

TDC: Interim Financial Report Q1 2021

- **Improved or stable commercial performance across all main products in TDC Group** as well as continued cost savings resulted in a small decline in EBITDA in Q1 (-1.8% YoY)
- **TDC Group's operating expenses improved by 11.5% YoY in Q1**, driven by cost reductions across TDC Group, primarily in Nuuday (13.7%)
- **Capex decreased by 27.6% YoY**, driven by reduced costs following the completion of last year's mobile network 5G-swap as well as lower activity in fibre rollout due to COVID-19
- **Leverage¹ for DKT Finance was 5.3x** (5.3x in Dec 2020) **and for TDC A/S 3.6x** (3.5x in Dec 2020). Additional RCF of DKK 2.577m was raised in Q1 to secure sufficient liquidity to cash flows the next 24 months – including operations, investment programs and maturing funding in 2022
- TDC NET's **EBITDA** totaled DKK 1,154m, increasing by 72m from Q4 2020 to Q1, however a decrease of 1.4% compared to the same period last year
 - YoY **revenue** declined by 5.2%, driven by mainly fewer customer installations due to COVID-19 and continued decline on legacy products
 - **Gross profit** decreased by 2.5% YoY, as the GP margin improved due mainly to growing revenues in mobility services and lower revenues from low margin products
 - **Operating expenses** decreased by 5.2% YoY in Q1, as costs related to the separation of TDC decreased as part of our focus on optimising our organisation
- TDC NET's **capex** decreased by 26.3% YoY in Q1, driven by the YoY effect of the 5G swap as well as lower activity in fibre rollout due to COVID-19 and weather conditions - 17k homes were passed with fibre in Q1. The fibre rollout is regaining the pace and homes passed with fibre are expected to be back on a similar level to previous quarters in Q2
- **Best mobile network**
 - TDC NET committed to invest DKK 795m in the **latest spectrum auction**, which will give us a strong foundation to further develop Denmark's best mobile network for consumers, businesses and institutions throughout the country.

TDC NET was the only company in the auction to acquire spectrum on all five frequency bands

- TDC NET was awarded **best mobile network in Denmark** by Teknologisk Institut (Danish Technological Institute) for the 6th consecutive year. In addition, in the latest tests done by Tutela, TDC NET had the **best mobile network in the Nordics**
- **Nuuday EBITDA declined by 7.0% in Q1 YoY**, driven mainly by fewer RGUs in low-speed broadband and landline voice within our mature services segment.
 - **Nuuday's revenue declined by 3.3% YoY in Q1** driven by the structural decline in mature services, e.g. landline voice, low-speed broadband and traditional TV packages.
 - **Gross profit declined by 11.4% YoY in Q1** while showing a flat development compared to Q4 2020 declining 0.3%. The mature services, primarily low-speed broadband and landline voice were also the main driver of the YoY gross profit decline. This was partly offset by a 1.1% increase in TV gross profit YoY.
 - In Q1 YoY, Nuuday reduced **operating expenses by 13.7%** driven by significant reductions in personnel cost along with savings across opex categories.
- **Capex declined by 26.2% in Q1 YoY** driven by lower costs related to customer installations and lower investments in privately owned networks and IT.
- In Q1, Nuuday maintained its position as **market leader** across all products with small changes in market shares, prompted by positive trends in YouTV and Eesy following their launch in 2H 2020.

Conference call details

A conference call will be held on 06 May 2021 at 14:30 CET.

Presentation material will be available prior to the conference call on www.tdcgroup.com

Dial-in details: +45 32 72 51 67 - Meeting ID: 256 316 081#

Webcast: https://teams.microsoft.com/l/meetup-join/19%3ameeting_YWM1M2I2ZDQtNzdhdhNC00OWQzLTg2NTgtYzcyZGQxZTdhYzhh%40threa d.v2/0?context=%7b%22Tid%22%3a%22e8dcf6e6-3acc-4af9-9cb2-77f688cb688b%22%2c%22Oid%22%3a%22e3bc77b8-3126-4e3f-b136-3297ef0a91d3%22%7d

For investor enquiries: +45 66 63 76 80

For media enquiries: +45 70 20 35 10

This notification is made by Klaus Rose, Treasury Analyst at TDC A/S.

TDC tickers

Reuters TDC.CO.

Bloomberg TDC DC.