

TDC Group & DKT Holdings

Q2 2021

13 August 2021

TDC Group Q2 highlights

- **Continued improvements of commercial and financial performance in TDC Group** resulted in EBITDA growth of 0.8% in Q2. We expect to deliver on our guidance of stable to slightly declining EBITDA
 - **Revenue for TDC Group increased by 1.3% in Q2** mainly driven by improvements in mobility services and other services
 - **Significant bettering in gross profit development from -6.1% in Q1 to -1.6% in Q2** from mobility services and TV
 - **TDC Group's operating expenses was reduced by 4.8% YoY in Q2**, as expected a more stable development than last quarter's double-digit decrease
- **Capex decreased by 13.7% YoY**, driven by the completion of the mobile network 5G-swap last year
- TDC Group announced that the **separation of the company will be finalised by end of 2021**, establishing TDC A/S as a holding company with Nuuday A/S and TDC NET A/S operating as stand-alone companies
- For highlights regarding **TDC NET see page 7**
- For highlights regarding **Nuuday see page 10**

TDC Group's financial highlights

| DKKm | Q2 2021 | | H1 2021 | | FY 2020 |
|-----------------------------------|------------|--------------|------------|--------------|--------------|
| | Reported | YoY growth % | Reported | YoY growth % | YoY growth % |
| Revenue | 3,965 | 1.3 | 7,947 | -1.2 | -5.6 |
| Gross profit | 2,787 | -1.6 | 5,582 | -3.9 | -5.3 |
| Opex | -1,165 | -4.8 | -2,326 | -8.3 | -9.5 |
| EBITDA | 1,622 | 0.8 | 3,256 | -0.5 | -1.6 |
| Profit for the period | 103 | NM | 198 | NM | |
| Capex | -1,133 | -13.7 | -2,145 | -26.4 | 15.5 |
| Adjusted NIBD/EBITDA ¹ | 3.6 | | 3.6 | | |

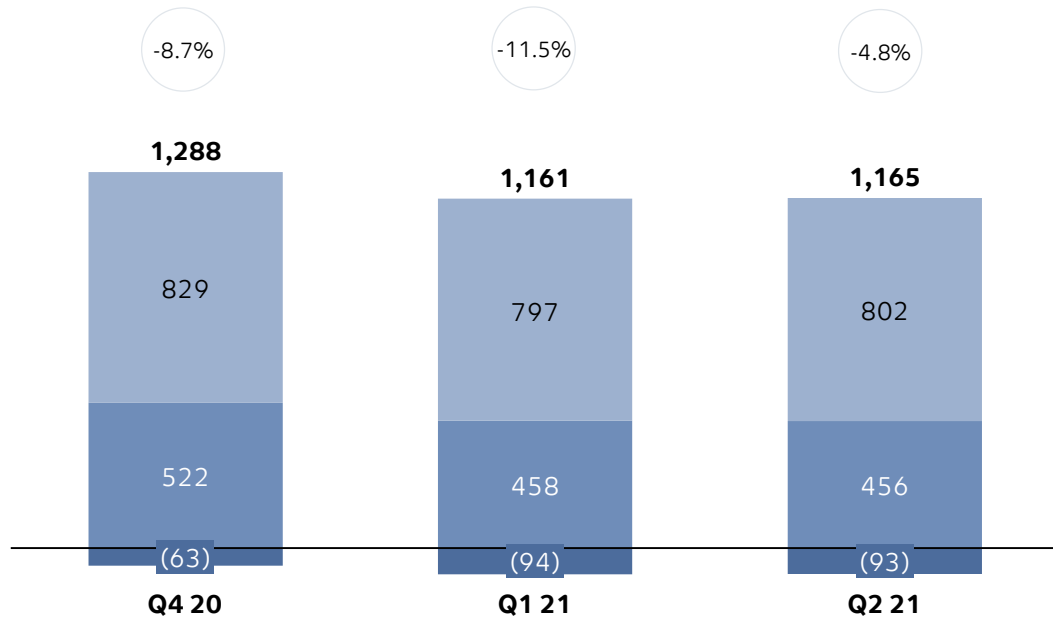
1. Calculated without spectrum licence liabilities as well as the additional lease liabilities due to the adoption of IFRS 16 and the resulting EBITDA effect. The EBITDA effect of IFRS 16 amounted to DKK 434m for the last twelve months. Including spectrum licence liabilities and IFRS 16 the NIBD/EBITDA ratio amounted to 4.3 at 30 June 2021

TDC Group opex & capex

YoY growth¹
 Nuuday
 TDC NET
 Eliminations & Other

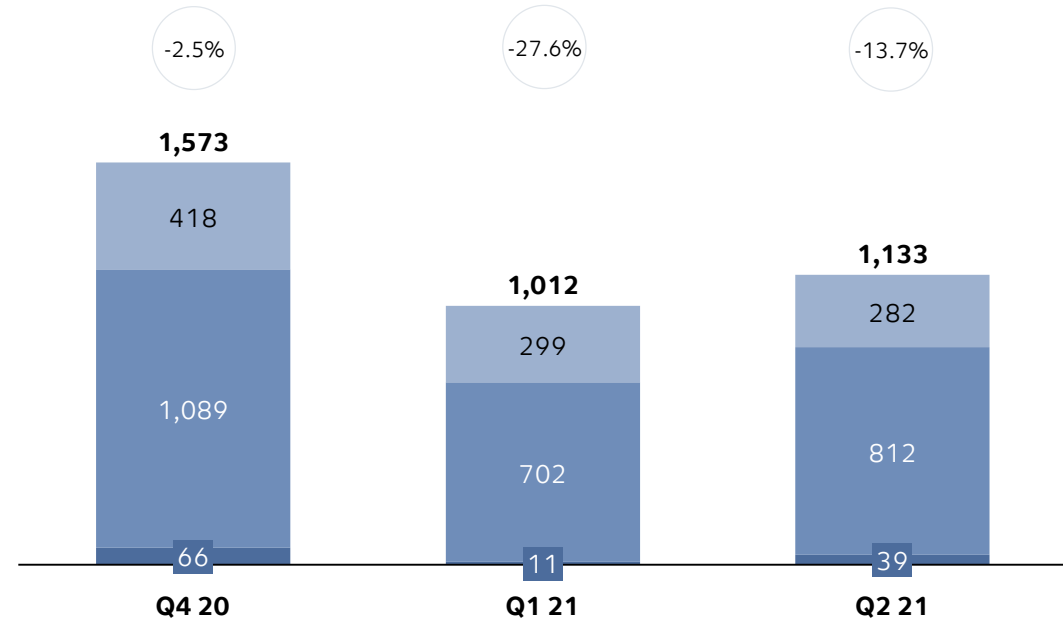
TDC Group opex

(DKKm)



TDC Group capex

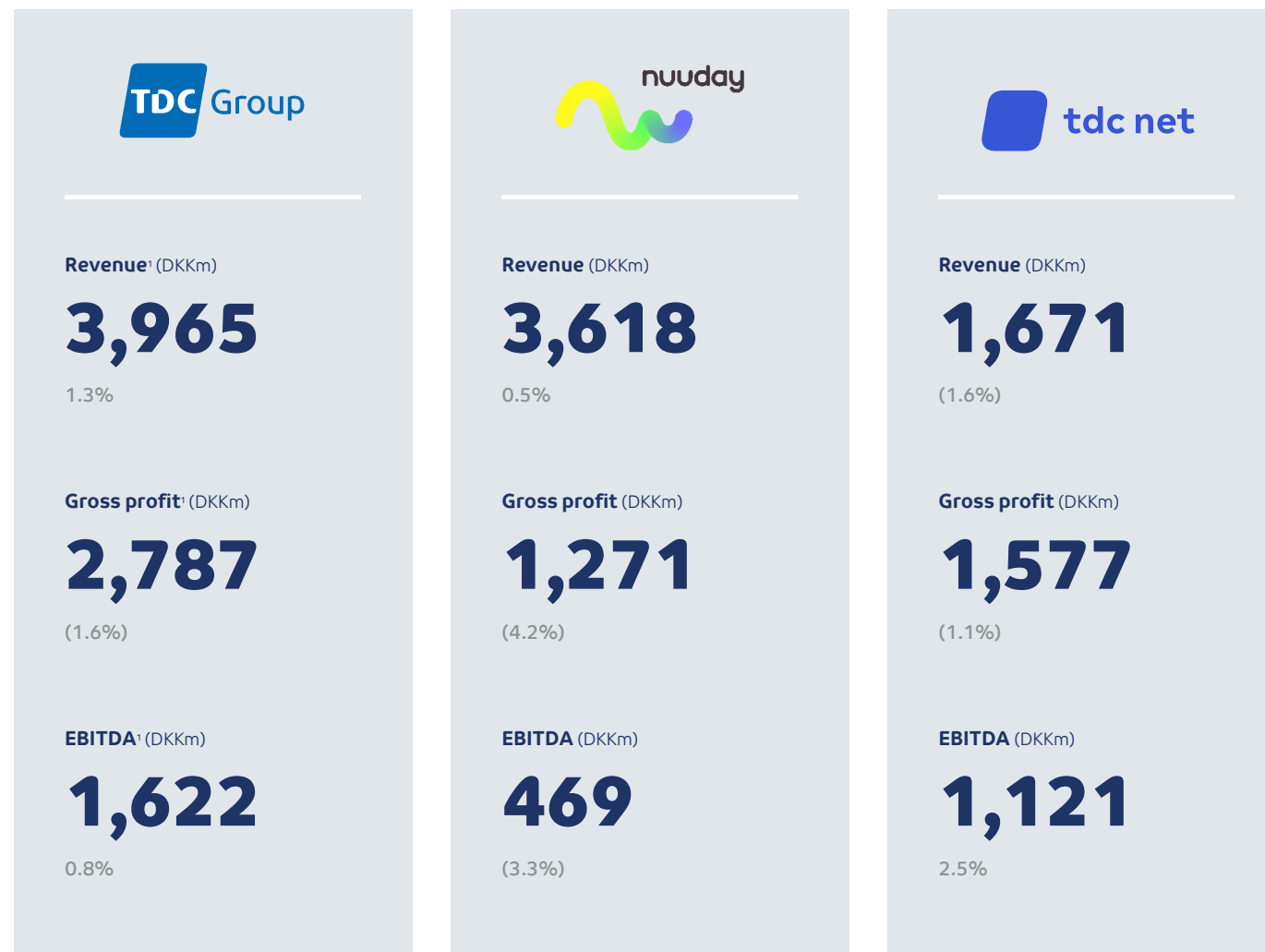
(DKKm)



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

Business unit performance in Q2 2021

The illustration reflects TDC Group's Q2 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** totalled DKK 1,121m, up by 2.5% compared with the 2020 level
 - **Gross profit** decline of -1.1% YoY driven by reduced activity in legacy TV. Internet & Network showed a stable development as growth from high-speed (fibre & coax) offerings counterbalanced declining low-speed (copper) offerings
 - **Operating expenses** improved by 8.8% YoY following continued optimisation across cost categories
- **Capital expenses** of DKK 812m in Q2, down by 17.1% YoY following the large mobile investments in 2020
- Continued strong execution of our **fibre strategy**:
 - Rollout of 28k fibre **homes passed** in Q2 with substantial unit cost improvements following newly renegotiated supplier contracts
 - **Insourcing of ~100 FTEs** as of 1 July to further strengthen our internal fibre delivery engine
 - Launch of new **fibre product (FTTO)** targeted at small enterprises utilising our existing fibre infrastructure
- **Promising 5G pilot based on “Fixed Wireless Access”** in Nakskov with wireless broadband speeds of up to 200 Mbps
- **Signed agreement with four solar parks** in aim to achieve CO2 neutrality; expected to cover 60% of TDC NET electricity consumption in 2023

TDC NET financials

| DKKm | Q2 2021 | | H1 2021 | |
|--------------|--------------|----------|--------------|----------|
| | YoY growth % | Reported | YoY growth % | Reported |
| Revenue | -1.6 | 1,671 | -3.5 | 3,351 |
| Gross profit | -1.1 | 1,577 | -1.8 | 3,189 |
| Opex | -8.8 | -456 | -7.0 | -914 |
| EBITDA | 2.5 | 1,121 | 0.4 | 2,275 |
| Capex | -17.1 | -812 | -21.6 | -1,515 |

- In Q2 2021, TDC NET's **gross profit** decreased by 1.1%. The decline was driven by reduced activity in legacy TV offerings. Stable development in Internet & Network due to high-speed broadband counterbalancing decline in low-speed offerings
- **Operating expenses** decreased by 8.8%. The improvement was driven by optimization across cost categories resulting in both lower external and personnel expenses.
- **EBITDA** increased by 2.5% due mainly to the lower spend of operating expenses on both external expenses and personnel expenses more than offsetting the decrease in gross profit
- **Capital expenditures** decreased by 17.1%. The decline was due mainly to the YoY effect of large mobile investments finalising the 5G swap in 2020. 28k homes were passed with fibre in the quarter



Nuuday

Nuuday highlights

- **EBITDA declined by 3.4% in Q2 YoY**, however, EBITDA increased 4.4% compared with Q1 2021. The fewer RGUs in our mature services segment were almost offset by the increasing customer base for our growth services further supporting the continued commercial stabilisation of the business
- - **Nuuday's revenue increased by 0.5% YoY in Q2** driven by mobility services and terminal sales. Nuuday maintained its position as **market leader** across all core products with small changes in market shares, prompted by positive trends in YouTv, Eesy and TDC Business mobile net adds
 - **Gross profit declined by 4.2% YoY in Q2**, though it showed a positive development compared with Q1 2021. The Q2 YoY development was driven by the mature services segment
 - In Q2, **Nuuday reduced operating expenses** by 4.6% YoY driven by reductions in personnel expenses along with savings on facility, IT and consultancy services
- **Capex declined by 9.7% in Q2 YoY**, due to a higher degree of refurbishment of modems, fewer TV set-top box replacements, and lower IT investments
- **TDC Business secured the re-tendered public sector contract** and will continue to provide telephony and data to 83 municipalities and several government organisations, e.g. with the addition of Aalborg Municipality compared with the previous contract. Furthermore, TDC Business secured separate agreements with the Region of Zealand and Aarhus Municipality. TDC Business will also support the digitalisation of the public sector by providing access to 5G from January 2022. This will secure TDC Business a strong footprint in the public sector in the foreseeable future
- **Jon James has been appointed the new CEO of Nuuday** to succeed Michael Moyell Juul. Jon James has over 20 years of experience from the telecom and media industry and has been part of successfully transforming several large and medium-sized companies

Nuuday financials

| DKKm | Q2 2021 | | H1 2021 | |
|--------------|--------------|----------|--------------|----------|
| | YoY growth % | Reported | YoY growth % | Reported |
| Revenue | 0.5 | 3,618 | -1.5 | 7,257 |
| Gross profit | -4.2 | 1,271 | -7.9 | 2,518 |
| Opex | -4.8 | -802 | -9.4 | -1,599 |
| EBITDA | -3.3 | 469 | -5.2 | 918 |
| Capex | -9.6 | -282 | -19.1 | -581 |

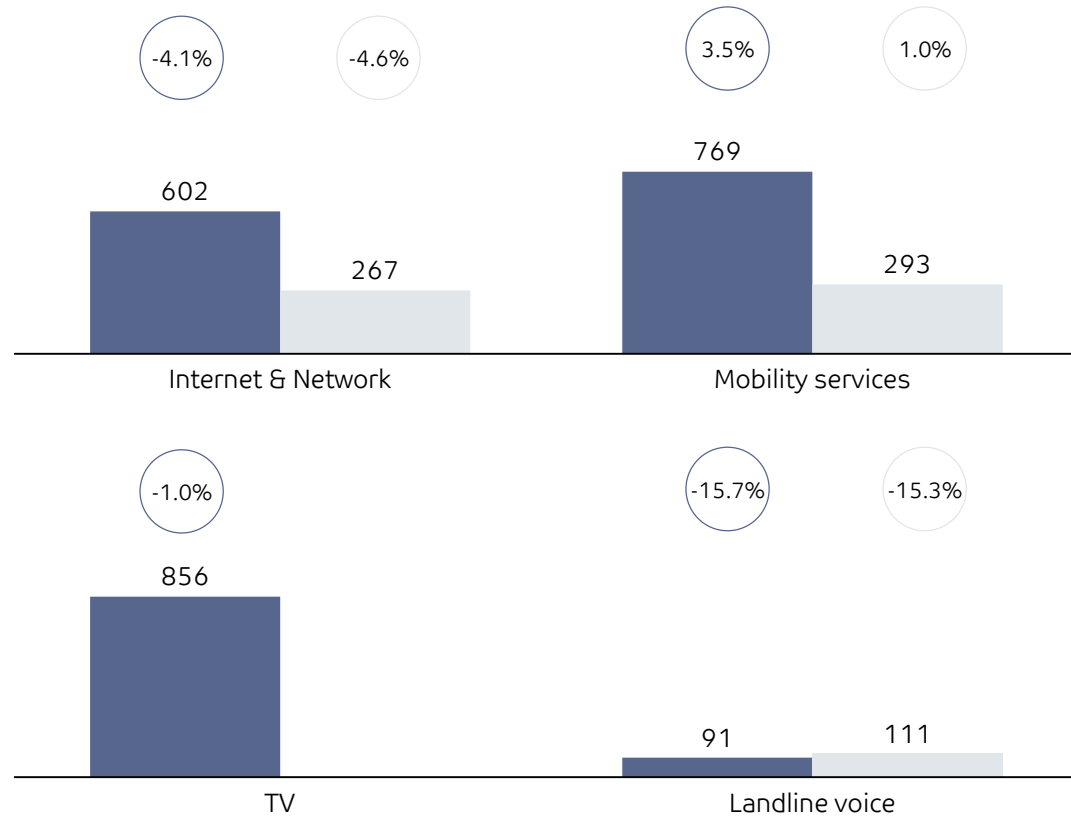
- In Q2, Nuuday **gross profit** decreased by 4.2% YoY to DKK 1,271m. The main driver of this decline was lower customer bases in the mature services segment. This was partly offset by the solid development within our growth services, where customer bases across Bland Selv, YouTV, high-speed broadband and mobility services all increased comparing with both Q1'21 and Q2'20.
- Nuuday's **operating expenses** in Q2 decreased by 4.8% YoY to DKK 802m. The decrease was driven by a general cost focus across opex categories, especially within personnel costs and personnel related costs.
- Overall, Nuuday's Q2 **EBITDA** decreased 3.3% YoY, down DKK 16m compared with same period last year and improved significantly comparing with the YoY growth from the previous quarter.
- In Q2, **CAPEX** declined by 9.6% YoY in Nuuday, driven by lower volume-driven capex, driven by a higher degree of refurbishment of modems and fewer TV set-top box replacements, and smaller investments in IT.

Nuuday products

■ Consumer ■ Business ○ YoY growth

Nuuday revenue in Q2 2021

DKKm



Internet & network

- Internet & network revenue decreased 4.1% YoY in Consumer and 4.6% YoY in Business. The decreases were driven by loss of DSL customers in Consumer and lower ARPU in Business. Partly offsetting this was an increase in high-speed customers and price increases in Consumer, improving ARPU YoY, and an increasing customer base in Business.
- Nuuday broadband market share end of second quarter was 40.8% vs. 41.5% end of first quarter

Mobility services

- Mobility services revenue increased 3.5% and 1.0% YoY in Consumer and Business, respectively. In the consumer segment, the revenue increase marks the fourth consecutive quarter of positive revenue growth while the business segment has achieved a stable revenue development the past four quarters.
- Nuuday mobility market share end of second quarter was 38.7%, vs. 38.4% end of first quarter.

TV

- TV revenue saw a slight decline of 1.0% YoY in Q2. This was primarily driven by a lower customer base in the traditional TV packages. However, the loss of RGUs was almost offset by increasing customer bases within our TV growth services; Bland Selv and YouTv. Furthermore, a higher ARPU as a result of price increases in the beginning of 2021 had a positive impact on the Q2 results.
- Nuuday TV market share end of second quarter was 50.6%, unchanged vs. end of first quarter.

Landline voice

- Landline voice revenue decline of 15.7% YoY in Consumer and 15.3% YoY in Business, respectively. The decreases are driven mainly by a combination of fewer RGUs in Consumer and Business and lower ARPU in Business compared with Q2 2020.



DKT Holdings

DKT Holdings financial highlights

| | Q2 | H1 | FY |
|-----------------------|-------------|-------------|-------------|
| DKKm | 2021 | 2021 | 2020 |
| Revenue | 3,965 | 7,947 | 16,089 |
| Gross profit | 2,787 | 5,582 | 11,463 |
| Opex | -1,167 | -2,330 | -5,051 |
| EBITDA | 1,620 | 3,252 | 6,412 |
| Profit for the period | -712 | -1,377 | -3,028 |
| Capex | -1,133 | -2,145 | -5,547 |

Capital structure

| | As of June 2021 | As of March 2021 | As of December 2020 | As of September 2020 | As of June 2020 | As of March 2020 |
|--------------------------------------------------------------------------------------------------------------|--------------------|---------------------|------------------------|-------------------------|--------------------|---------------------|
| TDC Group | | | | | | |
| DKKm | | | | | | |
| Senior Facility Agreement incl. RCF | 14,664 | | | | | |
| EMTN bonds | 7,394 | | | | | |
| Cash and cash equivalents | (623) | | | | | |
| Loans, bonds etc. | 21,435 | | | | | |
| Lease liabilities | 4,212 | | | | | |
| Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other | 1,839 | | | | | |
| Total net debt (NIBD) | 27,486 | | | | | |
| NIBD/EBITDA | 4.3 | 4.2 | 4.1 | 4.2 | 4.3 | 4.3 |
| Adjusted NIBD/EBITDA¹ | 3.6 | 3.6 | 3.5 | 3.4 | 3.5 | 3.5 |
| DKT Holdings Group² | | | | | | |
| DKKm | | | | | | |
| Senior Notes | 10,306 | | | | | |
| PPA adjustments on EMTN bonds | 209 | | | | | |
| Cash and cash equivalents | (152) | | | | | |
| Other | 99 | | | | | |
| DKT Companies total net debt (NIBD)² | 10,462 | | | | | |
| Loans, bonds etc.² | 31,897 | | | | | |
| Total net debt (NIBD)² | 37,948 | | | | | |
| NIBD/EBITDA | 5.9 | 5.9 | 5.8 | 5.8 | 5.9 | 5.9 |
| Adjusted NIBD/EBITDA¹ | 5.3 | 5.3 | 5.3 | 5.2 | 5.2 | 5.2 |

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

2. Figures are excl. Shareholder loans.