

COMMENTS FROM THE CHAIR

LAYING THE FOUNDATION FOR A CUSTOMER CENTRIC BETTER TELIA

2020 was my first full year as Chair of the Board of Telia Company (Telia) – and what an eventful year it has been! It had barely begun when COVID-19 hit the world and Telia's markets. As Chair of the Board, I am proud of how well Telia has handled the challenge the pandemic has posed. Our solid networks have never been more important. They have enabled people to work efficiently from their homes and to interact from a safe distance with friends, colleagues and loved ones.

In May, I was delighted to welcome Telia's new CEO, Allison Kirkby. During the year she was joined by a number of new management team members, who the Board has taken a keen interest in supporting as Allison and the team laid the foundation for what we call a Better Telia, a Telia that will genuinely understand its customers and give them the best possible digital experiences. Putting the customer at the center has always been a guiding principle for me, together with simplicity, speed of execution and delivering increased shareholder value.

Telia has enormous opportunities ahead of it. Being a market leading operator in the Nordics and Baltics we are extremely well-positioned to take on a leadership role also in the rapid technological change associated with 5G, fibre and digitalization, while benefitting from important customer trends such as the increasing demand for more convergent and cloud-based solutions.

Our core strengths are the scale and value of our customer base, both in consumer and enterprise segments, and the quality leadership of our networks, our connectivity and entertainment offerings. We want to further enhance the experience of

being connected, no matter which platform or technology is being used. I want us – I say us for this is something we all must do together – to build on our strengths to improve customer service and experience, increase top line growth, and generate sustainable profit.

To do so will require new ways of working. All Telia employees will be involved, from the Boardroom to our stores and everywhere in between. We will be led by our new purpose – Reinvent Better Connected Living – and an updated strategy enabled by a transformation program to make Telia more digital, faster, better and more cost efficient. And most of all, customer centric.

Customers not only demand that we provide world class connectivity and digital experiences, but also that we do so in a sustainable way. I am therefore glad that we have increasingly integrated our ESG ambitions into our strategy, future-proofing the company while providing sustainable solutions also for our customers. Using our technology to deliver sustainable solutions benefits society as a whole and allows Telia to attract even more talent.

"I AM PROUD OF HOW WELL TELIA HAS HANDLED THE CHALLENGE THE PANDEMIC HAS POSED. OUR SOLID NETWORKS HAVE NEVER BEEN MORE IMPORTANT. THEY HAVE ENABLED PEOPLE TO WORK EFFICIENTLY FROM THEIR HOMES AND TO INTERACT FROM A SAFE DISTANCE WITH FRIENDS, COLLEAGUES AND LOVED ONES."



Trust in our connectivity in particular has come to the fore during the pandemic, and the Board has allocated time during the year on the importance of critical national infrastructure and the responsibility we have towards our governments and our societies to ensure the safety and reliability of our networks.

An attractive shareholder remuneration is key going forward. Despite the challenges of 2020, the Board of Directors was able to reinstate the originally proposed dividend of SEK 2.45 per share by paying an additional dividend of SEK 0.65 per share, which was approved by an Extraordinary General Meeting in December. During the coming years, we will increase investments to improve our customer experience, develop our leading connectivity assets, and sustainably grow our operational free cash flow. This in turn will enable us to pay appealing returns to our shareholders whilst maintaining a robust capital structure. Our Board has therefore proposed an updated dividend policy under which Telia will distribute at least SEK 2.00 per share, with a firm ambition to grow dividends by a low to mid-single digit percentage.

Finally, the Board of Directors and I would like to thank the shareholders for having put their trust in us to lead the company during this exceptional year. I would also like to thank our President and CEO, Allison Kirkby, and all Telia's employees for their hard work.

And now it is time to buckle up for the journey ahead – tackling challenges and leveraging tremendous opportunities – to create a Better Telia. I look forward to it!

Stockholm, March 10, 2021

Lars-Johan Jarnheimer
Chair of the Board