TDC Group and DKT Holdings Group Financial Report

October – December 2018

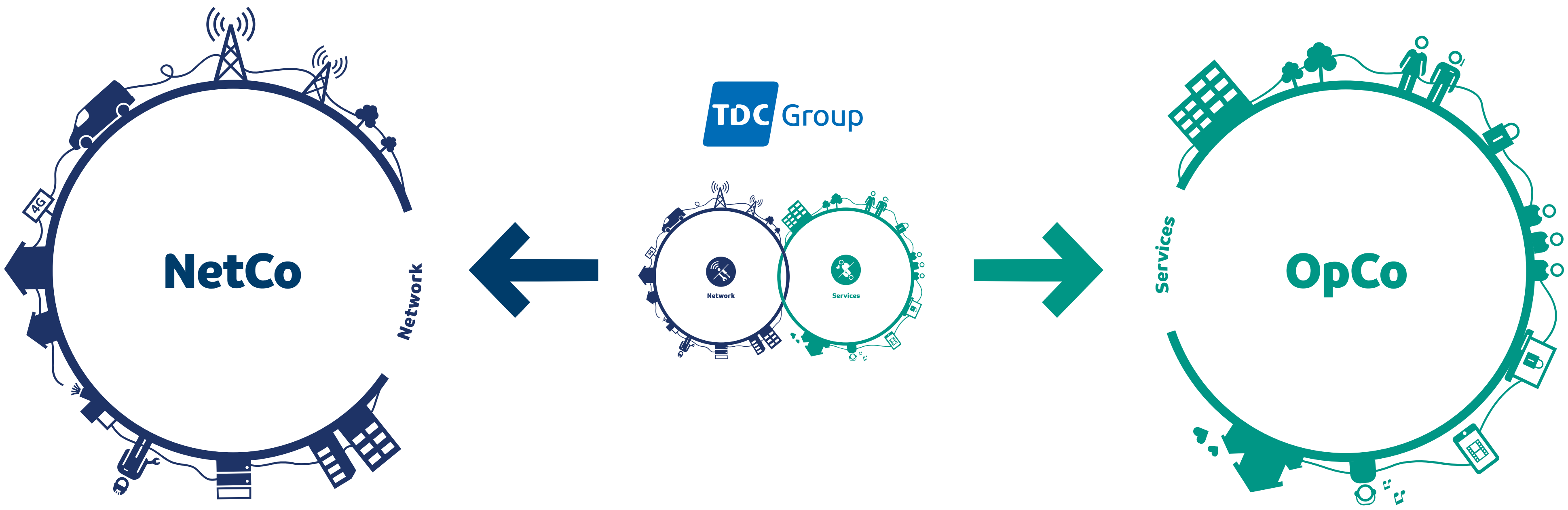
21 February 2019

TDC Group

Highlights

- Full year 2018 organic EBITDA stabilised with growth of 0.1%, after 7 years of decline
- Transition costs related to the new ownership and the new strategy for TDC Group going forward, resulted in a reported EBITDA decline of 5.3% in Q4 2018. Organic EBITDA decline of -1.1% YoY
- Mobile and Business both grew in the quarter:
  - Organic Business EBITDA growth of 0.2%, best in several years, driven by improvements in operational expenditures, mobility services and terminal equipment
  - Organic mobility services' gross profit growth of 3.6% in Q4 YoY. In Q4, the Consumer and Business mobility services RGU bases grew by 30k
- The TV segment continued to decline, with gross profits decline of 6.8% in Q4 YoY due to fewer RGUs and a reduced gross profit margin. As of December, Netflix has now been added as an integrated streaming service within our unique 'Bland Selv' product
- Continued focus on providing the best, high speed technologies:
  - Danish Technological Institute has for the 4th year in a row concluded that TDC Group has the best mobile network in Denmark
  - 100% of TDC Group's own cable network now upgraded to 1 gigabit broadband speeds and accessible to 30% of Danish households
  - Fibre has started to rollout, ~4,000 households in Copenhagen can now access TDC Group's fibre network
- Net interest debt decreased by DKK 16,985m in Q4, driven primarily by the proceeds from the divestment of Get being used to prepay EUR 2.0bn of TLB and EUR 271m retained as cash for reinvestment in TDC's Danish activities. During Q4, TDC concluded a successful repricing of its outstanding TLB, achieving among other a margin reduction of 25bps across the margin grid
- Financial performance in 2018 was in line with previously communicated guidance; Organic EBITDA growth (+0.1%. Guidance ≥0%) and EFCF growth adjusted for change of control and divestment of Get and TDC Norway and other non-recurring items (DKK 3.0-3.2bn. Guidance: DKK ≥2.4bn)
- 2019 guidance assumes continued underlying improvements in our commercial performance, however we expect a slightly lower EBITDA than in 2018 due to investments in fibre, content, separation of the TDC Group with associated transition costs. The investments are also expected to increase capex to DKK 4.1-4.5bn and leverage to ~3.5x for the year

Strategy going forward



Strategic direction

- Bring the best connections to Danish households by investing in **future-proof technologies**
- **Open access and carrier neutrality** will ensure new service providers on the infrastructure

Strategic direction

- Deliver tailored state of the art solutions for consumers and businesses in Denmark
- **Accelerate digitalisation** in order to build a **personalised digital universe** for the customers

TDC Group

Strategic focus in 2019

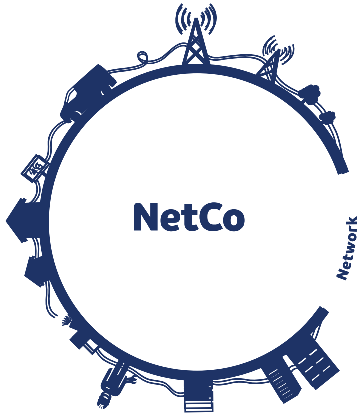
NetCo

Fibre investment
NetCo will accelerate the rollout of fibre technology to Danish households.

5G rollout
The road for the 5G network will be paved

Open access
New service providers will successfully access and operate on the infrastructure

Stability and security
Continue to build and run world-class network stability through security, preventive measures and fast reaction times.



OpCo

Fibre partnerships
OpCo will leverage new fibre partnerships across Denmark

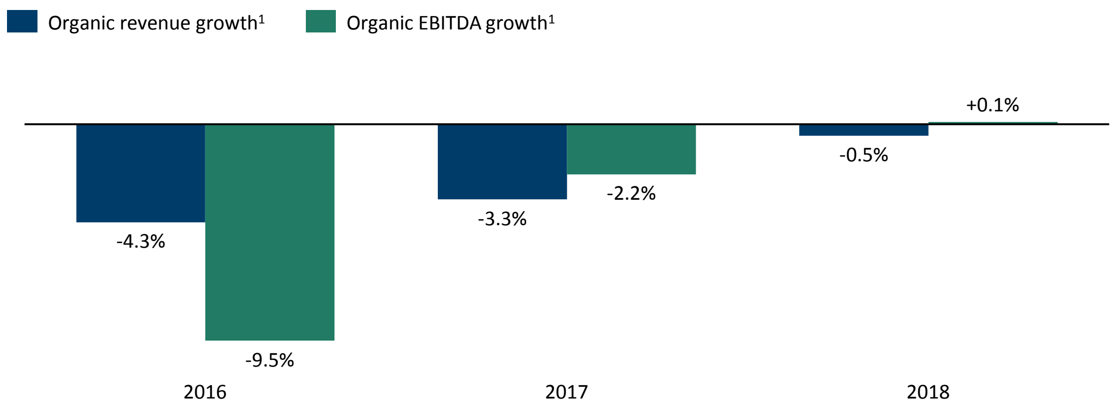
Digitalisation
Accelerated digitalisation will drive the customer experience and cost savings.

Expanding into new cloud areas
To support the business customers' cloud journey, OpCo will invest in new cloud areas

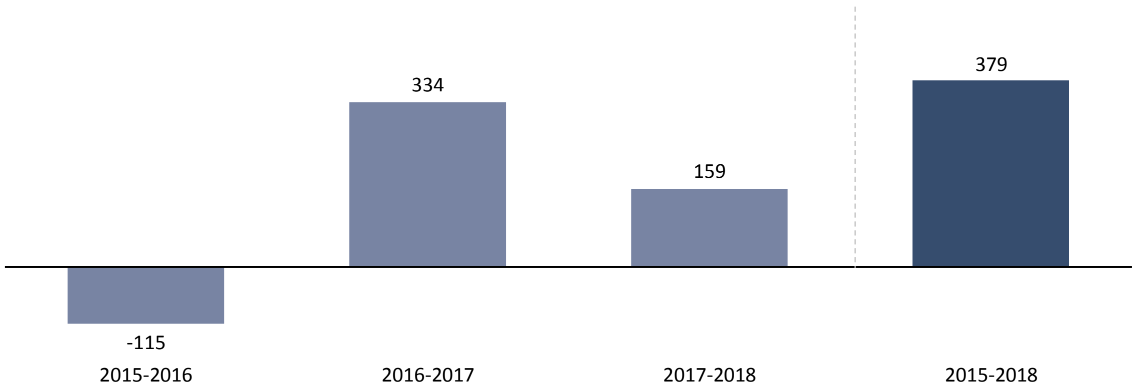
Entertainment
Set out on a new content strategy, with the next generation of TV offerings across existing and new digital platforms

Turnaround over the last 3 years in revenue, EBITDA and cash flows. Further, our customer satisfaction has improved

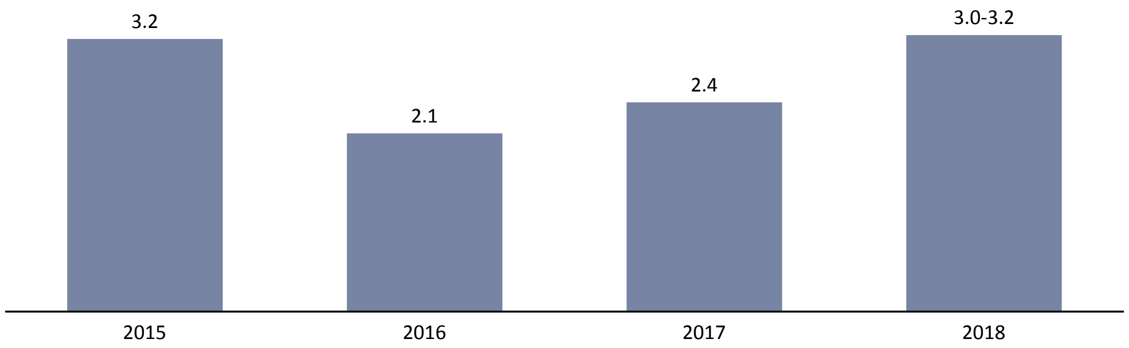
For revenue and EBITDA we have gone from large decrease to flat growth



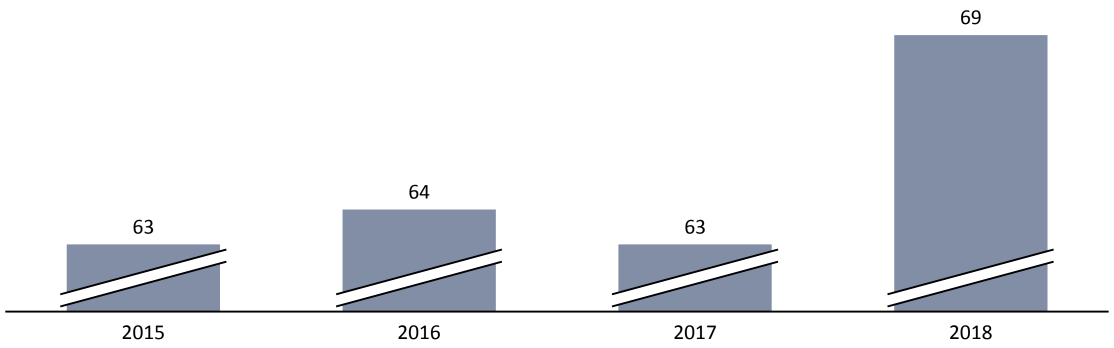
On organic opex, we have delivered savings of DKK ~400m or 6.4% since 2015



We have gone from a decrease of DKK 1.1bn in EFCF 2016 to stable increases[2]



We have improved our recommend score[3] since 2015



1. Adjusted for acquisitions/divestments and costs related to non-recurring items
2. Adjusted for change of control and divestment of Get and TDC Norway and other non-recurring items
3. There has been a change in metric from 2018- from Recommend score (1-10 point scale) to Net promoter score (0-10 point scale), hence absolute comparison must be made with caution.

TDC Group

TDC Group's financial highlights

DKKm	FY 2017	FY 2018			Q4 2018		
	Growth %		Growth %			Growth %	
	Organic[1]	Reported	Reported	Organic[1]	Reported	Reported	Organic[1]
Revenue	(3.3)	17,356	(0.2)	(0.5)	4,355	(1.2)	(1.9)
Gross profit	(3.7)	12,457	(1.4)	(1.2)	3,084	0.5	0.0
Opex	5.5	(5,766)	(0.9)	2.7	(1,520)	(7.2)	(1.4)
EBITDA	(2.2)	6,691	(3.3)	0.1	1,564	(5.3)	(1.1)
Profit for the period[2]		1,243	(40.6)		(358)	(191.1)	
Capex		(3,501)	8.0		(1,041)	(27.3)	
NIBD/EBITDA[3]		2.9			2.9		

1. Adjusted for acquisitions/divestments and costs related to non-recurring items
2. Profit for the period from continuing operations, excl. special items
3. NIBD figures for 2017 include 50% of hybrid capital as rating agencies provide 50% equity credit for hybrid bonds

Q4 2018 performance per business line

YoY organic growth[2]

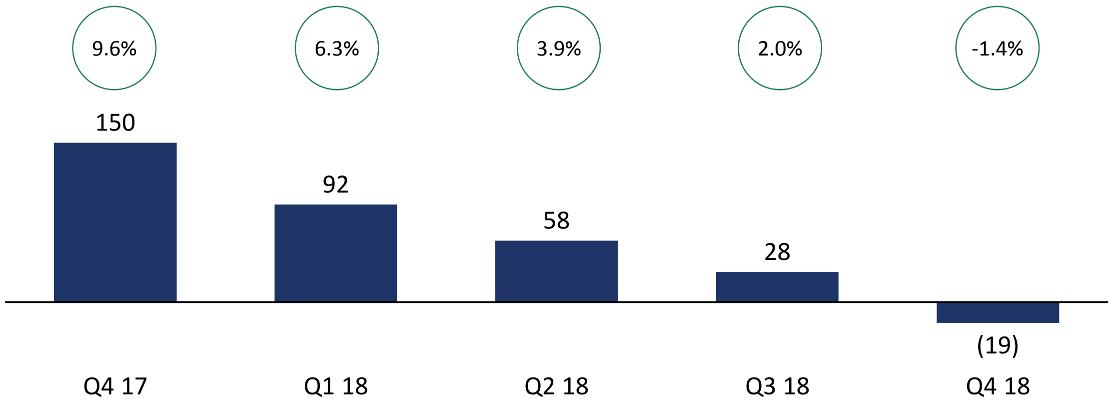
DKKm	TDC Group	Consumer	Business	Wholesale	Other operations
Revenue[1]	4,355 (1.2%)	2,729 (1.6%)	1,089 (0.5%)	429 (0.2%)	146 5.0%
Gross profit[1]	3,084 0.5%	1,918 0.4%	795 (2.0%)	285 2.5%	96 15.7%
EBITDA[1]	1,564 (5.3%)	1,484 1.6%	589 (0.3%)	238 (3.3%)	(744) 15.3%
YoY organic growth[2]	-1.1%	1.8%	0.2%	-3.4%	-5.6%

1. Both absolute figures and growth rates are excluding eliminations and therefore do not amount to 100%
2. Adjusted for acquisitions/divestments and costs related to non-recurring items

Opex & capex

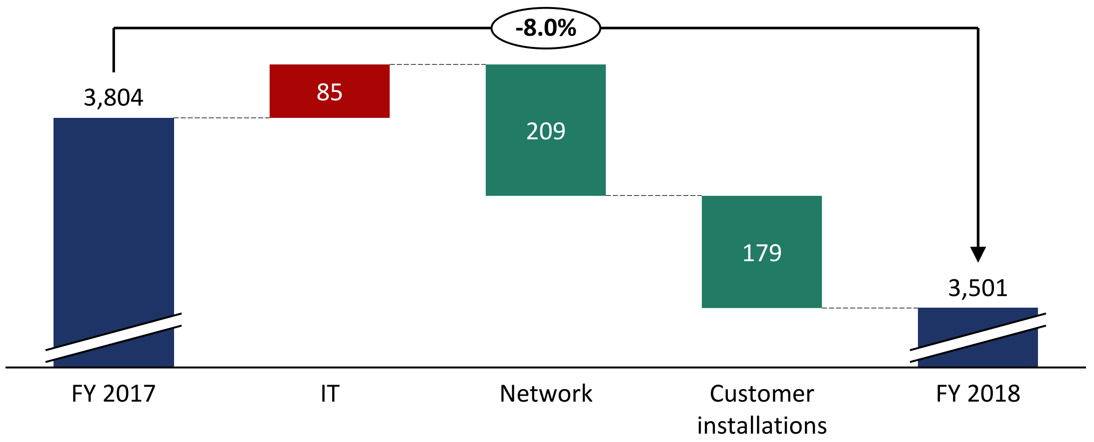
YoY organic growth[1]

Organic[1] opex development DKKm



Capex, YoY development

DKKm



- Organic operational expenses in Q4 increased YoY by 1.4% or DKK 19m driven by different timing of some costs in 2018 compared to 2017, costs to EU GDPR and investments in security as well as our new strategy
- 2018 spend in capital expenditure down 8.0% or DKK 303m compared with 2017. This development resulted partly from investments in 2017 relating to the cable network upgrade and disintegrating the Swedish activities following their disposal in 2016. Further lower spend on customer premises equipment (CPE) for customer installations contributed to the lower spend in 2018

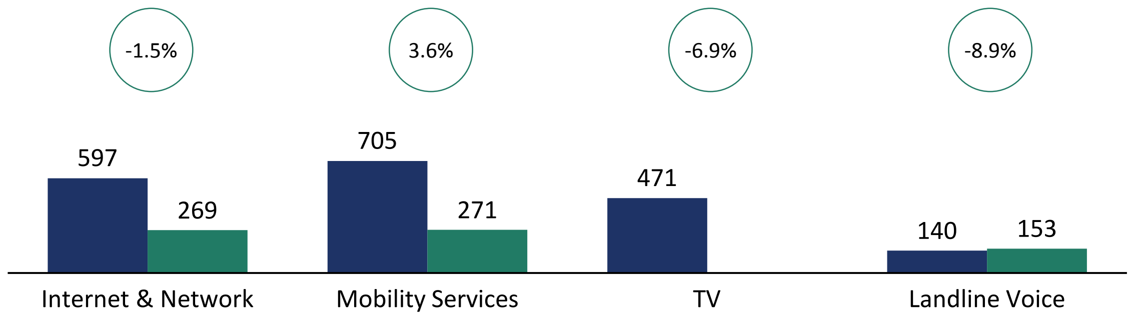
1. Adjusted for acquisitions/divestments and costs related to non-recurring items

TDC Group

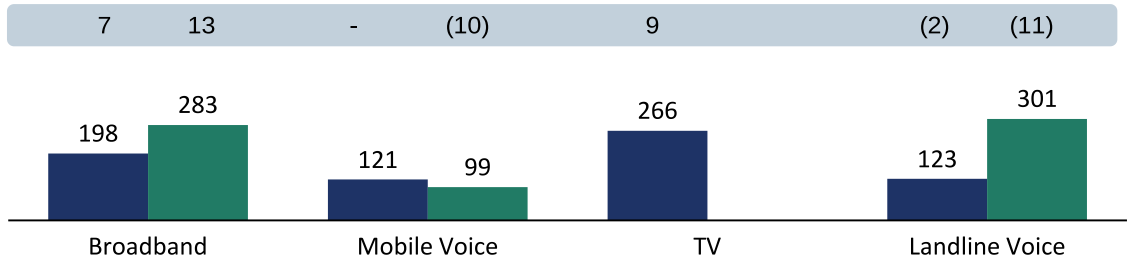
Operational key figures in Q4

Consumer | Business | TDC Group YoY organic growth[1] | YoY growth | Q3 vs Q4 growth

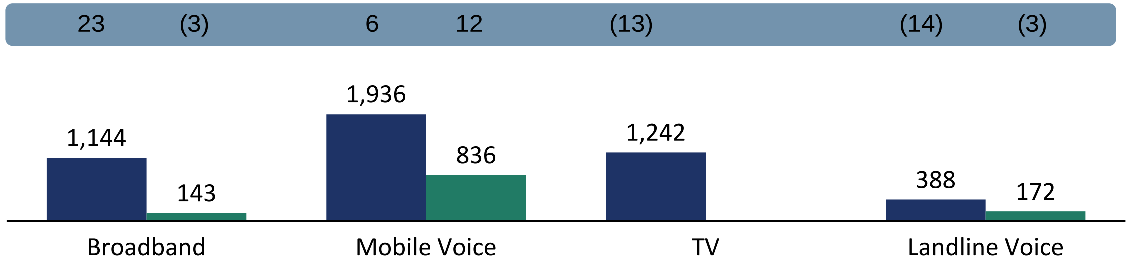
Gross profit DKKm



ARPU DKK/month



RGU ’000



Internet & Network

- Organic internet & network gross profit loss of 1.5% YoY. In Business the negative development was mainly driven by loss of customers, partly countered by higher ARPU stemming from price increases whereas Consumer saw an increase in ARPU, which more than offset the organic decline in the customer base.

Mobility services

- Organic mobility services gross profit growth of 3.6% YoY, driven by more mobile voice subscribers in both Consumer and Business. For Business the RGU increase was mainly driven by the large government contract (SKI) won in Q4 2017. For Consumer the driver was positive net adds in Online Brands, and the inclusion of Coop mobile in YouSee. Furthermore in Business the large intake of low-ARPU mobile voice customers from SKI puts pressure on the voice ARPU

TV

- Organic TV gross profit decline of 6.9% YoY, driven by 59k fever RGUs (avg.) in Q4 YoY, combined with a gross profit margin erosion of 1.7pp to 49.2%. The decline in gross profit margin was driven by higher content cost, partly stemming from the inclusion of streaming services in the TV-packages and only partially offset by TV ARPU growth of DKK 9 YoY driven by price increases

Landline Voice

- Organic landline voice gross profit decline of 8.9% YoY from fewer RGUs in both Consumer and Business compared to Q3. The Consumer ARPU declined slightly by DKK 2 YoY, whereas Business ARPU declined by DKK 11 YoY, but only DKK 1 when comparing the full year 2018 to 2017

1. Adjusted for regulation and acquisitions/divestments

2019 guidance

TDC Group's 2019 guidance is affected by higher operating expenses and capital expenditure due to substantial investments towards new strategy and transforming the company into two industry-leading entities. Continued improvement in underlying commercial performance is expected across business lines. Guidance does not include the expected impact from new IFRS16 requirements[1]

2019 guidance

EBITDA	Slightly lower
Capex DKKbn	4.1-4.5
Net debt EBITDA	~3.5x EoY

Assumptions

EBITDA is expected to be slightly lower driven mainly by increased costs triggered by substantial investments into our new strategy, somewhat offset by improvements in the underlying business

- Increased investments in own content in order to protect and develop our TV offering
- Increased costs due to investment in fibre with increased marketing costs and more FTEs
- We expect further improved trends in underlying commercial performance across business lines
- Cost savings stemming from simplification, digitalisation and reductions in call centres though at lower levels than in recent years

Increase in capex due to substantial investments in new strategy and separating TDC Group

- Accelerated fibre investments started at the end of 2018
- Investments in developing our TV platform
- Roll-out of the 5G network
- IT separation

1. For further information, see also note 6.7 to the Consolidated Financial Statements

DKT Holdings financial highlights

DKKm	Q4 2018 Actuals	YTD 2018 Actuals
Revenue	4,355	11,581
Gross profit	3,084	8,266
Opex	(1,544)	(3,924)
EBITDA	1,540	4,342
Profit for the period	(1,188)	(2,951)
Capex	(1,041)	(2,443)
NIBD/LTM EBITDA[1]		4.6

1. Based on TDC's LTM EBITDA of DKK 6,691m and calculated excluding shareholder loans

Capital structure

TDC A/S	As of Dec 2018	Leverage ratio
Senior Facility Agreement incl. RCF	**14,140**	
EMTN bonds	**7,285**	
Cash and cash equivalents	**(2,244)**	
Correction for Hedge accounting effects and Other	**429**	
TDC total net debt	**19,610**	**2.9**
DKT Finance Aps		
Senior Notes	**10,347**	
PPA on EMTN bonds	**630**	
Cash and cash equivalents	**(135)**	
DKT Finance total net debt	**10,842**	**1.7**
DKT Finance Group total net debt	**30,452**	**4.6**

Q&A

Disclaimer

This Report may include statements about TDC Group's expectations, beliefs, plans, objectives, assumptions or future events or performance that are not historical facts and may be forward-looking. These statements are often, but not always, formulated using words or phrases such as "are likely to result", "are expected to", "will continue", "believe", "is anticipated", "estimated", "intends", "expects", "plans", "seeks", "projection" and "outlook" or similar expressions or negatives thereof. These statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause actual results, performance or achievements or industry results to differ materially from those expressed or implied by such forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this financial report. Key factors that may have a direct bearing on TDC Group's results include: the competitive environment and the industry in which TDC Group operates; contractual obligations in TDC Group's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDC Group's responses to change and new technologies; introduction of and demand for new services and products; developments in demand, product mix and prices in the mobile and multimedia services market; research regarding the impact of mobile phones on health; changes in applicable legislation, including but not limited to tax and telecommunications legislation and anti-terror measures; decisions made by the Danish Business Authority; the possibility of being awarded licenses; increased interest rates; the status of important intellectual property rights; exchange-rate fluctuations; global and local economic conditions; investments in and divestment of domestic and foreign companies; and supplier relationships.

As any risk factors referred to in this Report could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Report, undue reliance is not to be placed on any of these forward-looking statements. New factors will emerge in the future that TDC Group cannot predict. In addition, TDC Group cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

The market shares included in this report are estimated by TDC Group Market Intelligence and may change with retrospective effect as increased knowledge of the market is obtained. The total market is defined to include residential and business. Market share for landline voice is based on number of lines. Market shares for broadband and TV are based on subscriptions. Market share for mobile voice is based on subscriptions excl. prepaid cards.