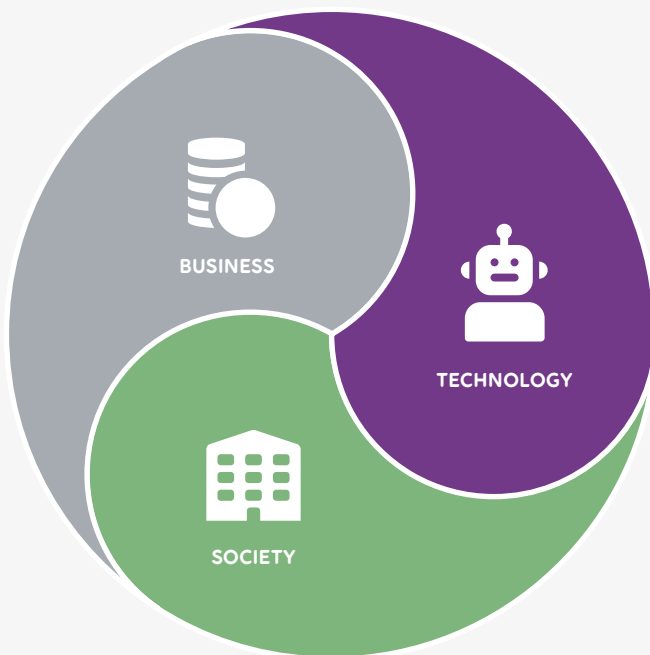


ENABLING DIGITALIZATION

Technology, society and businesses are under transformation. Cutting across this transformation is a constantly growing connectivity need. The Nordic and Baltic regions are leading the way globally in digitalization, changing and improving the ways our customers live, work and run their businesses. At the same time, there are societal and environmental challenges such as climate change and resource scarcity that require us to fundamentally rethink the way we become an enabler of digitalization for good.



TECHNOLOGY

Softwarization

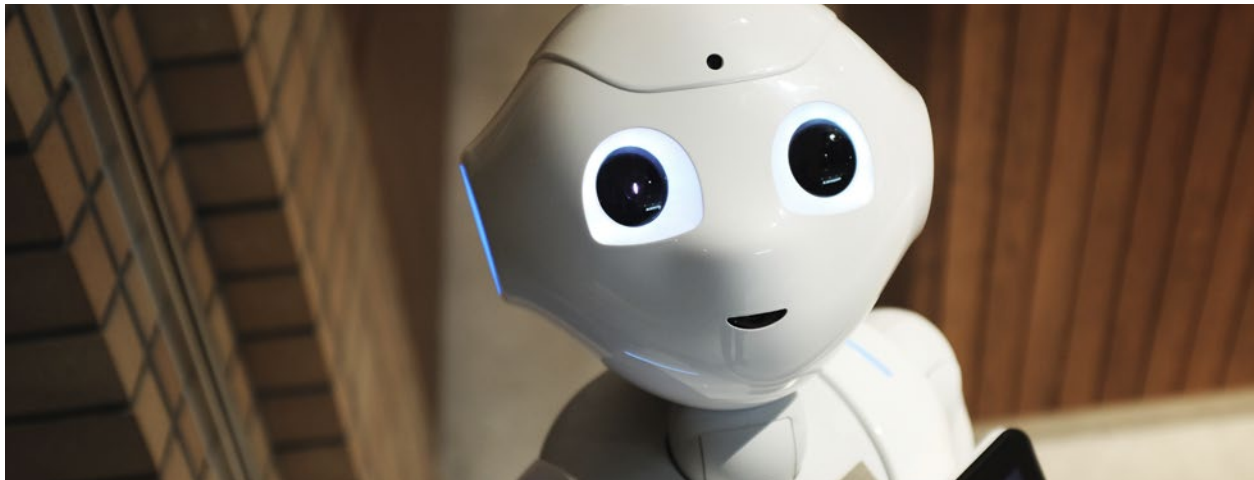
Key drivers of change are softwarization – replacing hardware with software – and servicefication – everything as a service. Softwarization creates extreme scale and flexibility advantages which benefits industry leaders in the cloud world, in turn changing the competitive landscape into one, where old operational models and business models are challenged by global ecosystem players.

AI and automation

Artificial intelligence and the internet of things (IoT) combined enable rapid growth of intelligent automation. This creates new demands on customer privacy and ethics in data management.

Augmented and virtual reality

The rise of amplified experiences through augmented and virtual realities, and their integration into our daily lives, bring new possibilities for how we sense and explore the world. Augmented and virtual reality are already coming into play beyond the consumer area and enable new ways to collaborate in companies, for example in remote conferencing.



SOCIETY

Always connected

The digital and physical worlds are converging and distinguishing between the two is becoming less and less meaningful. The paradigm of “always connected” is changing how our societies and customers spend their time and resources. Customer behavior has changed rapidly with focus on instant and personal. Customers are increasingly technology agnostic, taking connectivity for given and seeing it as an essential enabler of their daily lives. With better connection and easier solutions for working remotely, flexibility increases, but the lines between work and leisure become blurred. Despite positive overall economic growth, the financial pressure on businesses that comes from the expectation to get more for less will continue.

Sustainability in focus

Consumers and policy-makers are putting increasingly higher expectations and demands on companies to be transparent and to contribute positively to societal and environmental development. Security, privacy and ethical data use as well as reducing greenhouse gas emissions and waste are critical issues to manage. The sharing economy grows and having access to it becomes more important than owning physical assets.

Changing demographic

A growing aging population will drive an increased health-care need and pressure on the public sector but also create a market with active and affluent elderly who will look for an ability for self-actualization and quality of life. An increased capability for managing increasing gaps between young and old, digital natives and laggards and more will be required from the public sector in all areas. As many jobs will disappear to be replaced by new technology the need for re-training and innovation grows.

BUSINESS

The impact of digitalization

Business models and processes are under rapid transformation driven in part by IT enablers including IoT. Many companies face the challenge of adapting their business to the demands of the digitalized world. In this world of rapidly evolving technologies, most companies want to buy services to enable digitalization.

Digitalization and an increasingly connected online population create new competitive landscapes. New kinds of players with new business models are entering all industries and companies must adapt to new and increasing customer demands and expectations to survive. Customers expect an increasing variety of purchasing choices including ways to purchase in the most convenient manner to them.

Data enables new business model

To stay ahead, products and services must gather information about how they are used. This drives companies to connect their products to the internet. The pay-per-use model grows as products are turned into services. The core areas of value creation will stay in the companies but the enablers and supporting services are more likely to be bought from someone else as a service.

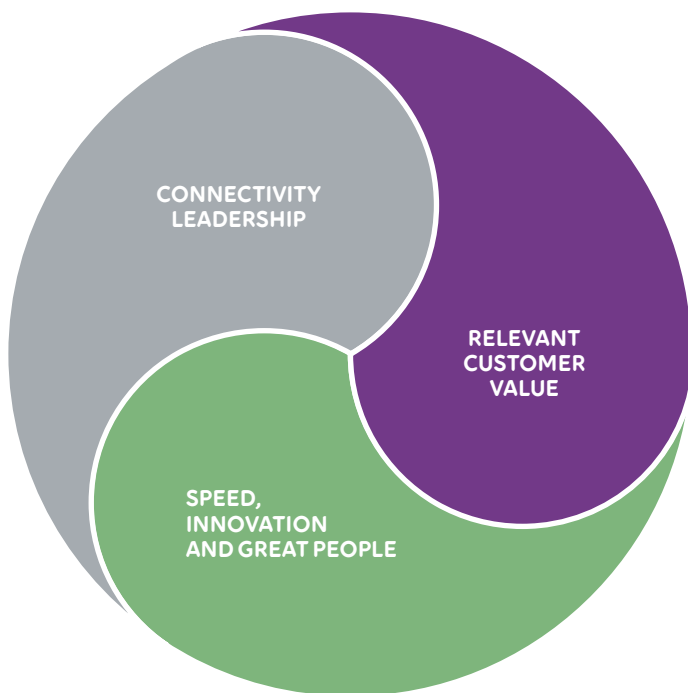
Value-driven branding

As an employer, it will be harder to attract new talent if your business and values are not aligned with sustainability, diversity and work-life balance.



OUR STRATEGY

Our strategy is based on continuous development of our core business combined with focused bets in areas that strengthen the core but also build new businesses in growing areas.



AMBITIONS



SPEED, INNOVATION AND GREAT PEOPLE

Great people, speed and innovation form the basis of our strategy execution

In addition to a strong governance framework with best in class ethics and compliance, our values dare, care and simplify drive our people behavior with self-leadership, customer passion and cost ownership as cornerstones.

To enable our strategy, we:

- Make a significant bet on analytics and insights driven go-to-market and customer interaction. Our aim is to significantly increase the relevance of every single interaction to drive value for our customers.
- Accelerate building a software-based, modular product portfolio and migrating from old to new products, to increase agility in production and provisioning.
- Capture synergies across the group through a stronger focus on developing and operating products and services on common platforms, as well as automation, robotization and strong internal analytics.

Digitalization partner of choice

For the enterprise segment we are the digitalization partner of choice, providing advice and offer solutions to help companies digitalize their business.

Our portfolio is geared towards meeting the following customer needs:

- Internal efficiency and mobile working
- Customer interaction
- Supporting building a connected business through IoT

Enabling partners with new business models

As an ecosystem player and enabler, we actively lead and participate in ecosystems and thereby enable partners to develop new business models, using combinations of different assets and platforms from us and other partners. By making selected bets, today exemplified by crowd analytics, smart cities, smart transport and broadening our IoT business – we are creating the foundation for future growth as our customers will benefit from the network effects that we provide. Through partnerships is how we can achieve the greatest positive societal impact.

CONNECTIVITY LEADERSHIP

Best network experience across platforms

We offer customers a seamless experience independent of which networks they are moving between, combined with an excellent customer experience that creates customer loyalty. As mobile and the fixed networks are converging, we optimize the transportation of data to secure both the experience and the production of data. Our leadership will be maintained in fiber and 4G into 5G.

We see opportunity in providing our distributed cloud capabilities to business customers. Security and end-to-end Quality of Service are crucial to ensure the best network experience. Telia Carrier will continue to be our way to secure global connectivity, key for multinational customers and for an excellent cloud experience. We add services on top of our connectivity to increase the relevance of our best network.

RELEVANT CUSTOMER VALUE

Hub to digital experiences in homes and offices

Our value proposition to win the home is based on our customers' need for convenience and safety. Our brand is strong and trusted to deliver home services. Media is a key pillar in our mass-market approach, where we provide

unique offerings with exciting content delivered everywhere. For small companies there is a need for easy to use services ranging from connectivity to "Office in a box" and we will continue to deliver relevance in this mass-market area.