

Statement by the Board of Directors of Telia Company AB (publ) as required under Chapter 18, Section 4, of the Swedish Companies Act

In light of the proposal of an extraordinary dividend by the Board of Directors of Telia Company AB (publ) (the "Company") to the Extraordinary General Meeting 2020, the Board of Directors submits the following statement as required under Chapter 18, Section 4, of the Swedish Companies Act (2005:551).

At December 31, 2019, the Company's restricted equity amounted to approximately SEK 15,713 million and the unrestricted equity amounted to approximately SEK 76,900 million.

The Annual General Meeting on April 2, 2020, resolved to pay an ordinary dividend of SEK 1.80 per share, to be paid in two instalments. The total ordinary dividend resolved by the Annual General Meeting amounted to SEK 7,361 million which reduces the available non-restricted equity by the same amount. Hence, the available amount for distribution in accordance with Chapter 17, Section 3, Paragraph 1, of the Swedish Companies Act amounts to approximately SEK 69,538 million. Following the Extraordinary General Meeting's resolution regarding the extraordinary dividend, the available amount in accordance with Chapter 17, Section 3, Paragraph 1, of the Swedish Companies Act is expected to be reduced by SEK 2,658 million to approximately SEK 66,880 million.

The equity of the Company would have been approximately SEK 1,500 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.

The Board of Directors has examined the Company's and the group's financial position and finds that an extraordinary 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 opinion of the Board of Directors that the proposed extraordinary dividend is justifiable also having regard to the equity requirements posed by the nature and scope of and the risks associated with the operations.

After payment of the proposed extraordinary dividend, the Company and the group will 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. After payment of the proposed extraordinary 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.

At December 31, 2019, after deduction of the dividend decided on April 2, 2020, and the proposed extraordinary dividend, the Company's financial strength measured as its equity to assets ratio would have been 36.1 percent. At December 31, 2019, the group's financial strength, measured in the same way, would have been 31.2 percent.

It is the Board of Directors' assessment that the payment of the proposed extraordinary dividend will not affect the Company's short or long-term ability to discharge its liabilities or the Company's ability to make any required investments.

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 extraordinary dividend in accordance with the Board of Directors' proposal.

Stockholm, November 2020
Telia Company AB (publ)
The Board of Director