

TDC Group & DKT Holdings

Q1 2021

6 May 2021

DKT and TDC Group Q1 highlights

- **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
- For highlights regarding **TDC NET see page 7**
- For highlights regarding **Nuuday see page 10**

1. Excluding the impact from IFRS 16 and spectrum licence liabilities.

TDC Group's financial highlights

DKKm	Q1 2021		FY 2020		Q4 2020
	Reported	YoY growth %	Reported	YoY growth %	YoY growth %
Revenue	3,982	-3.5	16,089	-5.6	-5.3
Gross profit	2,795	-6.1	11,463	-5.3	-4.0
Opex	-1,161	-11.5	-5,043	-9.5	-8.7
EBITDA	1,634	-1.8	6,420	-1.6	0.4
Profit for the period	95	NM	151	-16.1	
Capex	-1,012	-27.6	-5,547	15.5	
Adjusted NIBD/EBITDA ¹	3.6		3.5		

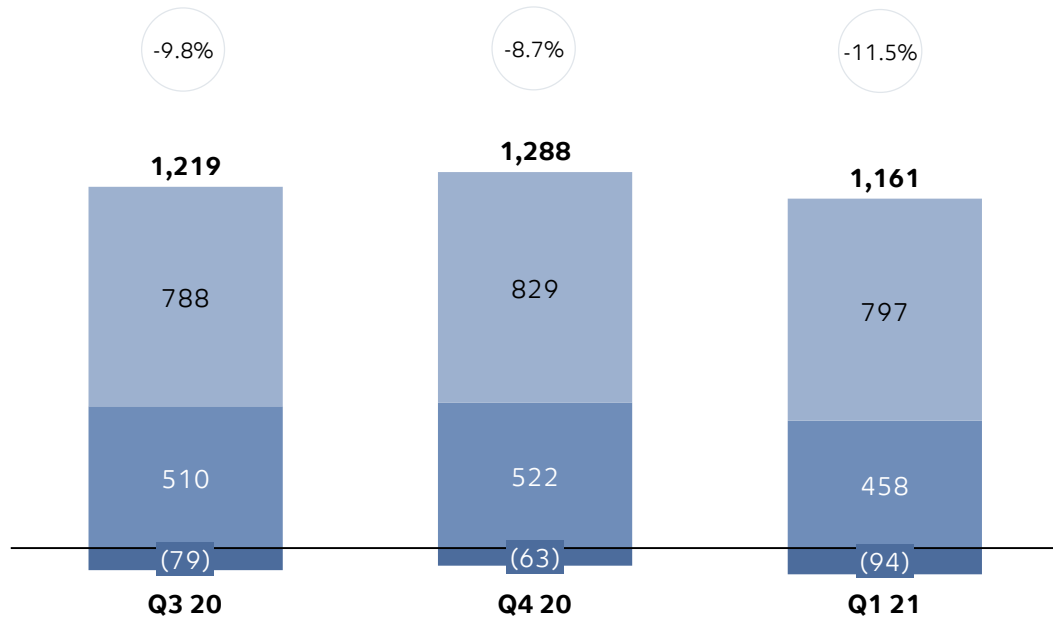
1. Excluding the impact from IFRS 16 and spectrum licence liabilities.

TDC Group opex & capex

YoY growth¹
 Nuuday
 TDC NET
 Eliminations & Other

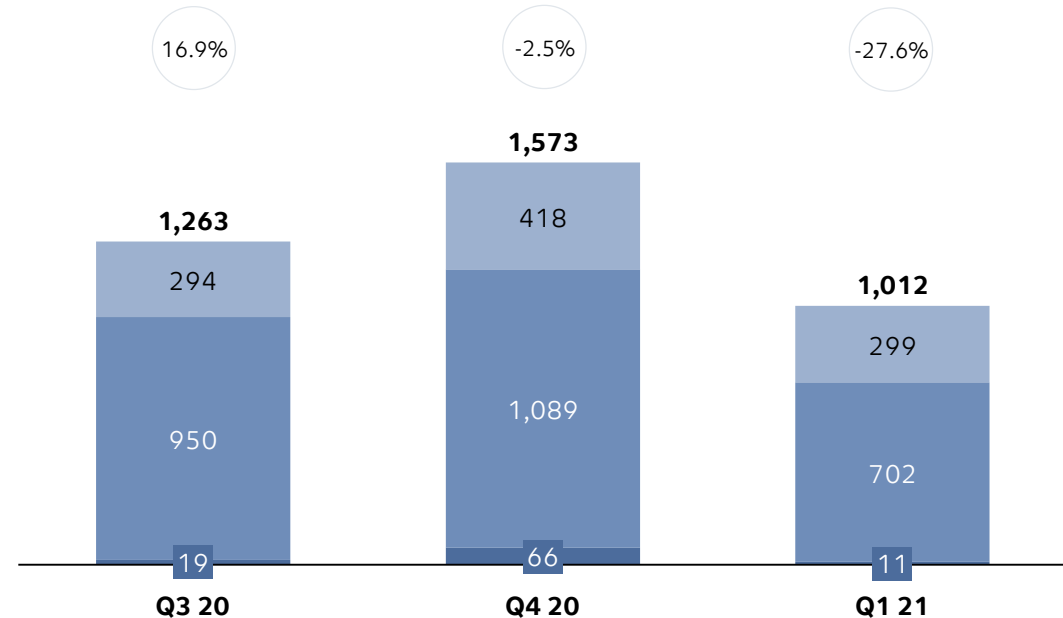
TDC Group opex

(DKKm)



TDC Group capex

(DKKm)



1. Mathematical notation – negative growth corresponds to a reduction of the cost base

Business unit performance in Q1 2021

The illustration reflects TDC Group's Q1 2021 performance based on our 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 highlights

- 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**
 - In Q1 TDC NET **successfully completed a 5G pilot** together with Grundfos - highlighting the **value of our 5G network** for industry and manufacturing. In addition, Innovation Hub connected a mobile robot to 5G for the first time in Europe
- **Fastest fixed connections**
 - In the first quarter of the year TDC NET saw a continued strong performance in high-speed broadband with positive **net adds of 20k** (fibre 10k & coax 10k) and TDC NET also launched the **fastest private fibre connection** in Denmark –with speeds of up to 2,500 megabits per second

TDC NET financials

DKKkM	Q1 2021		FY 2020	
	YoY growth %	Reported	YoY growth %	Reported
Revenue	-5.2	1,681	-3.1	6,828
Gross profit	-2.5	1,612	-2.1	6,447
Opex	-5.2	-458	-7.4	-2,013
EBITDA	-1.4	1,154	0.4	4,434
Capex	-26.3	-702	23.9	-3,971

- In Q1 2021, TDC NET's **gross profit** decreased by 2.5%. The decline was driven by lower revenue due to fewer customer installations and customer losses on legacy products, which were partly offset by net adds on high-speed broadband, growing revenues on mobility services and lower revenues from low-margin products. TDC NET's gross profit margin increased from 93.2% to 95.9% YoY.
- **Operating expenses** declined by 5.2% driven by positive developments in external expenses from lower costs related to the separation of TDC and lower personnel costs due to optimisation of our operations.
- **EBITDA** decreased by 1.4% due to the positive developments in operating expenses and gross profit margin partly offsetting the revenue decline.
- **Capital expenditure** decreased by 26.3%. The decrease was due mainly to the YoY effect of finalising the 5G swap in 2020. In addition, COVID-19 restrictions combined with poor weather conditions decelerated the fibre rollout, with 17k homes passed in Q1.



Nuuday

Nuuday highlights

- **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 Easy following their launch in 2H 2020.
- **Fibre and coax connections** achieved positive net adds of 9k in Consumer compared with Q4 2020, as the strategic focus of providing high-speed broadband continues to be an essential part of Nuuday's growth services.

Nuuday financials

DKKm	Q1 2021		FY 2020	
	YoY growth %	Reported	YoY growth %	Reported
Revenue	-3.3	3,639	-5.6	14,756
Gross profit	-11.4	1,246	-9.8	5,318
Opex	-13.7	-797	-12.4	-3,382
EBITDA	-7.0	449	-4.9	1,936
Capex	-26.2	-299	-5.7	-1,431

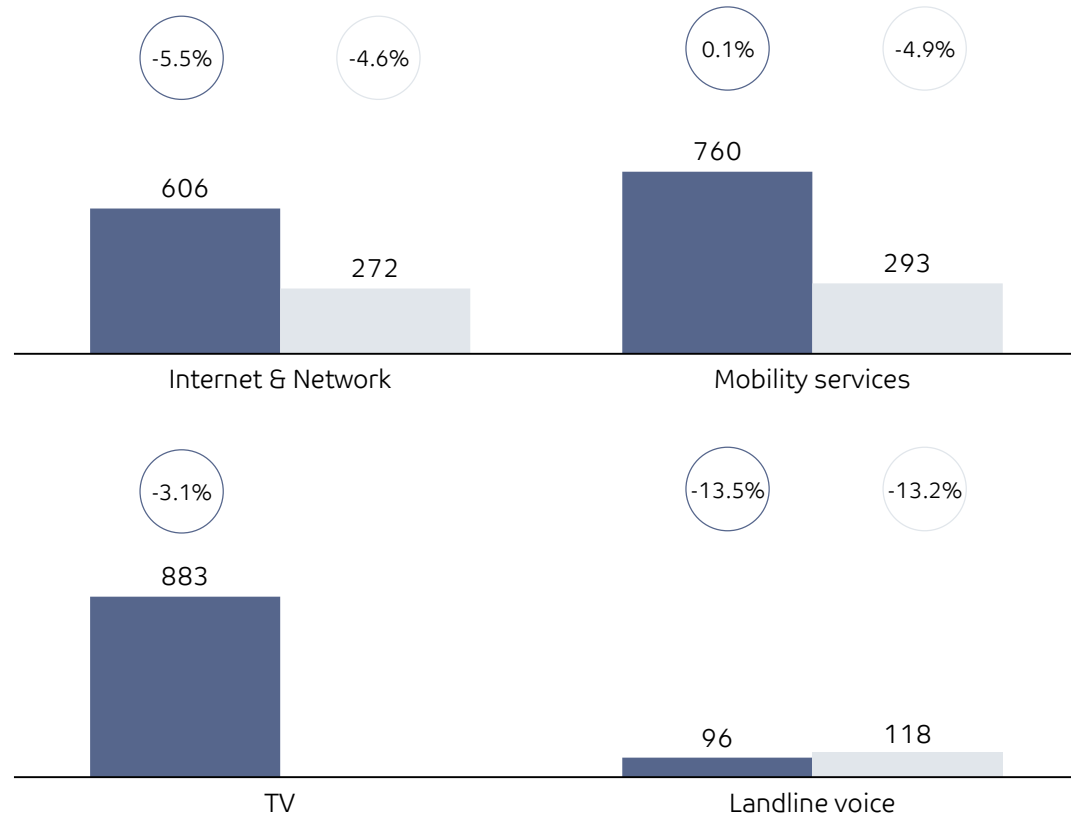
- In Q1, Nuuday **gross profit** decreased by 11.4% YoY to DKK 1,246m. The main driver of this decline was lower customer bases in low-speed DSL and landline voice within our mature services segment. The customer base in traditional TV was also lower YoY, however price increases offset this development resulting in slightly higher TV gross profit YoY. Within our growth services, we managed to increase or stabilize our customer bases. In mobility, however, changes in customer mix and reduced traffic contributed to the gross profit decline. Compared with Q4 last year, gross profit decreased 0.3%.
- Nuuday's **operating expenses** in Q1 decreased by 13.7% YoY to DKK 797m. This was driven by reduced spending across opex categories, especially within personnel costs and personnel related costs.
- Overall, Nuuday's Q1 **EBITDA** decreased 7.0% YoY, down DKK 34m compared with Q1 last year.

Nuuday products

■ Consumer ■ Business ○ YoY growth

Nuuday revenue in Q1 2021

DKKm



Internet & network

- The Internet & network revenue decreased 5.5% YoY in Consumer and 4.6% YoY in Business. The decrease was driven by a fewer low-speed DSL broadband RGUs. Partly offsetting this was an increase in high-speed connections and hence higher ARPU in Consumer.
- In Business, the decline was driven by a lower ARPU YoY and partly offset by a small increase in customer base.
- Nuuday broadband market share end of first quarter was 41.5% vs. 42.2% end of fourth quarter in 2020.

Mobility services

- Mobility services revenue increased by 0.1% and decreased by 4.9% YoY in Consumer and Business, respectively. In Consumer, the revenue increase of 0.1% marks the third consecutive quarter of positive revenue growth.
- In Business the customer base was increased significantly, however lower ARPU more than offset this RGU intake due to changes in customer mix. Furthermore, the COVID-19 effect on roaming impacts the growth negatively.
- Nuuday mobility market share end of first quarter was 38.1% and unchanged from the previous quarter.

TV

- TV revenue declined by 3.1% YoY in Q1. The decline was driven mainly by loss of traditional TV RGUs. Price increases almost offset this revenue development.
- Nuuday TV market share end of first quarter was 50.6%, vs. 50.9% end of fourth quarter in 2020.

Landline voice

- Landline voice revenue decline of 13.5% YoY in Consumer and 13.2% YoY in Business. The decreases are driven by the continuous decline in RGUs.



DKT Holdings

DKT Holdings financial highlights

DKKm	Q1 2021	FY 2020
Revenue	3,982	16,089
Gross profit	2,795	11,463
Opex	-1,163	-5,051
EBITDA	1,632	6,412
Profit for the period	-665	-3,028
Capex	-1,012	-5,547

Capital structure

TDC A/S	As of March 2021	As of December 2020	As of September 2020	As of June 2020	As of March 2020
DKKm					
Senior Facility Agreement incl. RCF	14,666				
EMTN bonds	7,429				
Cash and cash equivalents	(712)				
Loans, bonds etc.	21,383				
Lease liabilities	4,275				
Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other	1,208				
TDC total net debt (NIBD)	26,866				
NIBD/EBITDA	4.2	4.1	4.2	4.3	4.3
Adjusted NIBD/EBITDA¹	3.6	3.5	3.4	3.5	3.5
DKT Finance ApS					
DKKm					
Senior Notes	10,320				
PPA adjustments on EMTN bonds	254				
Cash and cash equivalents	(103)				
Other	78				
DKT Finance total net debt (NIBD)	10,549				
DKT Finance Group loans, bonds etc.	31,932				
DKT Finance Group total net debt (NIBD)	37,415				
NIBD/EBITDA	5.9	5.8	5.8	5.9	5.9
Adjusted NIBD/EBITDA¹	5.3	5.3	5.2	5.2	5.2

1. Excluding the impact from IFRS 16 and spectrum licence liabilities.
Note: Figures are excl. Shareholder loans.