



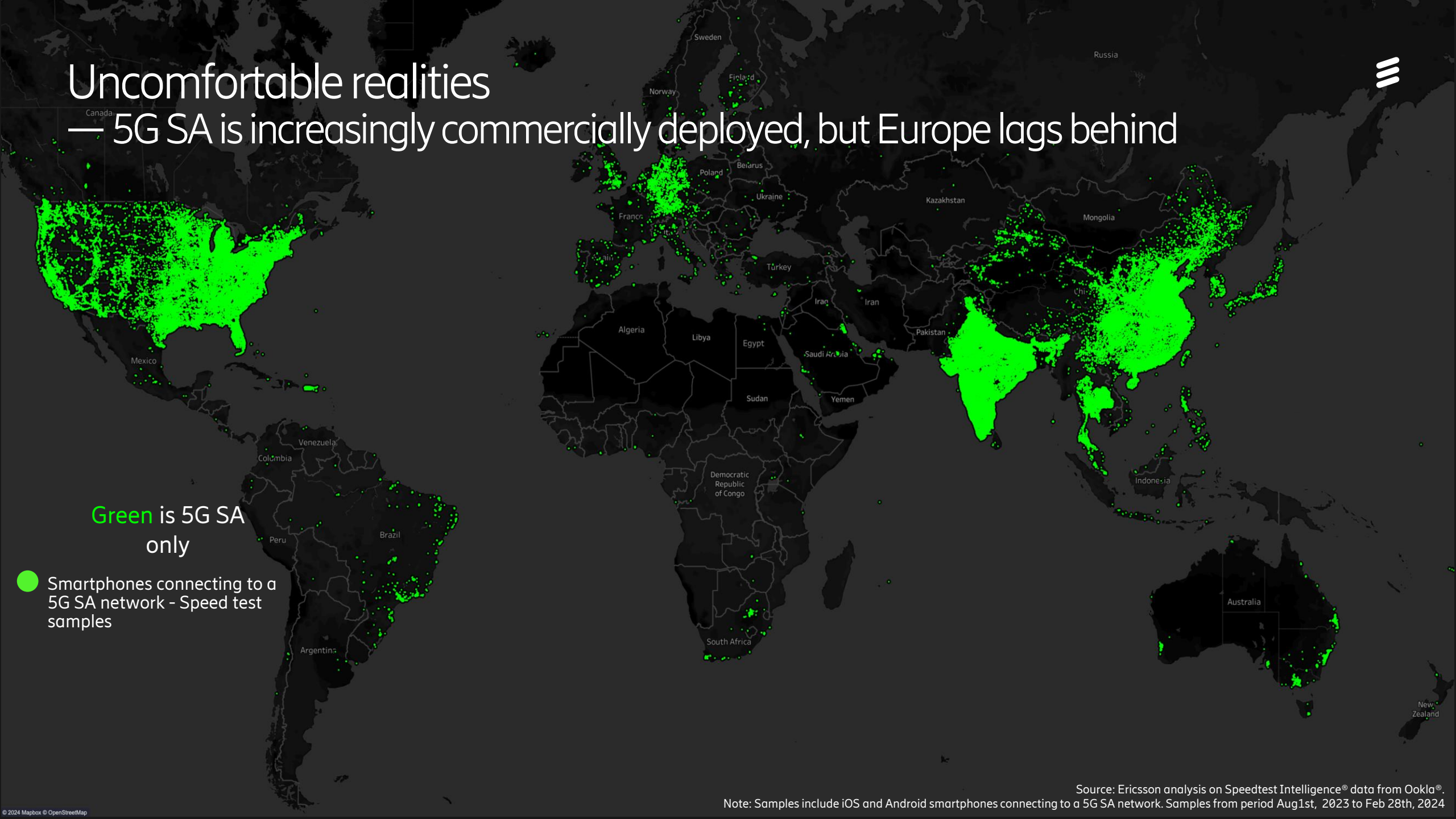
ERICSSON

From 5G deployment to transformation — A tangible journey for Portugal

Juan Olivera, CEO Ericsson Portugal
APDC Congress, May 2024

Uncomfortable realities

— 5G SA is increasingly commercially deployed, but Europe lags behind



Green is 5G SA only

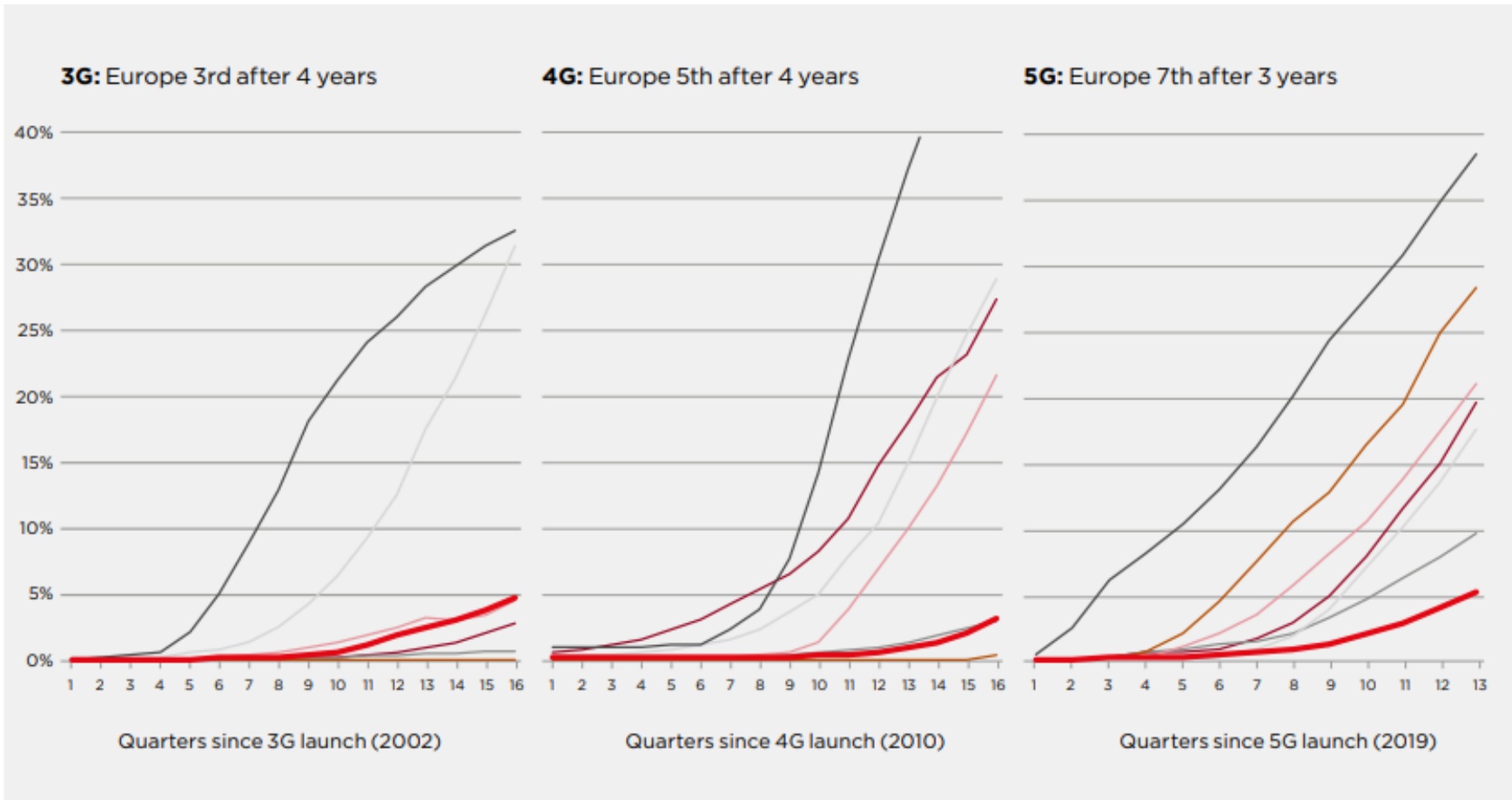
Smartphones connecting to a 5G SA network - Speed test samples

Uncomfortable realities

— Despite ambitions, Europe lags peers when it comes to the adoption and deployment of 5G



3G, 4G and 5G as a share of mobile connection since launch (%)



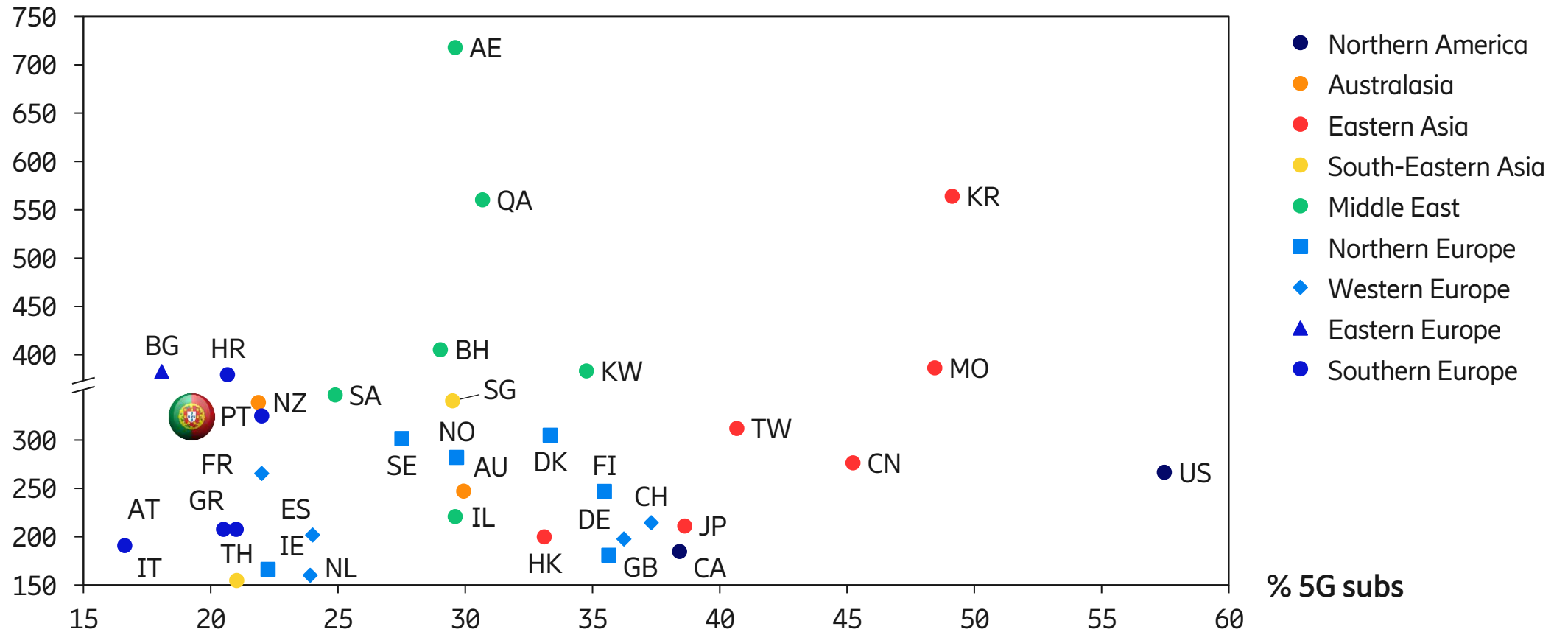
Digitalization means growth, quality employment, sustainability and inclusion. Regulators and policy makers to support the efforts of telcos so that European citizens are not left behind. (JM^o Alvarez-Pallete, CEO Telefonica & Chairman GSMA)



Uncomfortable realities

— Europe and Portugal lag other regions in terms of 5G penetration and 5G performance

Average DL (Mbps)

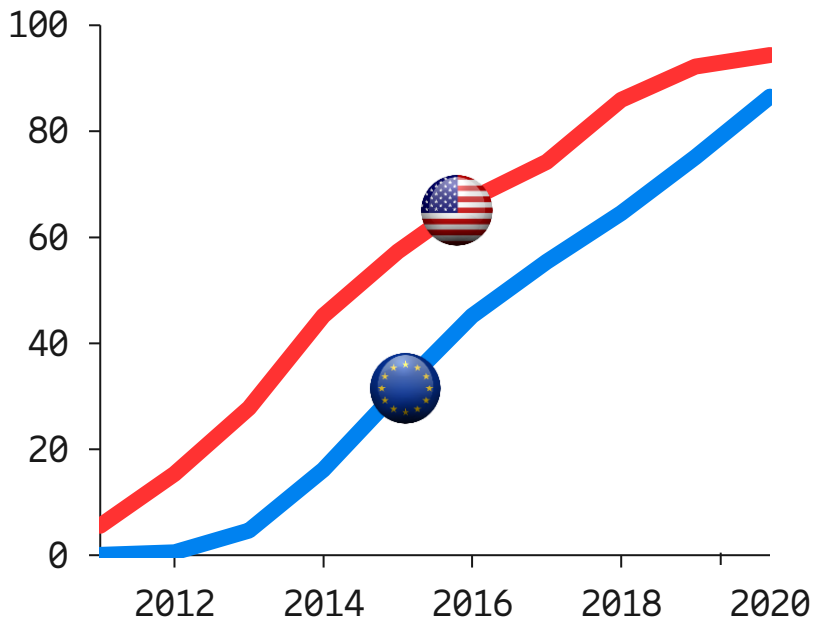


A decade at stake

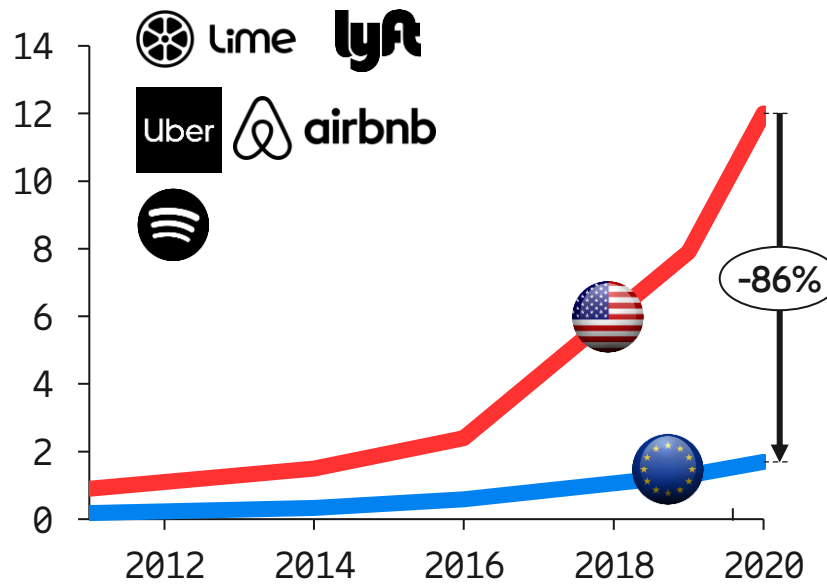
— 4G was an engine of socioeconomic development



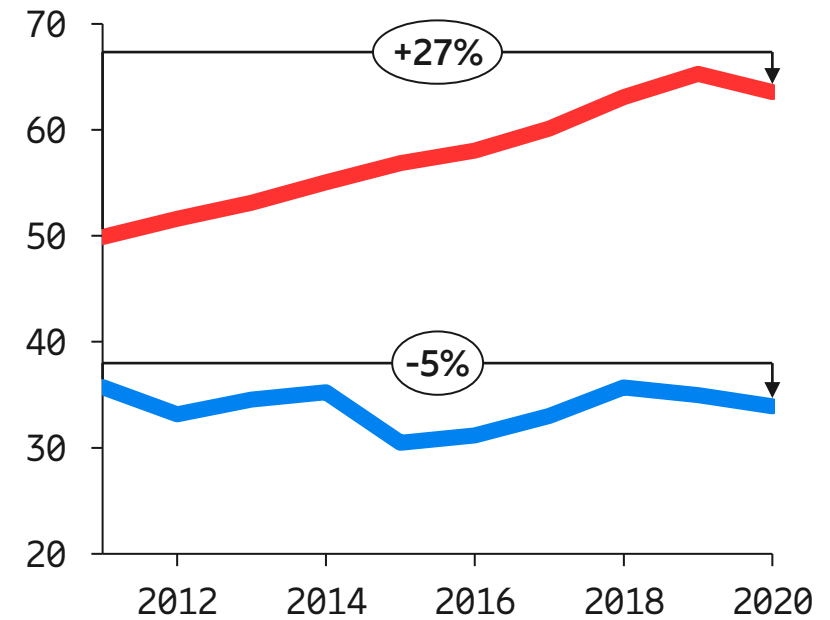
4G adoption
(% of mobile subs)



Startup ecosystem value and 4G
(\$B)

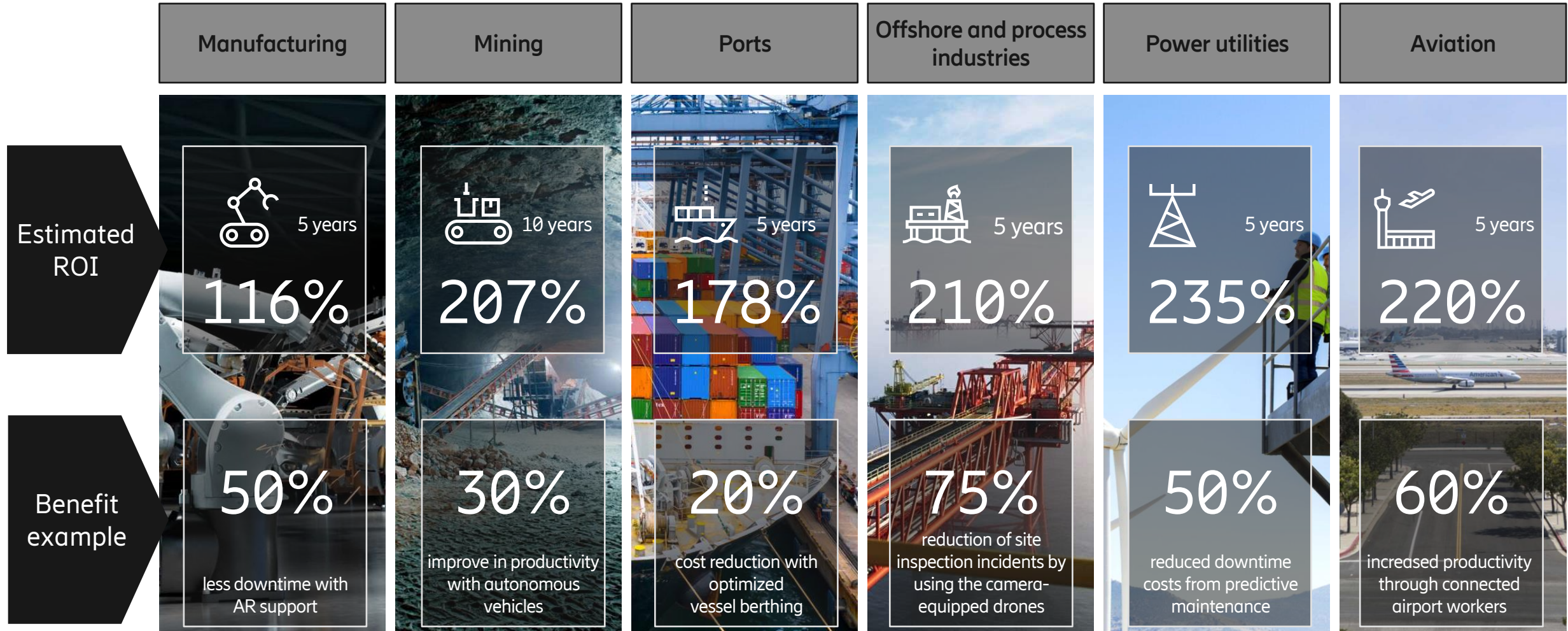


Evolution of GDP/capita US vs Europe
(nominal 000 \$)



A decade at stake

— Digital transition | 5G connectivity fundamental for Industries' transformation



A decade at stake

— From public safety to closing digital divide



Emergency



Security and Safety



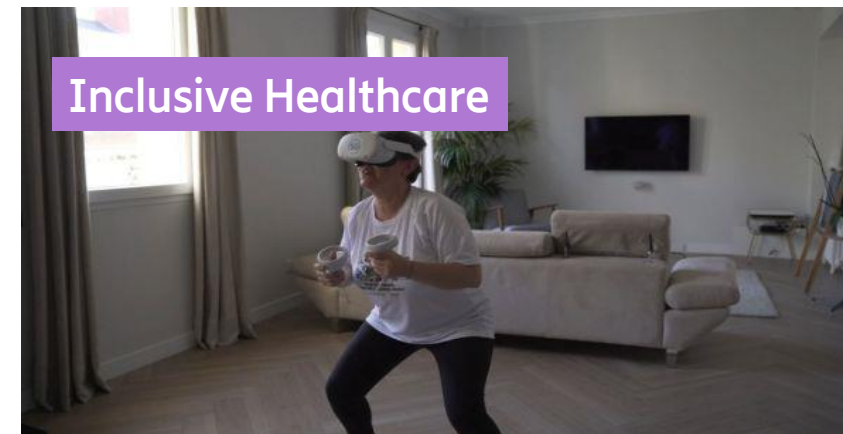
Immersive education



Sustainable Transport



Inclusive Healthcare



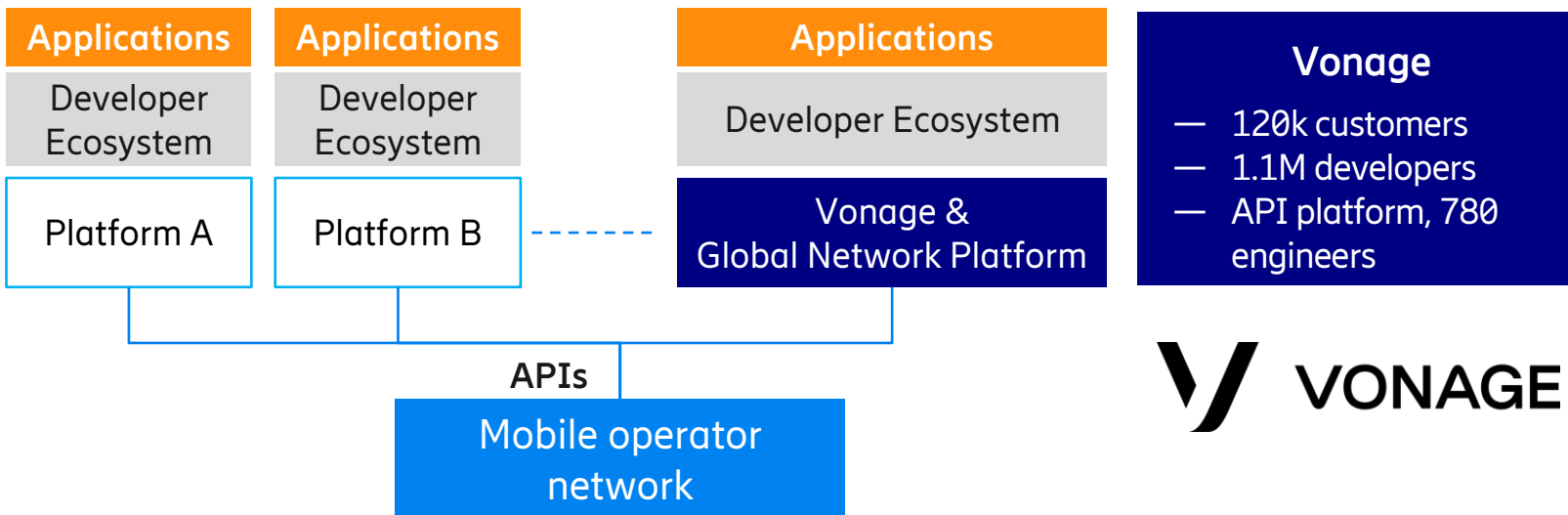
A decade at stake

— Open Gateway represents a paradigm shift in the way the telecoms industry designs and delivers services in an API economy world' (GSMA)



Jan-Feb 2024

Ericsson driving the definition of APIs for global industry adoption



Vonage and AT&T collaborate to provide network APIs to developers

Verizon and Vonage announce collaboration to bring advanced 5G network APIs to developers

Vonage and AWS leverage Communications and Network APIs to deliver new solutions



The main driver for sector underperformance is competition policy, negatively impacting investment



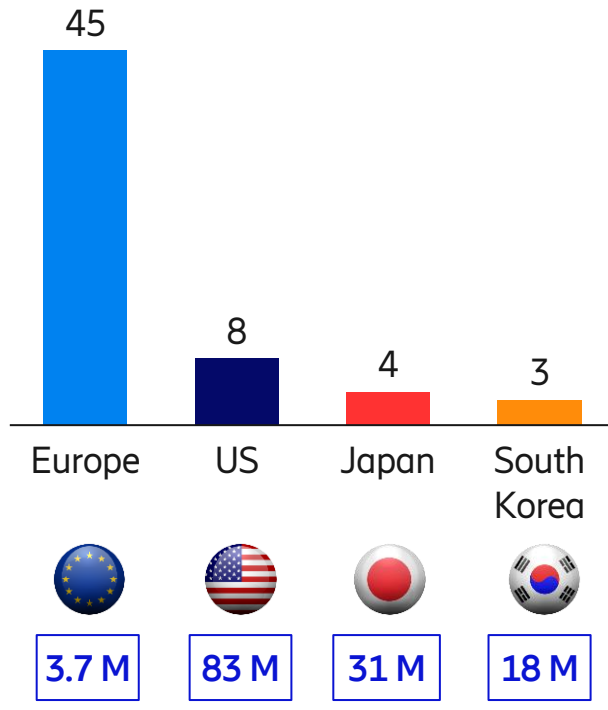
Number of operating groups with +500,000 subs



ROCE (%) vs Cost of Capital (%)



CapEx per pop (€/pop)



Average customer base

ROCE avg 3 yr

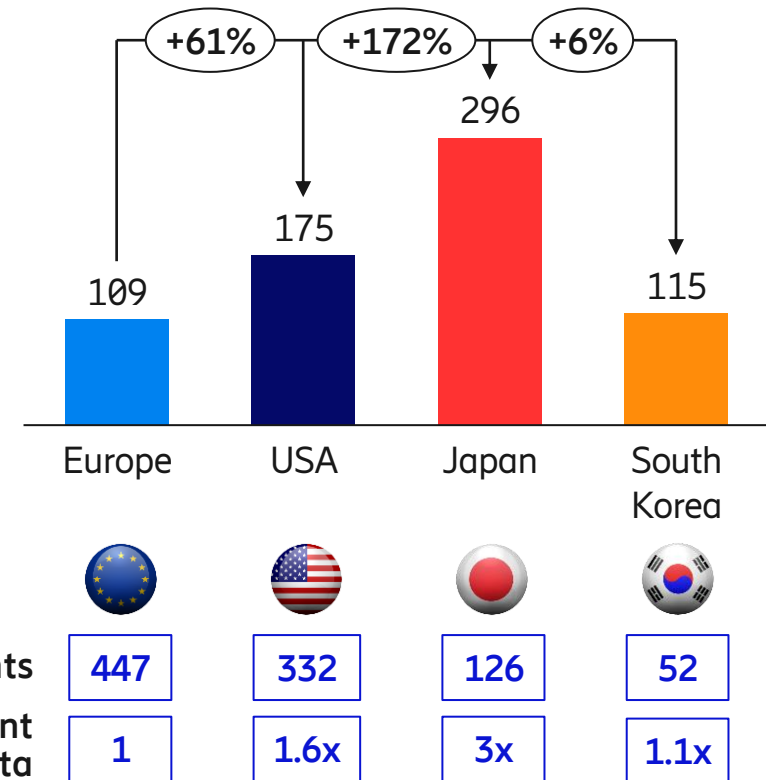


6.7%

Cost of Capital














9-12%



Inhabitants
Incremental investment per capita

What needs to be done to close the competitiveness gap?



Government / Regulator	Operators	Ericsson
<ul style="list-style-type: none">• Regulation • PRR and clear way forward • PRR execution • Spectrum auctions 	<ul style="list-style-type: none">• Consolidation • Public & Private collaboration • Execution and deployment • Open Gateway 	<ul style="list-style-type: none">• R&D leadership • Public & Private collaboration • Execution and deployment • Vonage as global platform 