

**THIRD SUPPLEMENT DATED 24 MAY 2021 TO THE OFFERING CIRCULAR DATED 30
OCTOBER 2020**



Telefonaktiebolaget LM Ericsson (publ)

(incorporated in the Kingdom of Sweden with limited liability)

**U.S.\$5,000,000,000
Euro Medium Term Note Programme**

This Supplement (the **Supplement**) to the Offering Circular (the **Offering Circular**) dated 30 October 2020 which, together with the Supplement dated 29 January 2021 (the **First Supplement**) and the Supplement dated 17 May 2021 (the **Second Supplement**), comprises a base prospectus for the purposes of the UK Prospectus Regulation and constitutes a supplement to the prospectus for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the U.S.\$5,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Telefonaktiebolaget LM Ericsson (publ) (the **Issuer**).

Terms defined in the Offering Circular have the same meaning when used in this Supplement. When used in this Supplement, **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**).

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular, the First Supplement, the Second Supplement and any other supplements to the Offering Circular issued by the Issuer.

This Supplement has been approved by the FCA, as the United Kingdom competent authority under the UK Prospectus Regulation, as a supplement to the Offering Circular in compliance with the UK Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is to amend the risk factor relating to geopolitical and trade uncertainty incorporated in the Offering Circular by virtue of incorporation by reference in the First Supplement of the Issuer's unaudited interim consolidated financial statements for the fourth quarter and the twelve months ended 31 December 2020 (the **2020 Q4 Report**).

Amendment to one of the Risk Factors

The risk factor below the heading "**Ongoing geopolitical and trade uncertainty from a range of factors may have a material adverse impact on our business, operations, business prospects and consequently on operating results, financial conditions and our ability to meet our targets**" incorporated from page 17 of the 2020 Q4 Report shall be deleted in its entirety and replaced with the following:

"In addition to what is set forth in the Annual Report 2019 Risk Factor section, items 1.2 and 3.2, these uncertainties include the effects from ongoing trade disputes – notably between the US and

China, and the uncertainty on how the change in US administration may impact that trade dispute. There are uncertainties for the future bilateral trading relationship between China and several countries as a result of restrictions towards Chinese vendors in national 5G networks. Restrictions have been adopted in several countries such as Australia, Canada, France, Japan, UK, and the US. In Sweden, the Post and Telecommunication Authority (PTS) has taken a decision to exclude Chinese vendors' products from the 5G auction. Of special relevance for Ericsson in this context is the trade relationship between Sweden and China, since Ericsson, even though it is a global company with a presence on all global markets, has its headquarters in Sweden and therefore risks collateral damages from a weakened Swedish-Chinese relationship as a result of this decision. There is a risk that the above lead to measures taken by China that are targeted at the economic interests of Sweden and Swedish industry, including those of Ericsson. While Ericsson is invited to various ongoing tender processes in China, the final outcome remains uncertain and it is the company's current assessment that the risk has increased that Ericsson will in those tenders be allocated a significantly lower market share than its current market share.

In China a new export control law applies from December 1, 2020 with additional controls for a list of products and a Chinese legislation with an unreliable entity list can target companies deemed to be causing harm to Chinese interests. In January 2021 China also issued regulations setting up a mechanism to review foreign investments for national security implications that would allow authorities to reject or limit foreign investments in China. These measures might impact the ability to operate in China or to use China in global value chains.

The geopolitical situation can have consequences on the entire industry, with an increased likelihood of further industry split, separation of global value chains and separation of global standards for mobile telecommunications. This overall development has also led to several countries evaluating how to ensure uninterrupted access to telecommunication network infrastructure, for example through promoting disaggregation of the Radio Access Network and support of national communication network infrastructure champions as alternative to the established global vendors such as Ericsson although the timing and extent of this remains unclear.

All of the above may have a material and potentially lasting adverse impact on our business, including sales, market share, market access and supply chain and R&D activities, our financial condition and results of operations.”

General Information

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, as supplemented by the First Supplement and the Second Supplement, the statements in (a) above will prevail.

Save as disclosed in this Supplement, the First Supplement and the Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.