

News Release

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Verizon and SAP co-developing next gen IoT analytics solutions

Customers to get real-time data processing, multi-sensor capabilities for supply chain solutions, field service management, assembly line and retail operations – from the warehouse to the customer

LOS ANGELES, CA — Verizon (NYSE: VZ) and SAP SE (NYSE: SAP) today announced a collaboration that will enable applications to process data where it is generated – from an assembly line to a retail store shelf, helping businesses save time and increase productivity. The companies are partnering to create enterprise solutions that use Verizon's network and platform capabilities integrated with SAP's software and services, particularly the SAP® Leonardo Internet of Things (IoT) solution, SAP Edge Services and analytics, computing and data management capabilities. This announcement was made at Mobile World Congress Americas, being held in LA October 22-24.

With the new partnership, SAP's customers are poised to benefit from Verizon's new technologies, such as 5G, software defined networking (SDN) and its Intelligent Edge Network capabilities, to accelerate their digital transformation and unlock the power of the Intelligent Enterprise.

Verizon and SAP Uniquely Positioned to Unlock Business Models, Monetization Strategies

"We are unleashing the next generation of cloud capabilities through global data centers, across the edge of the network," said Eric Stine, Chief Customer Innovation Officer, SAP North America. "With data volumes growing exponentially and the capabilities of new wireless technologies like 5G to further expand the reach of IoT and enterprise computing, SAP and Verizon are uniquely positioned to drive a new class of data analytics, management and services at scale to help the world's great companies create amazing customer experiences, and unlock new business models and monetization strategies."

"Our ability to integrate our ThingSpace platform into the SAP Cloud portfolio provides a secure and agile way to deliver instantaneous, end-to-end operational analytics at the edge while lowering the cost of IoT management," said George Fischer, president, Global Enterprise, Verizon Business Group. "This combined solution is not just about massive IoT. We are also enabling computer vision, augmented reality, blockchain and machine learning using Verizon's network. These are a truly comprehensive set of capabilities to help our customers better manage critical functions including asset lifecycles, supply chains, customer experiences, human capital and plant operations."

Accelerating Enterprise Customers' Digital Transformations

To help organizations and developers accelerate their digital transformation, companies are highlighting how SAP Edge Services coupled with Verizon's 5G network can drive business outcomes in real-time. At Mobile World Congress Americas this week, a demonstration at Verizon's booth shows how this joint solution provides the ability to leverage edge computing. It demonstrates the condition of assets within a warehouse or factory and executes critical business processes locally while providing visibility across the supply chain.

Environmental conditions such as location, temperature, humidity and vibration are processed and analyzed at the edge by Verizon's ThingSpace-enabled Critical Asset Sensor (CAS) and SAP Edge Services, generating real-time insights. Together with SAP Leonardo IoT, this enables aggregate time series analysis contextualized with master data, geo-location and condition-based monitoring for outbound logistics business processes. These insights trigger two outcomes: the SAP Field Service Management solution generates an automatic service call, driving recommendations for the right technician to service malfunctioning assets, and the SAP Global Track and Trace solution which enables the fulfillment of goods from the warehouse to the end customer, dramatically streamlining business processes. Additionally, Verizon's ThingSpace platform provides developers with the tools to build and deploy connectivity and manage data capture for CAS and hundreds of other certified IoT devices for the enterprise.

The Verizon and SAP partnership stems from a solid foundation built over several years. Verizon has several company-wide transformations underway, and is a great resource for enterprises of all sizes to help with their digital transformations to better serve their customers. Verizon's goal is simplification and unification as it looks to consolidate more than eight ERP systems across business units and geographies. Verizon selected the SAP S/4HANA® Finance solution and SAP S/4HANA® for central finance foundation as its foundational platform, as well as SAP Cloud Platform, SAP Digital Boardroom and SAP HANA® Enterprise Cloud.

SAP Chooses Verizon's global network

<u>SAP has chosen Verizon to build its next-generation global network</u>, consolidating and streamlining SAP's global network infrastructure for easier and more cost-effective network management, improved internal connectivity and collaboration, a secure stable platform to support customer-facing applications, and a better experience for employees and customers around the world. Verizon was chosen due to the company's global reach, its expansive, secure and high capacity global network capabilities, and its technical expertise.

About Verizon

Verizon Communications Inc. (NYSE, Nasdaq: VZ), headquartered in New York City, generated revenues of \$130.9 billion in 2018. The company operates the network more people rely on and the nation's premier all-fiber network, and delivers integrated solutions to businesses worldwide. With brands like Yahoo, TechCrunch and HuffPost, the company's media group helps consumers stay informed and entertained, communicate and transact, while creating new ways for advertisers and partners to connect. Verizon's corporate responsibility prioritizes the environmental, social and governance issues most relevant to its business and impact to society.

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About SAP

As the Experience Company powered by the Intelligent Enterprise, SAP is the market leader in enterprise application software, helping companies of all sizes and in all industries run at their best: 77% of the world's transaction revenue touches an SAP® system. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers' businesses into intelligent

enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want – without disruption. Our end-to-end suite of applications and services enables more than 437,000 business and public customers to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives. For more information, visit <u>www.sap.com</u>. Visit the <u>SAP News Center</u>. Follow SAP on Twitter at <u>@sapnews</u>.

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