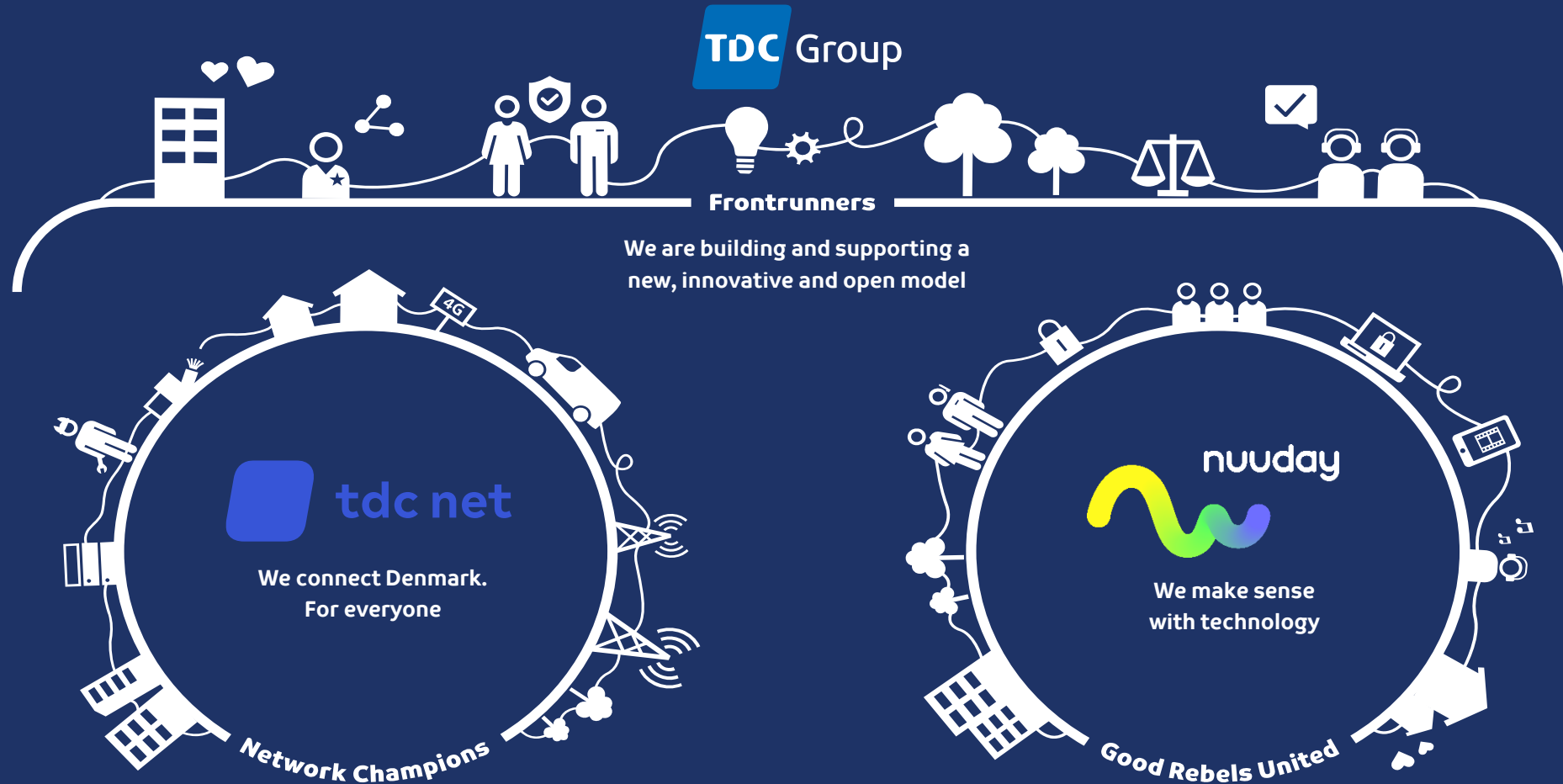
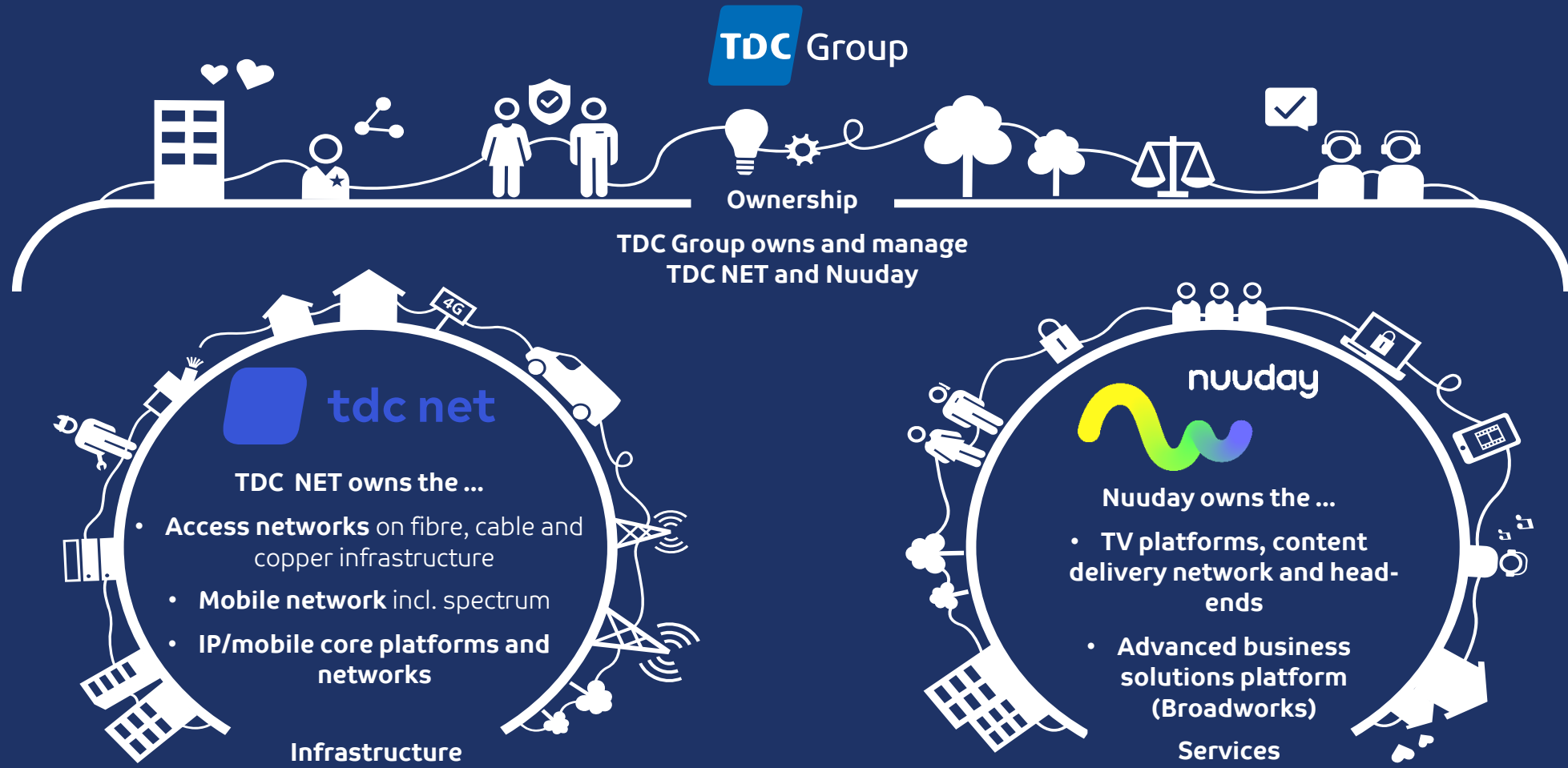


# TDC Group & DKT Holdings Annual Report 2019

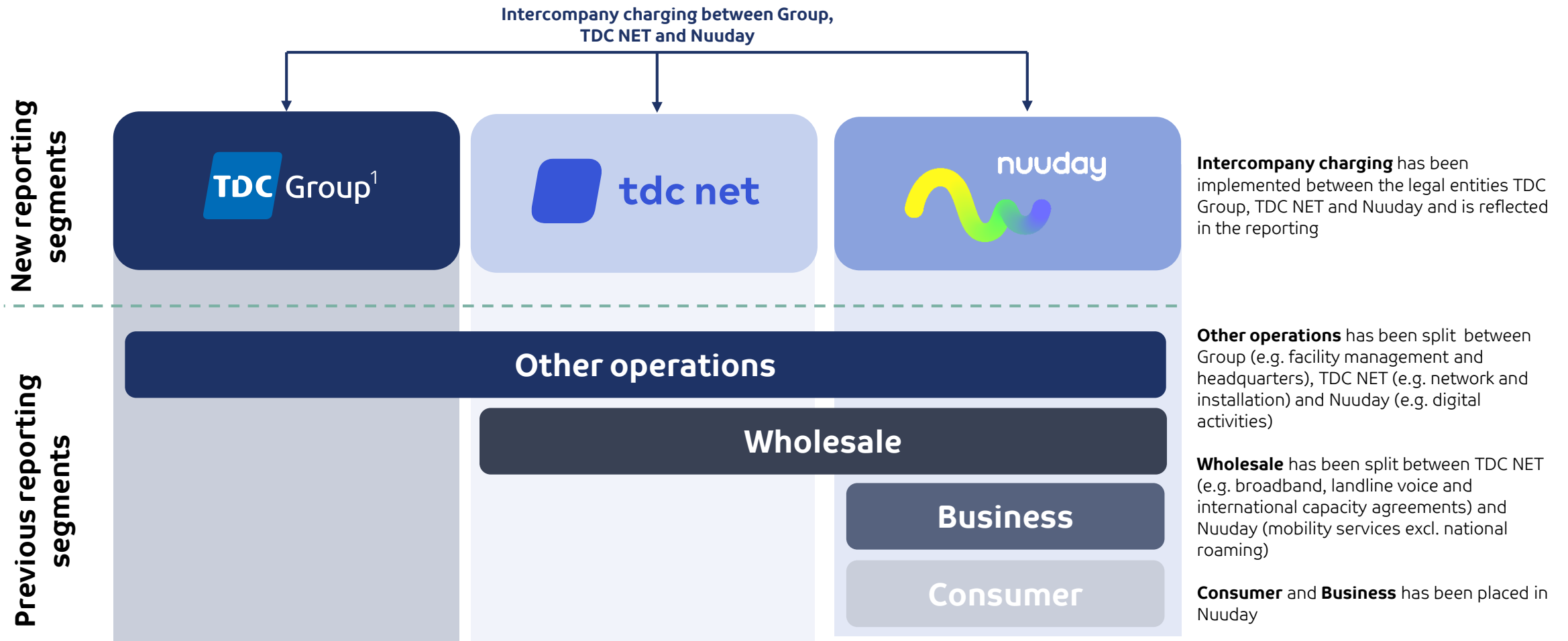
# Our new structure is now also reflected in our reporting



# TDC NET owns the networks and Nuuday owns TV and advanced business solutions platforms to differentiate services



# Our previous reporting segments have been redefined into our new segments



1. Headquarters including shared services

# Our business units

The illustration reflects TDC Group's 2019 performance based on our new segment reporting. Following the legal separation, trading on an arm's length basis between Nuuday, TDC NET and the shared services centres in Headquarters has been implemented and is reflected in the financial figures.



1. Both absolute figures and growth rates do not amount to 100% as headquarters and eliminations are not included in the table.

# TDC NET



We connect Denmark.  
To benefit everyone.

# TDC NET financials in 2019

DKKm	Growth %	Reported
Revenue	1.4	7,050
Hereof external revenue	-8.4	1,741
Gross profit	2.4	6,588
Opex	9.1	-2,341
EBITDA	-0.9	4,247
Capex	63.6	-3,168

- TDC NET's **revenue** now includes revenue from Nuuday for access to TDC NET's mobile and fixed line networks. In 2019, TDC NET's revenue increased by 1.4% stemming from mobility services (the national roaming agreement with Hi3G and the payment from Nuuday for capacity in the mobile network), internet & network (due to an increase in the regulatory prices) and terminal equipment. TDC NET's revenues consist mainly of payments from service providers for access to TDC NET's networks. The by far largest service provider is Nuuday
- **Gross profit** increased by 2.4% in 2019 due to the revenue increase
- **Opex** increased by 9.1% deriving mainly from transition costs related to the separation of TDC, impact from changed classification of certain costs related to customer installations and costs related to the fibre roll out partly offset by impact from IFRS16
- **EBITDA** decreased by 0.9% as the opex increase more than offset the gross profit improvement
- **Capex** increased by 63.6% due to the strategic investments in fibre roll out and commencement of the mobile network swap to Ericsson and preparation for 5G

# TDC NET product offerings

		TDC NET revenue sources	
Products	Internet & network	DSL	<ul style="list-style-type: none"> <li>LRAIC based subscription for network access re DSL and fibre, while subscription for network access re coax and BTO fibre is based on a commercial agreement</li> <li>LRAIC based installation fee for DSL, coax and fibre while BTO is based on commercial agreement</li> </ul>
		Coax	
		Fibre	
		BTO	
	Mobility services	Mobility services	<ul style="list-style-type: none"> <li>Capacity charge for usage of the mobile network with annual indexation<sup>1</sup></li> </ul>
	Landline voice	Landline voice	<ul style="list-style-type: none"> <li>Commercial market agreement for network access and installation. Traffic charge based on a price per minute called</li> </ul>
TV	TV	<ul style="list-style-type: none"> <li>Commercial market agreement for network access and installation</li> </ul>	
Other	Other	<ul style="list-style-type: none"> <li>Customer premises equipment (CPE) related to installations and fault handling</li> </ul>	

1. Sales to Nuuday and national roaming agreements with mobile operators. Mobility services sales to other MVNOs is done by Nuuday





**Nuuday**

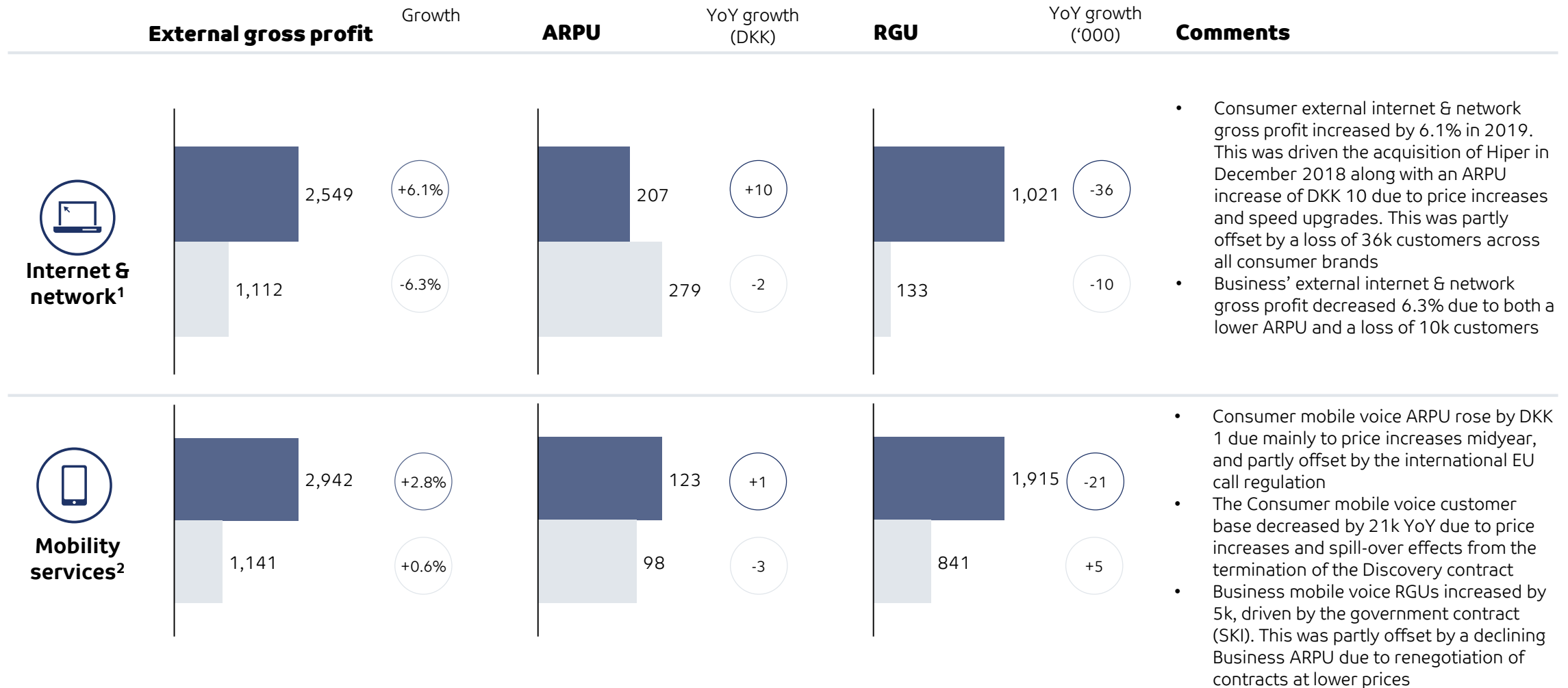
# Nuuday financials in 2019

DKKm	Growth %	Reported
Revenue	-1.1	15,625
Hereof external revenue	-0.9	15,299
Gross profit	-3.9	5,895
Opex	3.2	-3,931
EBITDA	-15.5	1,964
Capex	-2.9	-1,492

- In 2019, Nuuday **revenue** decreased by 1.1% to DKK 15,625m. The decrease was driven mainly by lower handset sales and lower landline voice revenue across Consumer and Business, which was partly offset by higher revenue from mobility services and internet & network where the acquisitions of Firmafon and Hiper were contributing positively to the revenue. Furthermore, ARPU increased in both Consumer mobility services and Consumer internet & network.
- In the new reporting setup cost of goods sold are significantly higher due to payments towards TDC NET. This includes the payment for the capacity agreement for the use of the mobile network, payments for TV distribution as well as payments for the use of the landline and broadband networks. Overall, **gross profit** in Nuuday decreased by 3.9% in 2019. The decline was driven by increased content investments to support the transformation of our TV business from traditional TV distributor into a digital entertainment provider. Furthermore, the declining landline voice market contributed to the decreasing gross profit.
- Nuuday **operating expenses** in 2019 increased by 3.2%. This was driven largely by costs related to the separation of TDC.
- These events led to a decline in Nuuday **EBITDA** of 15.5%, down DKK 360m compared with last year.
- **Capital expenditure** decreased by 2.9% in 2019. Lower costs related to customer installations were the main driver of this improvement, partly offset by IT separation costs in relation to the separation of TDC.

# Nuuday operational key figures in 2019 (1/2)

■ Consumer ■ Business



1. ARPU and RGU relate only to broadband.  
 2. ARPU and RGU relate only to mobile voice.

# Nuuday operational key figures in 2019 (2/2)

■ Consumer ■ Business





# **DKT Holdings**

# DKT Holdings financial highlights

DKKm	Q4	2019
	Actuals	Actuals
Revenue	4,284	17,044
Gross profit	2,908	12,099
Opex	(1,407)	(5,587)
EBITDA	1,501	6,512
Profit for the period	(1,014)	(3,244)
Capex	(1,614)	(4,801)

# Capital structure

TDC A/S	As of December 2019	Leverage ratio <sup>2</sup>
Senior Facility Agreement incl. RCF	14,839	
EMTN bonds	7,495	
Lease liabilities	5,242	
Cash and cash equivalents	(1,577)	
Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other	1,205	
<b>TDC total net debt</b>	<b>27,204</b>	<b>3.6 1)</b>
<b>DKT Finance ApS</b>		
Senior Notes	10,450	
PPA adjustments on EMTN bonds	478	
Cash and cash equivalents	(99)	
Other	(43)	
<b>DKT Finance total net debt<sup>2</sup></b>	<b>10,786</b>	
<b>DKT Finance Group total net debt<sup>2</sup></b>	<b>37,990</b>	<b>5.4 1)</b>

1. Calculated without the additional lease liabilities due to the adoption of IFRS 16. Including IFRS 16, the NIBD/EBITDA ratio amounts to 4.2x for TDC and 5.8x for DKT Finance at 31 December 2019.

2. Figures are excl. shareholder loans