

Item 19 Resolution on transfer of treasury stock to employees and on an exchange, directed share issue and acquisition offer in relation to the earlier resolution on the LTV 2021

Background

The AGM in 2021 resolved to implement LTV 2021 and to secure the Company's undertakings under LTV 2021 through an equity swap agreement with a third party. The Board of Directors still considers that transfer of treasury stock, a proposal that was withdrawn by the Board of Directors at the AGM 2022, is the most cost efficient and flexible method to secure the undertakings under LTV 2021.

The Company has approximately 3.3 billion registered shares. For LTV 2021, a total of up to 2.1 million shares are required, which corresponds to approximately 0.1 percent of the total number of registered shares, hence an issue of new shares is proposed for LTV 2021. The effect on important key figures is only marginal.

Proposal

19.1 Transfer of treasury stock for the LTV 2021

To secure the delivery of Performance Shares in accordance with the terms and conditions of the LTV 2021, the Board of Directors proposes that the AGM resolve that the Company shall have the right to transfer no more than 1.6 million shares of series B in the Company less any shares retained by the Company as per item 19.3 on the following terms and conditions:

- The right to acquire shares shall be granted to such persons within the Ericsson Group covered by the terms and conditions pursuant to the LTV 2021. Furthermore, subsidiaries within the Ericsson Group shall have the right to acquire shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, shares to employees covered by the terms and conditions of the LTV 2021.
- The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of the LTV 2021, i.e. in 2024.
- Employees covered by the terms and conditions of the LTV 2021 shall receive shares of series B in the Company free of consideration.
- The number of shares of series B in the Company that may be transferred under the LTV 2021 may be subject to recalculation in the event of bonus issues, splits, rights issues and/or similar measures, under the terms and conditions of the LTV 2021.

19.2 Transfer of treasury stock on an exchange to cover expenses for the LTV 2021

The Company may, prior to the AGM in 2024, transfer no more than 500,000 shares of series B in the Company, in order to cover certain expenses, mainly social security payments. Transfer of the shares shall be effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share as disseminated by Nasdaq Stockholm.

19.3 Authorization to decide on transfer of treasury stock on an exchange to cover costs for tax and social security liabilities for the Participants for the LTV 2021

Authorization for the Board of Directors to decide to, in conjunction with the delivery of vested shares under LTV 2021, prior to the AGM in 2024, retain and sell no more than 60% of the vested shares of series B in the Company in order to cover for the costs for withholding and paying tax and social security liabilities on behalf of the Participants in relation to the Performance Share Awards for remittance to revenue authorities. Transfer of the shares shall be effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share as disseminated by Nasdaq Stockholm. These shares form a part of the final number of vested shares to the employees under LTV 2021 and do not incur additional costs to the LTV 2021 for the Company.

19.4 Directed issue of shares of series C in the Company for the LTV 2021

Increase of the share capital in the Company with SEK 10,500,000.01 by an issue of 2.1 million shares of series C in the Company, each share with a quota value of approximately SEK 5. The terms and conditions of the share issue are the following:

- The new shares shall – with deviation from the shareholders' preferential rights – be subscribed for only by Investor AB or its subsidiaries.
- The new shares shall be subscribed for during the period as from Thursday, April 27, 2023, up to and including Tuesday, May 2, 2023. Over-subscription may not occur.
- The amount that shall be paid for each new share shall be the quota value (approximately SEK 5).
- Payment for the subscribed shares shall be made at the time of subscription.
- The Board of Directors shall be entitled to extend the period for subscription and payment.
- The new shares shall not entitle the holders to dividend payment.
- It is noted that the new shares are subject to restrictions pursuant to Chapter 4, Section 6 (conversion clause) and Chapter 20, Section 31 (redemption clause) of the Swedish Companies Act.

The Board of Directors proposes that the President and CEO shall be authorized to make the minor adjustments to the above resolutions that may prove to be necessary in connection with the registration with the Swedish Companies Registration Office.

Reasons for deviation from the shareholders' preferential rights and principles on which the subscription price is based

The Board of Directors considers that a directed shares of series C in the Company, followed by buy-back and transfer of treasury stock is the most cost efficient and flexible method to transfer shares under the LTV 2021. Shares are issued at the share's quota value and bought back as soon as the shares have been subscribed for and registered. The purchase price paid by the Company to the subscriber equals the subscription price. As compensation to the subscriber for its assistance in the issuance and buy-back of shares under items 16, 17, 18 and 19, the Company will pay to the subscriber an amount totaling SEK 100,000.

19.5 Authorization for the Board of Directors to decide on a directed acquisition offer for the LTV 2021

Authorization for the Board of Directors to decide that 2.1 million shares of series C in Ericsson be acquired according to the following:

- Acquisition may occur by an offer to acquire shares directed to all holders of shares of series C in Ericsson.
- The authorization may be exercised until the AGM in 2024.
- The acquisition shall be made at a price corresponding to the quota value of the share (approximately SEK 5 per share).
- Payment for acquired shares shall be made in cash.

Majority rules

The resolution of the AGM on items 19.1-19.5; transfer of treasury stock to employees and on an exchange, directed share issue and acquisition offer for the LTV 2021, is proposed to be taken as one decision, and requires that shareholders representing at least nine-tenths of the votes cast as well as the shares represented at the AGM approve the proposal.

The Board of Directors' of Telefonaktiebolaget LM Ericsson statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act

Due to the Board of Director's proposals to authorize the Board of Directors to decide on four directed offers to acquire the Company's own shares, the Board hereby makes the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The scope and nature of the Company's and the Group's business and the risks associated thereto are set out in the articles of association and in the Company's financial reports.

The financial position of the Company and the Group as of December 31, 2022 is presented in the Annual Report for the financial year 2022. Furthermore, the principles applied for valuation of assets, provisions and liabilities are presented in the Annual Report. The Company's equity would have been SEK 4.4 billion lower if assets and liabilities had not been valued at fair value pursuant to Chapter 4, Section 14a of the Swedish Annual Accounts Act.

As a basis for its proposals, the Board of Directors has made assessment of the Company's and the Group's need for financial resources as well as the Company's and the Group's liquidity, financial position in other respects and long-term ability to meet their commitments.

The Board of Directors has also considered the Company's and the Group's position in general. In this respect, the Board of Directors has taken into account the proposed dividend and other known commitments that may have an impact on the financial positions of the Company and other companies in the Group.

With reference to the above, it is the Board of Directors' assessment that the proposed authorizations for the Board of Directors to decide on four directed offers to acquire the Company's own shares are justified considering the requirements that the nature, scope and risks of the business impose on the Company's and the Group's equity as well as the Company's and the Group's consolidation level, liquidity and financial position in general.

Stockholm, February 2023

Telefonaktiebolaget LM Ericsson

The Board of Directors