TDS Annual Meeting of Shareholders

May 20, 2021

LeRoy T. Carlson Jr.,
President and CEO

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

All information set forth in this presentation about Telephone and Data Systems, Inc., including its subsidiaries UScellular and TDS Telecom, except historical and factual information, represents forward-looking statements. This includes all statements about the company's plans, beliefs, estimates, and expectations. These statements are based on current estimates, projections, and assumptions, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Important factors that may affect these forward-looking statements include, but are not limited to: intense competition; the ability to obtain or maintain roaming arrangements with other carriers on acceptable terms; the ability to obtain access to adequate radio spectrum to meet current or anticipated future needs, including participation in FCC auctions; the ability to attract people of outstanding talent throughout all levels of the organization; TDS' smaller scale relative to larger competitors; changes in demand, consumer preferences and perceptions, price competition, or churn rates; advances in technology; impacts of costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties or wireless spectrum licenses and/or expansion of TDS' businesses; the ability of the company to successfully construct and manage its networks; difficulties involving third parties; uncertainties in TDS' future cash flows and liquidity and access to the capital markets; the ability to make payments on TDS and UScellular indebtedness or comply with the terms of debt covenants; conditions in the U.S. telecommunications industry; the value of assets and investments; the state and federal regulatory environment; pending and future litigation; cyber-attacks or other breaches of network or information technology security; disruption in credit or other financial markets; deterioration of U.S. or global economic conditions; the impact, duration and severity of public health emergencies, such as the COVID-19 pandemic. Investors are encouraged to consider these and other risks and uncertainties that are more fully described under "Risk Factors" in the most recent filing of TDS' Form 10-K, as updated by any TDS Form 10-Q filed subsequent to such Form 10-K.

Living our mission as an essential service

The pandemic has brought a year of unprecedented change, but our businesses remain strong…

Customers – The TDS family of businesses is fulfilling our promise to provide high-quality communication services to our customers, including underserved markets, while keeping their safety a top priority

Employees – Our culture remains strong and continues to adjust to new work environments

Communities – We are keeping our communities connected and providing support to charitable organizations

Shareholders and Debtholders – Long-term investments in our businesses and conservative financial strategies have positioned us to manage through this crisis

Financial Impact- Despite declines in store traffic at UScellular, we have kept churn rates low and generated strong financial results. The shift to work and learning at home has increased broadband adoption at TDS Telecom. We have also taken advantage of tax benefits of the CARES Act.

2020 Goals and Accomplishments

uscellular



Pandemic Response

- Confirmation of how essential our service is to society
- Safety of customers and associates was critical



Improved Subscriber and Financial Results

- Increase in total connections
- Continued expense discipline
- Adjusted EBITDA up 5%

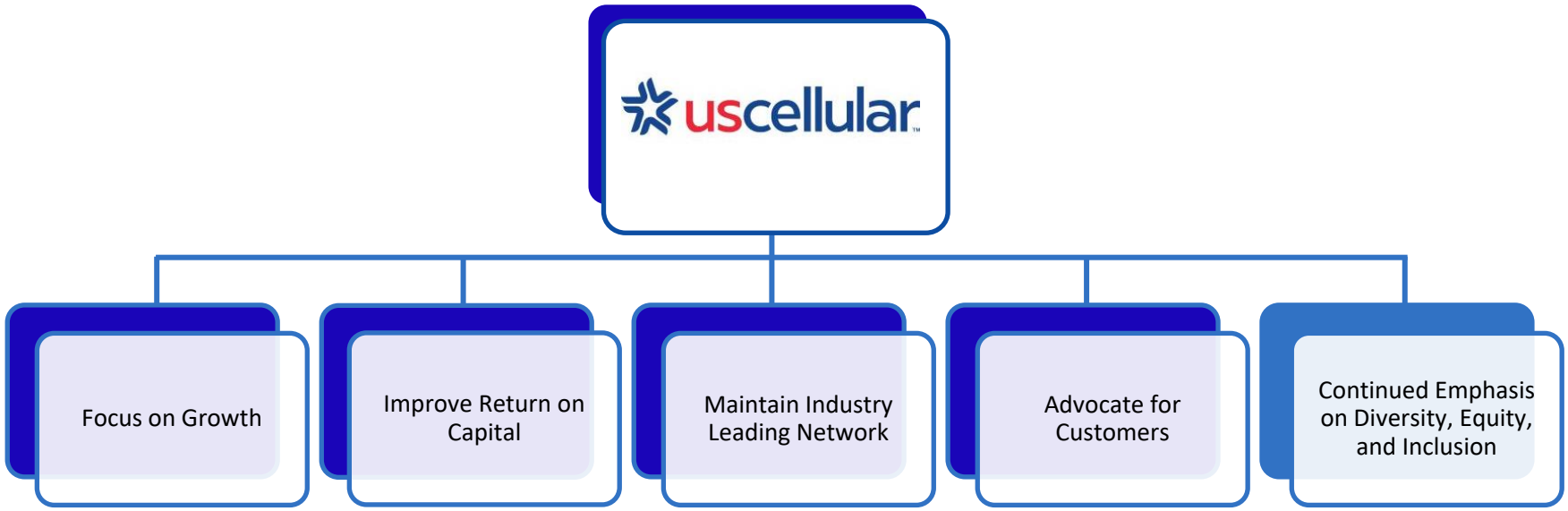


Continued Network Modernization and 5G Deployment

- Effectively met increased data usage demands
- VoLTE deployment completed
- 5G to 24% of cell sites that handle 50% of overall traffic
- 5G available in portions of all UScellular markets by end of Q1 2021
- Commercial 5G services launched in portions of substantially all of UScellular's markets and will continue to launch in additional areas in the coming years.

2021 Strategic Priorities

In addition to the Key Strategic Priorities listed below, UScellular will maintain a focus on the health and safety of both customers and associates throughout the duration of the pandemic.



- Regional approach to drive market share expansion
- Expanded digital capabilities, focused on customer lifecycle
- Maintain retail momentum and place renewed focus on under-indexed segments - Prepaid and Business & Government

- Drive revenue growth
- Maintain focus on cost discipline

- Continue network modernization and 5G deployment
- Fixed Wireless - mmWave

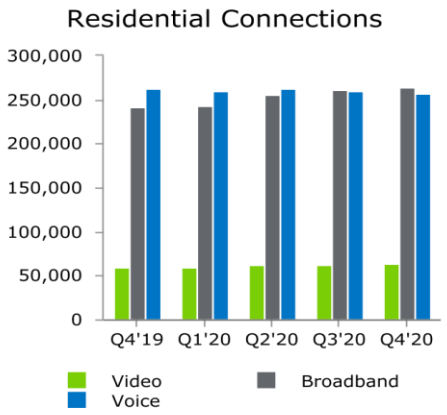
- Bridge the Digital Divide
- Bring high speed connectivity to underserved areas

- Received 100% Corporate Equality Index Rating for third year in a row
- Career Fairs and Leader Development to reach diverse talent

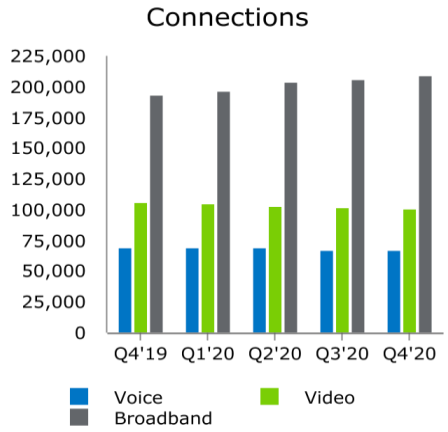
2020 Accomplishments

- Pandemic highlights broadband is essential
  - Safety of customers and employees remains critical
  - Network infrastructure enabled ability to serve our communities
- Invested nearly $130 million to deploy fiber and build infrastructure in existing and new markets; identified new markets and clusters
  - Deployed fiber to over 67,000 service addresses bringing total fiber addresses to 307,000 or 36% of Wireline service addresses
  - Drove fiber broadband and video revenue growth
- Strong growth in high-speed broadband connections
  - Increased data speeds and ARPU
- Delivered operational efficiencies
- Executed on A-CAM and State Broadband Programs
- Integrated Continuum cable acquisition successfully

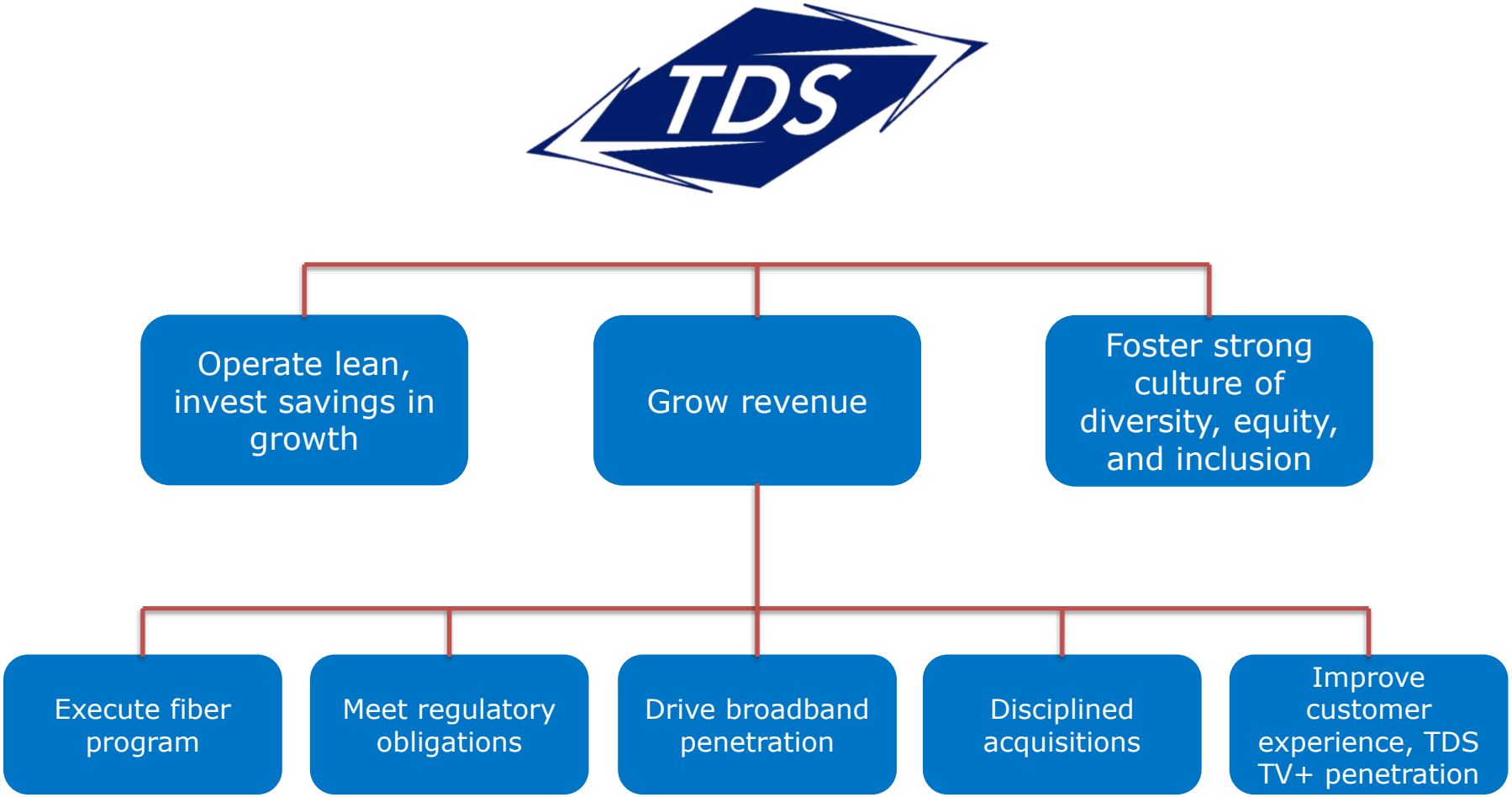
WIRELINE



CABLE



2021 Strategic Priorities



UScellular Adjusted EBITDA reconciliation

($ in millions)	Year ended December 31, 2020	2019
Net income (GAAP)	$ 233	$ 133
Add back or deduct:		
Income tax expense (benefit)	17	52
Income before income taxes (GAAP)	$ 250	$ 185
Add back:		
Interest expense	112	110
Depreciation, amortization and accretion	683	702
EBITDA (non-GAAP)	$ 1,045	$ 997
Add back:		
(Gain) loss on asset disposals, net	25	19
(Gain) loss on sale of business and other exit costs, net	—	(1)
(Gain) loss on license sales and exchanges, net	(5)	—
(Gain) loss on investments	(2)	—
Adjusted EBITDA (non-GAAP)	$ 1,063	$ 1,015
Deduct:		
Equity in earnings of unconsolidated entities	179	166
Interest and dividend income	8	17
Adjusted OIBDA (non-GAAP)	$ 876	$ 832


TDS®
Thank you