Forward-looking statements caution

This presentation contains certain forward-looking statements which are made in reliance on the safe harbour provisions of the US Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements include, without limitation, those concerning: the potential impact of Covid-19 on our people, operations, suppliers and customers; BT's response to Covid-19; the potential impact of Brexit on our people, operations, suppliers and customers; current and future years' outlook; revenue and revenue trends; EBITDA and profitability; free cash flow; capital expenditure and costs; return on capital employed; return on investment; shareholder returns including dividends and share buyback; net debt; credit ratings; capital markets; our group-wide transformation and restructuring programme (including the establishment of any new business units), cost transformation plans and restructuring costs; investment in and roll out of our fibre network and its reach, innovations, increased speeds and speed availability; our broadband-based service and strategy; investment in and rollout of 5G; the investment in converged network; improvements to the customer experience and customer perceptions; our investment in TV, enhancing our TV service and BT Sport; the recovery plan, operating charge, regular cash contributions and interest expense for our defined benefit pension schemes; effective tax rate; growth opportunities in technologies, networked IT services, the pay-TV services market, broadband, artificial intelligence and mobility and future voice; growth of, and opportunities available in, whether as a result of new information, future events or otherwise.

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Philip Jansen
Chief Executive
Q3 highlights – making good progress on strategic objectives

• Results in-line with our expectations:
  – reiterating 2020/21 outlook; lifting the lower end of normalised free cash flow to £1.3bn - £1.5bn
• Important changes to support the next phase of modernisation:
  – creation of new Digital unit, to be led by Harmeen Mehta
  – established a stand-alone procurement company to allow simpler processes and drive efficiencies
• WFTMR\(^1\) statement expected in March 2021:
  – framework largely positive for investment
  – some key points of clarity still needed from Ofcom and Government
  – BT ready and willing to ‘fibre up’ the UK

\(^1\) Wholesale Fixed Telecoms Market Review
Strategic pillars – build the strongest foundations

• 5G now live in 125 towns and cities
• 4.1m premises passed with FTTP\(^1\) at quarter end:
  – on track to reach 4.5m premises passed by March 2021
• 790k Openreach FTTP customers at quarter end:
  – Consumer added a record 88k connections, taking its base to 686k
  – first stop sell live in Salisbury, extending to 2.2m premises by January 2022
• Modernisation:
  – Global agreed the sale of selected Italian businesses
  – 30% reduction in product variations in Global portfolio
  – removing c.30% of promotions from Consumer portfolio

\(^1\) Fibre-to-the-premises
Strategic pillars - create standout customer experiences

• Group NPS\(^1\) has increased for the 18\(^{th}\) consecutive quarter

• BT brand at record NPS evidenced by strong BT sales and churn performance

• Mobile:
  – complaints are the lowest of all major MNOs\(^2\)
  – EE won all seven of Rootmetrics' test categories for the second half of 2020

• Hybrid connectivity with launch of Halo 3+

• New WhatsApp B2B\(^3\) contact channel – NPS above 60

• Openreach service improving despite increased faults:
  – Q3 copper and fibre “On Time Repair” up 3.2 percentage points
  – 90% of customers offered first appointment within 10 days, up 9.2 percentage points on prior year

\(^1\) Net Promoter Score  
\(^2\) Mobile Network Operator  
\(^3\) Business-to-Business
Strategic pillars - lead the way to a bright, sustainable future

- 100% of our electricity, worldwide, sourced from renewables
- Ambition to move all of Openreach’s 28k vehicles to electric power by 2030
- Connecting the nation during the pandemic:
  - new and improved connectivity for key NHS locations
  - Life Lines Project providing video enabled tablets to ICUs
  - free EE mobile data for NHS staff
  - launch of Lockdown Learning:
    - providing free, unlimited mobile data
    - free Wi-Fi vouchers for schools and charities
    - zero rating some of the most popular educational websites
- Launch of our Stand Out Skills campaign providing job-seekers with free tips, resources and advice

1 Intensive Care Units
Q3 financial highlights – 2020/21 results in-line with our expectations

<table>
<thead>
<tr>
<th></th>
<th>Q3 2020/21</th>
<th>Q3 2019/20</th>
<th>Change</th>
<th>2020/21 outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted revenue(^1)</td>
<td>£5,477m</td>
<td>£5,779m</td>
<td>(5)%</td>
<td>Change in adjusted revenue(^1) Unchanged</td>
</tr>
<tr>
<td>Adjusted EBITDA(^1)</td>
<td>£1,882m</td>
<td>£1,977m</td>
<td>(5)%</td>
<td>Adjusted EBITDA(^1) Unchanged</td>
</tr>
<tr>
<td>Reported capex</td>
<td>£1,061m</td>
<td>£995m</td>
<td>7%</td>
<td>Reported capex Unchanged</td>
</tr>
<tr>
<td>Normalised free cash flow(^2)</td>
<td>£408m</td>
<td>£396m</td>
<td>3%</td>
<td>Normalised free cash flow(^2) Lifted lower end of range</td>
</tr>
</tbody>
</table>

Expect adjusted EBITDA\(^1\) of at least £7.9bn in 2022/23 and sustainable growth thereafter

\(^1\) Before specific items
\(^2\) Free cash flow after net interest paid and payment of lease liabilities, before pension deficit payments (including the cash tax benefit of pension deficit payments) and specific items
Consumer – FTTP and 5G strong but further Covid-19 impact expected in Q4

- Revenue down 3%:
  - Mobile: partial closure of retail stores, lower roaming
  - Fixed & Other: BT Sport pubs and clubs impact, supporting base growth
- EBITDA down 14%:
  - driven by revenue decline, and investment in customer experience to support base growth
- Post-paid mobile ARPC\(^1\) down 6.9% to £18.9:
  - more SIM only; lower out of bundle use and roaming due to Covid-19
- Fixed ARPC down 5.8% to £36.0:
  - investments in fairness and long term base growth; legacy voice decline
- 5G ready base >2.1m; record FTTP growth to 686k customers
- Enhancing customer experience – Halo 3+ and improved NPS
- CPI\(^2\) +3.9% price change starting April 2021

<table>
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<tr>
<th>Q3 2020/21</th>
<th>Q3 2019/20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£2,621m</td>
<td>£2,701m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>£535m</td>
<td>£620m</td>
</tr>
</tbody>
</table>

Q3 fixed revenue decline (7.1)\% YoY

Proportion of retail stores open during 2020/21

1 Average Revenue Per Customer
2 Consumer Price Index
Enterprise – continued Covid-19 impacts but ongoing focus on transformation, innovation and partnerships

- Revenue down 6% due to:
  - continued impact from Covid-19 and ongoing declines in legacy products
- EBITDA down 10%:
  - reflects revenue decline, partly offset by lower costs which benefited from our transformation programme
- Rolling 12-month order intakes: retail up 8%; wholesale up 5%
- Since the relaunch of Halo for Business c.25k businesses are able to stay better connected to their customers
- Launched mentoring partnership with Digital Boost to support SMEs
- Collaborated with the University of Warwick and Warwickshire County Council to switch on the UK’s first dedicated public 5G network for a connected campus
- Extended our partnership with RingCentral

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<th>Q3 2020/21</th>
<th>Q3 2019/20¹</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£1,376m</td>
<td>£1,458m</td>
<td>(6)%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>£435m</td>
<td>£481m</td>
<td>(10)%</td>
</tr>
</tbody>
</table>

¹On 1 April 2020, Supply Chain and Pelipod, which serve several parts of BT, were transferred from Enterprise to the central procurement team and as a result are now being reported in Group “Other” financial results. The prior year comparative for Enterprise and Other CFU results has been restated to reflect this. Refer to the announcement on 29 June 2020 for further information.

²Small-medium Enterprises

BT & Digital Boost partnership

5G connected campus
Global – continued execution of strategy helping to reduce Covid-19 impact

- Revenue down 16%:
  - negative impact of Covid-19, divestments, mature and legacy declines, and FX\(^1\) movements
  - excluding divestments and FX revenue was down 11%
- EBITDA down 3%:
  - revenue decline and divestments
  - offset by cost transformation & Covid-19 mitigation actions
  - excluding divestments, EBITDA was up 5%
- Rolling 12-month order book up 1% to £4.1bn
- Q4 and subsequent periods will be impacted by reduced spending and more caution from our multinational customers
- Agreed the sale of selected domestic operations in Italy
- Completed the sale of selected domestic operations and infrastructure in Latin America and France

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<th>Q3 2019/20</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£907m</td>
<td>£1,084m</td>
<td>(16)%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>£151m</td>
<td>£155m</td>
<td>(3)%</td>
</tr>
</tbody>
</table>

\(^1\) Foreign Exchange
\(^2\) Global Wholesale Voice
Openreach – record levels of FTTP build and orders

- Revenue up 2% driven by:
  - higher fibre and Ethernet volumes
  - partly offset by a decline in legacy copper products
- EBITDA up 5% driven by revenue growth
- FTTP reached record levels in Q3:
  - average run rate of 42k premises passed per week
  - passed 4.1m premises with FTTP at quarter end
  - 17k orders per week
- Awarded third R100 contract covering the North of Scotland
- Not anticipating any material trading impacts as a result of the latest Covid-19 restrictions in the current financial year
- FTTP build remains on track to reach 4.5m premises by March 2021

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<th>Q3 2019/20</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£1,313m</td>
<td>£1,281m</td>
<td>2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>£758m</td>
<td>£722m</td>
<td>5%</td>
</tr>
</tbody>
</table>

On track to pass 4.5m premises with FTTP by March 2021
### WFTMR framework largely positive, some key points of clarity still needed

<table>
<thead>
<tr>
<th>Enabler</th>
<th>Current position</th>
<th>BT view</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indexation of legacy services</td>
<td>CPI indexation of legacy services in competitive and prospectively competitive areas</td>
<td></td>
</tr>
<tr>
<td>Premium for FTTP</td>
<td>Premium of £1.50 to £1.85 per month for the 40/10 Mbps FTTP anchor product with pricing flexibility above the anchor product</td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>Openreach committed to 3.2m premises, following clarification that Area 3 will see same regulation as Area 2</td>
<td></td>
</tr>
<tr>
<td>Switchover</td>
<td>Legacy copper stop-sell at 75% ultrafast coverage by exchange area. Further two years to withdraw legacy copper services regulation</td>
<td></td>
</tr>
<tr>
<td>Long term contracts</td>
<td>Limitations on long term volume-linked contracts. Market interest in deals that support copper to FTTP migration enhanced by copper stop-sell regulation</td>
<td></td>
</tr>
<tr>
<td>Geographic pricing flexibility</td>
<td>Geographic pricing only allowed on case-by-case basis if Ofcom grants consent. BT Enterprise ducts level playing field. Dark fibre pricing should not incentivise use for FTTP</td>
<td></td>
</tr>
<tr>
<td>Barrier busting</td>
<td>Welcome proposals for wayleaves, building access and mandating FTTP to new premises, now needs to be confirmed in legislation</td>
<td></td>
</tr>
<tr>
<td>Cumulo business rates</td>
<td>Requested commitment to exempt FTTP from business rates, engaging via HMT’s ongoing broad-based Business Rates Review</td>
<td></td>
</tr>
<tr>
<td>Fair Bet</td>
<td>Firm commitment to the principle with commitment to a period of minimum forbearance. Need intent translated into specifics in WFTMR statement. Critical for our investment</td>
<td></td>
</tr>
</tbody>
</table>

1 Our view is based on Ofcom’s latest consultations (except for Cumulo and barrier busting which are dependent on Government, and long term contracts)
Summary – making good progress on strategic objectives

• Results in-line with our expectations:
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