

(a) Reduction of the share capital by way of cancellation of own shares and (b) increase of the share capital by way of bonus issue

(a) Reduction of the share capital by way of cancellation of own shares

The Board of Directors proposes that the annual general meeting 2019 resolves to reduce the share capital by way of cancellation of own shares which were repurchased under the SEK 5 billion share buy-back program that Telia Company announced on April 20, 2018. The reduction of the share capital shall be made with a total of SEK 385,742,099.20 by way of cancellation of a total of 120,544,406 shares. The purpose of the reduction is allocation to unrestricted equity to be used as resolved by the annual general meeting in accordance with item (b) below.

The resolution to reduce the share capital under this item (a) may be effectuated without obtaining an authorization from the Swedish Companies Registration Office or, in disputed cases, a court of general jurisdiction, as the Company simultaneously effectuates a bonus issue, as set out under item (b) below, with an amount corresponding to no less than the amount the share capital is being reduced with, as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced.

(b) Increase of the share capital by way of bonus issue

With the purpose of restoring the share capital after the proposed reduction of the share capital, as set out under item (a) above, the Board of Directors proposes that the annual general meeting 2019 at the same time resolves to increase the share capital by way of a bonus issue with an amount corresponding to SEK 385,742,099.20, which equals the amount the share capital is reduced with by way of cancellation of shares, as set out under item (a) above. The bonus issue shall be carried out with the amount being transferred from unrestricted equity without the issuance of new shares.

The Board of Directors proposes that the resolutions under items (a) and (b) above will be voted on at the annual general meeting as a joint resolution.

The Board of Directors further proposes that the annual general meeting authorizes the Board of Directors to make such minor adjustments to the above resolutions as may be required to file the resolutions with the Swedish Companies Registration Office or Euroclear Sweden and to take such other measures required to execute the resolutions.

Statement by the Board of Directors in accordance with Chapter 20, section 13 of the Swedish Companies Act and the auditor's report in accordance with Chapter 20, section 14 of the Swedish Companies Act are available on the Company's website, www.teliacompany.com.