



**DOCUMENTATION TO THE ANNUAL GENERAL MEETING 2023**

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## **The Board of Directors' motivated statement according to Chapter 18, Section 4 of the Swedish Companies Act**

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The Board of Directors of Telia Company AB (publ) hereby submits the following motivated statement according to Chapter 18, Section 4 of the Swedish Companies Act due to the Board of Directors' dividend proposal to the Annual General Meeting 2023.

At December 31, 2022, the Company's restricted equity amounted to approximately SEK 15,712 million and the non-restricted equity amounted to approximately SEK 55,441 million. The proposed dividend of SEK 2.00 per share is expected to reduce the available non-restricted equity by SEK 7,864 million to approximately SEK 47,577 million. The Company's equity would have been approximately SEK 2,053 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.

At December 31, 2022, after deduction of the proposed dividend, the Company's financial strength measured as its equity to assets ratio would have been 35.7 percent. At December 31, 2022, the Group's financial strength, measured in the same way, would have been 26.8 percent. The Board of Directors has examined the Company's and the Group's financial position and finds that a dividend in accordance with the proposal of the Board of Directors 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, 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 the Board of Directors' assessment that the payment 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 equity to assets ratio, which pursuant to the Board of Directors' assessment meets the demands of the industry in which the Company operates. After payment of the proposed dividend, the Company and the Group are deemed to have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position.

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 payment of the proposed dividend in accordance with the Board of Directors' proposal.

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Stockholm, March 2023  
Telia Company AB (publ)  
*The Board of Directors*

## **The Board of Directors' motivated statement according to Chapter 19, Section 22 of the Swedish Companies Act**

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The Board of Directors of Telia Company AB (publ) hereby submits the following motivated statement according to Chapter 19, Section 22 of the Swedish Companies Act due to the Board of Directors' proposal to the Annual General Meeting 2023 regarding authorization for the Board of Directors to repurchase the Company's own shares.

At December 31, 2022, the Company's restricted equity amounted to approximately SEK 15,712 million and the non-restricted equity amounted to approximately SEK 55,441 million. After reduction of the proposed dividend of SEK 7,864 million, the available non-restricted equity amounts to approximately SEK 47,577 million. The Company's equity would have been approximately SEK 2,053 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, the estimated cost of repurchasing the Company's own shares under the proposed repurchase authorization for the Board of Directors totals approximately SEK 10,864 million<sup>1</sup> at an average price of SEK 27.63 per share.<sup>2</sup>

At December 31, 2022, after deduction of the proposed dividend and assuming a full exercise of the repurchase authorization, the Company's financial strength measured as its equity to assets ratio would have been 30.0 percent. At December 31, 2022, the Group's financial strength, measured in the same way, would have been 22.0 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 the Board of Directors' assessment that a full exercise of the repurchase 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 equity to assets ratio, which pursuant to the Board of Directors' assessment meets the demands of the industry in which the Company operates. After distribution of the proposed dividend and assuming a full exercise of the proposed repurchase authorization, the Company and the Group are deemed to have a satisfactory level of liquidity, a consolidation need that is met and a satisfactory general financial position.

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 authorization to the Board of Directors to repurchase the Company's own shares in accordance with the proposal.

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Stockholm, March 2023  
Telia Company AB (publ)  
*The Board of Directors*

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<sup>1</sup> Based on that the total number of shares in the Company amounts to 3,932,109,286, i.e. taking into consideration the Board of Directors' proposal to the Annual General Meeting regarding reduction of the share capital by cancellation of 157,522,416 shares held in treasury.

<sup>2</sup> Based on the average closing price in January 2023 (the first 12 trading days).

## **The Board of Directors' report according to Chapter 20, Section 13 of the Swedish Companies Act**

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The Board of Directors of Telia Company AB (publ) hereby submits the following report according to Chapter 20, section 13 of the Swedish Companies Act due to the Board of Directors' proposal to the Annual General Meeting 2023 regarding reduction of the share capital by way of cancellation of own shares.

The proposed reduction of the share capital shall amount to SEK 533,709,020.97 and shall be made by way of cancellation of 157,522,416 shares held in treasury by the Company. The resolution to reduce the share capital 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 entailing that neither the restricted equity nor the share capital will be reduced.

The effect of the Board of Directors' proposal to reduce the share capital by way of cancellation of own shares is that the Company's restricted equity and share capital will be reduced by SEK 533,709,020.97. The effect of the Board of Directors' proposal to increase of the share capital by way of a bonus issue is that the Company's restricted equity and share capital will be increased by SEK 533,709,020.97 and thereby restored to the amount prior to the reduction.

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Stockholm, March 2023  
Telia Company AB (publ)  
*The Board of Directors*



## **Auditor's report pursuant to Chapter 20, Section 14 of the Swedish Companies Act (2005:551)**

### **To the Annual General Meeting of Telia Company AB (publ), Swedish Company Reg No: 556103-4249**

We have examined the Board of Directors' statement with specific redemption terms, dated March 8<sup>th</sup> 2023.

#### *Responsibility of the Board of Directors*

It is the Board of Directors that is responsible for the statement and for preparing it in accordance with the Swedish Companies Act and for such internal control as the Board of Directors determine is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

#### *Responsibility of the auditor*

Our responsibility is to express an opinion on the statement based on our examination. The examination was performed in compliance with the recommendation RevR 9 issued by FAR, The Auditor's Other Statements Pursuant to the Swedish Companies Act and the Companies Ordinance. This standard requires that we plan and perform the examination to obtain reasonable assurance about whether the statement is free from material misstatements. The Audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of professional standards and applicable legal and regulatory requirements.

We are independent of Telia Company AB (publ) accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The examination involves performing procedures to obtain audit evidence about the amounts and other disclosures in the Board of Directors' statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of misstatement in the statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Board of Directors' preparation if the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The examination also includes evaluating the appropriateness of the action taken in connection with the company's restricted equity or share capital as well as the reasonableness of the assessments made by the Board of Directors. We believe that the audit we obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion, the actions that are to be taken and that will result in no reduction of either the restricted equity or share capital of the company are appropriate and the assessments that the Board of Directors has made concerning the effects of these actions are reasonable.

#### *Other information*

The sole purpose of this Auditor's report is to satisfy the requirements of Chapter 20, Section 14 of the Swedish Companies Act and it may not be used for any other purpose.

Stockholm March 8<sup>th</sup> 2023  
Deloitte AB

*See Swedish version for signature*

Peter Ekberg  
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*



**Auditors' report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting**

To the Annual General Meeting of Telia Company AB (publ), Corporate Identity Number 556103-4249.

We have audited whether the Board of Directors and the managing director of Telia Company AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2022 which were approved by the Annual General Meeting on April 2, 2020.

***Responsibilities of the Board of Directors and the managing director***

The Board of Directors and the managing director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the managing director determine is necessary to enable compliance with these guidelines.

***Auditor's responsibility***

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with. We apply the international standard on quality control, ISQC 1, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Telia Company AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditor's judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal control relevant to the compliance of the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit procedures provide a reasonable basis for our opinion, as set out below.

***Opinion***

In our opinion, the Board of Directors and the managing director of Telia Company AB (publ) have, during the financial year 2022 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on April 2, 2020.

Stockholm, March 8 2023

Deloitte AB

*Signature on Swedish original*

Peter Ekberg  
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

## **The Board of Directors' Remuneration report 2022**

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### **Introduction**

This report describes how the guidelines for remuneration to the Group Executive Management of Telia Company AB (publ), adopted by the Annual General Meeting 2020, were implemented in 2022. The report also provides information on remuneration to the Chief Executive Officer. Telia Company does not offer any variable remuneration or share-related incentive programs to the Chief Executive Officer. The Company has no appointed Deputy Chief Executive Officer. The report has been prepared in accordance with the Swedish Companies Act and the Stock Market Self-Regulation Committee's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on remuneration to the Group Executive Management is available in note C32 (Human Resources) on page 207 in the annual and sustainability report 2022. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on page 54 in the annual and sustainability report 2022.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved by the Annual General Meeting and is disclosed in note C32 (Human Resources) on page 207 in the annual and sustainability report 2022.

### **Key developments 2022**

The Chief Executive Officer summarizes Telia Company's overall performance in her statement on page 4 in the annual and sustainability report 2022.

### **Telia Company's remuneration guidelines: scope, purpose and deviations**

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, the Company must offer competitive remuneration. The remuneration guidelines enable the Company to offer the Group Executive Management a competitive but not market leading total remuneration. Under the guidelines, remuneration to the Group Executive Management shall be on market terms and may consist of the following components: fixed base salary, pension, as well as other benefits. The guidelines are found on page 211 in the annual and sustainability report 2022.

During 2022, Telia Company has complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's statement regarding the company's compliance with the guidelines is available on Telia Company's website [www.teliacompany.com](http://www.teliacompany.com). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings of the Company have resolved to implement long-term share-related incentive programs for a number of key employees outside the Group Executive Management. Information on all ongoing and during the year finalized long-term share-related incentive programs are found on page 208 in the annual and sustainability report 2022.

## Total remuneration to the Chief Executive Officer in 2022 (SEK)

The table below sets out the total remuneration paid to the Chief Executive Officer during 2022.

	Financial year	1		2		3	4	5	6
		Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Allison Kirkby (CEO)	2022	18,360,000	382,029	0	0	0	7,312,924	26,054,953	100% / 0%

### Application of performance criteria

The performance management process for the Chief Executive Officer includes financial and non-financial targets to ensure that the Chief Executive Officer delivers in accordance with the Company's strategy and encourage behaviour which is in the long-term interest of the Company. In the selection of performance measures, the strategic objectives as well as short-term and long-term business priorities for 2022 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

### Comparative information on the change of remuneration and Company performance

Reported Financial Year (RFY)	RFY 2019	RFY 2020 vs RFY 2019	RFY 2020	RFY 2021 vs RFY 2020	RFY 2021	RFY 2022 vs RFY 2021	RFY 2022
Directors' base salary, other benefits and remuneration excluding pension (kSEK)							
Allison Kirkby, CEO (as of May 4, 2020)			12,017		18,677		18,742
Christian Luiga, acting CEO (September 12, 2019 - May 4, 2020)	4,404		5,019				
Johan Denneilind, CEO (until September 12, 2019)	13,482						
Total for the CEOs	17,886	-850 (-4.8%)	17,036	1,641 (-9.6%)	18,677	65 (0.3%)	18,742
Company's performance							
Adjusted EBITDA (MSEK)	31,017	-535 (-1.7%)	30,482	-621 (-2.0%)	29,861	467 (1.6%)	30,328
Operational Free Cash flow (MSEK)	12,571	-476 (-3.8%)	12,095	-1,694 (-14.0%)	10,401	-4,678 (45.0%)	5,723
Remuneration comparison							
Average remuneration* on a full-time equivalent basis of employees (kSEK)	1,280	-89 (-7.0%)	1,191	-69 (-5.8%)	1,122	50 (4.5%)	1,172

\* Base salary, variable pay, other remuneration and benefits excluding pension for employees in the parent company (excluding corporate officers)