantial decisions are subject to the control of one or more United States persons and the primary supervision of the trust is subject to a United States court, or if a valid election is in effect with respect to the trust to be taxed as a United States person, or (4) an estate the income of which is subject to United States federal income taxation regardless of its source.

The discussion below assumes that the representations contained in the deposit agreement governing the ADSs are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with the terms. If you hold ADSs, you are expected to be treated as the holder of the underlying Class B shares represented by those ADSs for United States federal income tax purposes. The remainder of this discussion assumes that a holder of ADSs will be treated in this manner.

Dividends

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions paid (before reduction for any Swedish withholding taxes) with respect to the ADSs or Class B shares generally will be included in your gross income as ordinary income from foreign sources to the extent paid out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes). Distributions in excess of earnings and profits will be treated as a non-taxable return of capital to the extent of your adjusted tax basis in the ADSs or Class B shares and thereafter as capital gain. Because we do not maintain calculations of our earnings and profits under United States federal income tax principles, you should expect all distributions will be reported as dividends for United States federal income tax purposes. The dividends will not be eligible for the dividends received deduction available to corporations in respect of dividends received from other U.S. corporations. The amount of any distribution paid in SEK will be the USD value of the distribution payment based on the spot rate of exchange in effect on the date of receipt (or constructive receipt) by you, in the case of Class B shares, or by the depository, in the case of ADSs, whether or not the payment is converted into USD at that time. Your tax basis in the SEK received will equal such USD amount. Gain or loss, if any, recognized on a subsequent sale or conversion of the SEK will be U.S. source ordinary income or loss.

If you are a non-corporate holder of ADSs or Class B shares, dividends you receive on the ADSs or Class B shares may be taxed at the lower applicable long-term capital gains rate provided that (1) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend was paid or the preceding taxable year, (2) certain holding period requirements are met, (3) you are not under any obligation to make related payments with respect to substantially similar or related property and (4) either (a) in the case of ADSs our ADSs continue to be listed on the NASDAQ Stock Market (or a national securities exchange that is registered under section 6 of the Securities Exchange Act of 1934, as amended) or (b) we are eligible for the benefits of the U.S. Tax Treaty. You should consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs or Class B shares.

Subject to certain limitations, you will generally be entitled to receive credit against your United States federal income tax liability (or a deduction against your United States federal taxable income) with respect to any Swedish tax withheld in accordance with the U.S. Tax Treaty and paid over to Sweden. If a refund of the tax withheld is available to you under the laws of Sweden or under the U.S. Tax Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against your United States federal income tax liability (and will not be eligible for the deduction in computing your United States federal taxable income). For foreign tax credit limitation purposes, dividends will be income from sources without the United States, and will generally be treated as “passive category income” (or, in the case of certain holders, “general category income”). There are significant and complex limits on your ability to claim foreign tax credits, and recently issued U.S. Treasury regulations that apply to non-U.S. income taxes paid or accrued in taxable years beginning on or after December 28, 2021 further restrict the availability of any such credit based on the nature of the withholding tax imposed by the non-U.S. jurisdiction, such as Sweden. You should consult your tax advisors regarding the creditability or deductibility of any withholding taxes.

Sale or Exchange of ADSs or Class B shares

Subject to the passive foreign investment company rules discussed below, you will generally recognize capital gain or loss on the sale or other disposition of the ADSs or Class B shares equal to the difference between the USD value of the amount realized and your adjusted tax basis (determined in USD) in the ADSs or Class B shares. Such gain or loss will generally be long-term capital gain or loss if you have held the ADSs or Class B shares for more than one year, and will generally be treated as arising from U.S. sources for foreign tax credit limitation purposes. If you are a non-corporate holder of ADSs or Class B Shares, long-term capital gains are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

The amount realized on a disposition of ADSs or Class B shares for cash will generally be the amount of cash you receive for the ADSs or Class B shares (which, in the case of payment in a non-U.S. currency, will equal the USD value of the payment received generally determined on the date of disposition). If the ADSs or Class B shares are treated as traded on an “established securities market” for United States federal income tax purposes and you are a cash basis taxpayer or an accrual basis taxpayer making a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the USD value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale.

If you are an accrual basis taxpayer and do not make the special election, you will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the trade date and the settlement date, and such exchange gain or loss will be U.S. source ordinary income or loss.

Your initial tax basis in ADSs or Class B shares generally will equal the cost of such ADSs or Class B

shares. If you used non-U.S. currency to purchase ADSs or Class B shares, the cost of such ADSs or Class B shares generally will be the USD value of the non-U.S. currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If ADSs or Class B shares are treated as traded on an “established securities market” for United States federal income tax purposes and you are a cash basis taxpayer or an accrual basis taxpayer making a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the USD value of the cost of such ADSs or Class B shares by translating the amount paid at the spot rate of exchange on the settlement date of purchase.

Passive Foreign Investment Company Status

A non-U.S. corporation is a passive foreign investment company (a “PFIC”) in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (a) at least 75% of its gross income is passive income or (b) at least 50% of the quarterly average value of its assets is attributable to assets that produce or are held to produce passive income. For this purpose, passive income includes interest, dividends, gains from transactions in commodities (other than certain active business gains from the sale of commodities) and other investment income, with certain exceptions. The PFIC rules also contain a look-through rule whereby we will be treated as owning our proportionate share of the gross assets and earning our proportionate share of the gross income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock. Based on the market value of our shares, the composition of our assets and income and our operations, we believe we were not a PFIC during the year 2022. However, whether or not we will be considered a PFIC will depend on the nature and source of our income and the composition and value of our assets, as determined from time to time. There can be no assurance that we will not be a PFIC for current or future taxable years. If we are treated as a PFIC, we will not provide information necessary for the “qualified electing fund” election as the term is defined in the relevant provisions of the Code. You should consult your tax advisors about the consequences of our potential classification as a PFIC.