

COMMENTS FROM THE CHAIR

OUR ENVIRONMENT IS CHANGING AND SO ARE WE

The ability to think again and think new is the hallmark of a well-managed company – implementing new ideas and letting old ones go. That's how it should be.

The Board of Directors that joined me in 2013 received a comprehensive change mandate from the shareholders of Telia Company. Since then, we've made major changes and during 2018, we divested our companies in Azerbaijan, Georgia, Kazakhstan and Uzbekistan. Leaving Eurasia took longer than planned, but we took the time we needed. The most important thing was to exit the right way and responsibly, without rushing. We took over at the helm of a company that was in a very difficult situation and it is gratifying that we now can look forward with the knowledge that Telia Company has changed substantially, and that we've exited region Eurasia in all material aspects. Both the company and individuals have experienced the painful consequences of acting incorrectly. But as a result, we've learned lessons and created a more responsible company. Hopefully, we've also ensured that nothing like this will ever happen again.

At the same time as we've been dealing with our past, we've created a roadmap for the future. Our strategy going forward is to develop Telia Company into the new generation telco – a company that offers more services based on our core business, with our network infrastructure as the foundation for consumers and corporate customers alike. In the past year, we continued developing this strategy, clarifying areas where we can have a prominent market position. Companies looking to develop digital business models should feel confident contacting us for help and support. With our partners, we will work in an ecosystem and together offer customers more in a better way than if we operated alone.

Compared with our international peers, Telia Company is at the forefront of development.

Our decisive efforts to transform and meet customer demands have helped us develop in step with the outside world. We've broadened our offering both organically and through acquisitions. By acquiring Get and TDC Norway, for example, we can now provide mobile, broadband and television, making us a strong challenger in the country. Last summer, we also took a giant step forward when we announced the acquisition of Bonnier Broadcasting, a transaction that will make us the first Nordic company to provide both connectivity and our own content. This will also enable us to create stronger long-term relationships with customers and give us access to data we can use to refine our offering and develop new solutions. Telia Com-

pany will start investing in the 5G technology of the future in a responsible way, developing services and support enabled by the new technology together with users.

With a clear strategy as a foundation and driver of our acquisitions and divestments, Telia Company delivered a total shareholder return of 21 percent in 2018 in a weakening European telecom market. We are also happy that our customers and employees are more satisfied today than before, which is a prerequisite for creating long-term value. Even though there is much to celebrate, we still have big and exciting challenges ahead. Indeed, we must increase the pace of change to secure our future competitiveness.

The Board of Directors and I would like to thank the shareholders for having put their trust in us to lead the company for yet another exciting year.

I'd also like to thank our president, Johan Denielind, and all of Telia Company's employees for their exceptional work. Your efforts have been crucial in helping Telia Company become a forward-looking enterprise, ready to seize new opportunities.

Stockholm,
March 13, 2019

Marie Ehrling
Chair of the
Board

