

Statement by the Board of Directors of Telia Company AB (publ) as required under Chapter 19, Section 22 of the Swedish Companies Act

In light of the proposal by the Board of Directors of Telia Company AB (publ) (the “Company”) to the Annual General Meeting 2021 to resolve to authorize the Board of Directors to repurchase the Company’s own shares, the Board of Directors submits the following statement as required under Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

At December 31, 2020, the Company’s restricted equity amounted to approximately SEK 15,712 million and the non-restricted equity amounted to approximately SEK 59,775 million. After reduction of the dividend proposed to the Annual General Meeting, the available non-restricted equity amounts to approximately SEK 51,596 million

The equity of the Company would have been approximately SEK 1,520 million lower if derivative instruments and other financial instruments, valued at fair value, had instead been valued on the basis of the lower of cost or net realizable value for non-current assets and the lower of cost or market value for current assets.

If the authorization is fully exercised,¹ the estimated cost of repurchasing the Company’s own shares under the proposed authorization for the Board of Directors totals approximately SEK 14,171 million at an average price of SEK 34.65 per share.²

At December 31, 2020, after deduction of the proposed dividend and assuming a full exercise of the authorization, the Company’s financial strength measured as its equity to assets ratio would have been 27.3 percent. At December 31, 2020, the group’s financial strength, measured in the same way, would have been 18.4 percent.

The Board of Directors has examined the Company’s and the group’s financial position and finds that the proposal, after deduction of the proposed dividend and assuming a full exercise of the proposed repurchase authorization, is justifiable considering the prudence rule in Chapter 17, Section 3, Paragraphs 2 and 3, of the Swedish Companies Act.

It is the Board of Directors’ assessment that after distribution of the proposed dividend and assuming a full exercise of the proposed repurchase authorization, the equity of the Company and the group will be sufficient with respect to the nature, scope, and risks of the operations. The Board of Directors has hereby considered, among other things, the Company’s and the group’s historical development and the state of the market.

It is also the Board of Directors’ assessment that a full exercise of the authorization, after deduction of the proposed dividend, will not affect the Company’s or the group’s short or long-term ability to discharge its liabilities or the Company’s ability to make any required investments. The Company and the group will also continue to have a satisfactory financial solidity, which pursuant to the Board of Directors’ assessment meets the demands of the industry in which the Company operates. The Company and the group will still have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position.

¹ The Board of Directors proposes a repurchase authorization of a maximum of 10 percent of the total number of all shares in the Company, corresponding to 408,963,170 shares.

² Based on the average closing price in January 2021 (the first 12 trading days).

In summary, considering the Company's and the group's financial position and nature of operations, the Board of Directors assesses that nothing precludes the proposal on the authorization of the Board of Directors to repurchase the Company's own shares.

Stockholm, March 2021
Telia Company AB (publ)
The Board of Directors