Hello

Nuuday Annual Report

2023

nuuday

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In brief

The Essentials

Nuuday at a glance

Nuuday is Denmark's leading telecoms service provider consisting of six consumer and business brands spanning connectivity, communication and entertainment – all with the shared goal of helping customers make sense with technology.

3,079
Employees excl. transformation FTEs

Our customer relations

6.0m
Customer relations (RGUs) at Nuuday**

2.0m
Business

4.0m
Consumer

Revenue (DKKbn)	14.5
EBITDA* (DKKbn)	1.7
CAPEX* (DKKbn)	0.9

Our brands

youSee
TELMORE
HIPER
Relatel
eesy Bare mobil
TDC Erhverv

* Underlying EBITDA/ CAPEX, excl. transformation costs
** Includes IoT

Letter from the CEO

Executing on Nuuday's transformation

When I joined Nuuday in summer 2021, we faced a series of important challenges. While we remained the market leader, customers were too often unhappy with the reliability of our service; the quality and value of our products had slipped, and – consequently – we were seeing erosion of both revenue and earnings. The company was well behind in its technical capabilities, notably IT, and lacked the tools necessary to lead our customers on a successful digital journey while reducing complexity (and hence costs) as well as improving customer offering.

To address this, the Nuuday management team – with the support of our Board of Directors – set out on a comprehensive transformation journey to reverse these trends and change Nuuday from a legacy business into one of Europe's leading digital service providers – all in record time.

Since then, comprehensive changes have been achieved across Nuuday, in both consumer and business segments, including a radically improved customer experience, and a much more efficient business with large call reductions, new marketing and sales approaches plus important investment in product innovation. This includes the most significant technology investment in Nuuday's/TDC's history – a 'greenfield' replacement of Nuuday's legacy IT system, which was first developed for KTAS in the late 1980s.

Looking back on my second full year as CEO of Nuuday, we are well on track with executing on our comprehensive and rapid transformation. We have launched the first phases of our new IT platform, in partnership with our technology supplier Netcracker. We have seen dramatic progress in our customer experience, thanks to wholesale improvements in our products and in our approach to customer service. And we have improved our sales and brand performance. Combined with substantial efficiencies in how we deliver, this has translated into a more sustainably profitable Nuuday, with a return to growth in underlying cashflow (i.e. excluding our transformation investment) and a turnaround in our underlying EBITDA during 2023.

Having laid the foundations in 2022, we gained real execution momentum in 2023.

Letter from the CEO

Our new IT platform went live

Firstly, in terms of our IT transformation programme, it was with great excitement – and relief – that we launched the first phase of Dawn, our new cloud-native Netcracker IT platform, which will be the backbone of the new Nuuday.

By the end of 2023, all our physical YouSee stores were operating on the Dawn platform and by early 2024, we had also launched Dawn for YouSee's online and call-centre channels. Our rollout initially includes all our mobile products and will expand to include our full B2C portfolio (i.e. including fixed and TV) during 2024. Our ambition is to complete the B2C rollout in 2024.

This will be one of the fastest and most ambitious technological transformations in modern telecoms, taking Nuuday from a home-grown 1980s mainframe to cutting-edge digital capabilities. Our approach is designed to ensure a rapid and low-risk rollout, with intensive portfolio simplification in advance of launch combined with a 'greenfield' 'best of suite' approach. By migrating Nuuday customers to the new cloud based Netcracker service also used by multiple international telcos, we are avoiding the more traditional – and risky - approach of upgrading selected components of the existing technology stack.

This is part of a much broader transformation of our technology capability, anchored in significant investments to ensure the highest standards of security, system reliability and compliance in an increasingly sophisticated and demanding regulatory environment. It includes the outsourcing of critical service management and application development functions to specialist partners, while investing in new technology capabilities to support advanced data insights (notably with Adobe) and partnerships to accelerate our ambitions in AI (notably with Cognigy and Microsoft, including the deployment of Nuuday's proprietary version of Chat GPT).

Becoming Denmark's no. 1 for customer satisfaction

From the outset of our transformation, we have prioritized our work to ensure that we directly address the causes of customer dissatisfaction and invest in delighting our customers. This extensive work has touched almost all elements of our business and has driven early and substantial gains – both in customer satisfaction and in driving efficiency.

The improvement in customer satisfaction – measured primarily through our brand Net Promoter Score – has been extremely satisfying for our teams; we have increased NPS in YouSee, our leading consumer brand, by 7 points continuing the positive trend since 2020 with a total progress of approximately 30 points! Across the entire brand portfolio, we saw 3 points increase in 2023 on top of the 6 points uplift in 2022 and a total of almost +20 points since 2020.

In 2023, Hiper was named by Loyalty Group as the most customer-friendly Danish internet provider that most people would recommend and that delivers the best value for money. At the same time, Telmore was named in Wilke's CX Benchmark analysis as the Danish brand that delivers the best customer experience across companies and industries – a remarkable accolade and a credit to the Telmore team.

This steadily translates into Nuuday becoming stronger and more sustainable. Thanks to intensive work to eliminate pain points in our customer journeys, including early benefits from our investment in AI capabilities, we have reduced the amount of incoming calls across our brands by 9% from 2022 to 2023.

Overall, Nuuday is now delivering the highest levels of customer satisfaction in its five-year history and is well on track to be the clear leader in customer experience in the Danish telecoms market.

Denmark's no. 1 in customer satisfaction

Investing to be the leader for quality products

Leadership in high-quality, innovative products is at the heart of our ambition for Nuuday, as Denmark's telecoms leader for both consumers and businesses. We have significantly stepped up our investment in product development, ensuring Danish consumers and businesses can benefit from the best of telco innovation from our partners across the world.

In the consumer space, YouSee significantly strengthened its product portfolio during 2023. First, we launched a new router with next generation YouSee Mesh technology in August, while the majority of YouSee's existing broadband customers also had automatic security installed on their routers via a software update.

Secondly, in September we introduced the critically acclaimed YouSee Streamer, which gives YouSee Play customers a better user experience by bringing together TV channels, streaming services and apps in one intuitive interface. With its attractive price it offers the options of using a set-top box, a streaming device or going 'boxless' entirely.

Meanwhile in the business space, TDC Erhverv is rapidly shifting from a traditional B2B telco model to becoming Denmark's leading ICT player, by leveraging its exceptional client base together with its competence in next generation

Letter from the CEO

solutions and critical communications technology.

Investment in product innovation is a central plank of this strategy. In 2023, TDC Erhverv launched the groundbreaking CloudKey® solution, which enables Danish institutions and businesses to take full advantage of the cloud while remaining fully compliant with GDPR and US Cloud Act requirements. Specifically, we have developed patented technology that encrypts data before it is shared with international cloud service providers, with control over the encryption resting with the client.

This strategic shift integrates the provision of complex solutions firmly into the mainstream of TDC Erhverv's business; 2023 also saw the formal integration of the former Netdesign business into TDC Erhverv, bringing solutions expertise to all our customers while retaining our talented colleagues in the new TDC Erhverv Solutions business.

We were delighted to begin 2024 with the announcement that TDC Erhverv has won the status of Cisco Gold Partner in Managed Services – the only Danish provider to secure this challenging accreditation. This critical qualification attracts clients looking for a professional ICT and communications partner and reflects our investment in these capabilities over the last two years.

In the NuuBrands family, Telmore successfully entered the market for 5G internet for the home with the "Internemt" campaign, while the newest edition of Telmore Play has made it even easier for customers to take advantage of streaming services bundled with Telmore mobile, and reinforced Telmore's leadership of the 'Play' category.

As another significant step in our digitization journey, eesy – our mobile challenger brand – upgraded its app so that customers choosing e-SIM can now sign up for eesy within two minutes from a standing start. This demonstrates our focus, particularly in our value brands, on combining digitization and excellent customer service.

Great CX and strong products deliver better financials

Our financial performance is a direct function of our success in delivering great customer experience and market-leading products, while also impoving the efficiency of our commercial and operational machine. The steps we have taken since 2021 are now clearly transforming Nuuday's financials.

2023 was a significant year in many ways. We saw a slight increase of 0.5% in our service revenue and we delivered a significant increase in our underlying cashflow; we generated underlying Simple Cash Flow (SCF) of DKK 842m for the year – up 33.7% compared with 2022 (since our transformation, we now report our underlying profitability i.e.

excluding temporary investments in transformation).

This reflects stable gross profit, with flat underlying operating expenditure – a reduction of more than 400 FTEs over the year, balancing out the impact of inflation and some costs moving from capex to opex as we move to managed services. This was combined with a 23% reduction in underlying capital expenditure, thanks to a wind down of investments in our expensive legacy infrastructure.

EBITDA excluding transformation costs fell by 2.5% for the year, and we are continuing to work towards returning to growth in underlying EBITDA as we grow our core businesses and build our lean, digital business.

Employee motivation critical for our transformation

Transforming Nuuday from a legacy operator to a next generation digital service provider is, at heart, a demanding and intensive transformation built on the daily efforts of our +3,000 colleagues. Their commitment and hard work have been remarkable.

I am delighted to say that in 2023 we saw a step change in employee satisfaction as we continue to build real momentum in transforming our business, reflecting that our employees are increasingly enjoying the tangible results of their efforts.

In fact, our employee satisfaction (eSAT) score soared by five points again this year on top of last year's two-point increase. In parallel, we achieved a ten-point increase in our eNPS, with half of our employees now in the 'ambassador' category. This is a genuine transformation in our employees' commitment to the company and puts Nuuday at a level that beats the "best in class" benchmark for Danish companies, according to our provider Ennova. Scores like this show we are matching our ambition to become one of the top destination companies for individuals looking to work at the forefront of customer excellence and digital technology.

These numbers make me proud. And I applaud the tremendous efforts our dedicated employees are putting into our transformation programme, and the remarkable results we have created together throughout an eventful and high-paced 2023.

2024 outlook

The Nuuday business by the end of 2023 felt very different from that of 2021; we are a business where innovation, digitization and customer focus are central in our daily lives. We are successfully delivering on some very ambitious goals – operational, technology-related and financial – that position us well to face an increasingly competitive landscape.

We are well set up; 2024 is a critical year when we will complete the Dawn rollout for our consumer business and will accelerate still further the pace of our journey – notably in product innovation and customer experience. AI will be a significant theme; Nuuday was one of the early Danish adopters of generative AI in 2023, and this journey will continue in 2024 as we deploy tools to simplify, digitalize and improve work processes in collaboration with Cognigy – a leading global supplier in conversational AI.

The team and I are entering 2024 full of energy and motivation based on our experience of delivering rapid transformation in 2023 – a breakthrough year for Nuuday. My thanks go to all our dedicated teams across Denmark who are delivering 24/7 for our customers.

Jon James
CEO of Nuuday

Key highlights of 2023

Live on +90% fibre networks across Denmark

Nuuday launched on more third-party fibre networks, enabling +90% of Danish households with fibre access to receive fibre services from YouSee, TDC Erhverv and Hiper

Highest NPS across industries in DK

Telmore's NPS was scored highest across 300 companies in various industries in the Wilke 2023 CX Benchmark – a testament to great customer service efforts by our employees

Launched unique digital solutions for business

TDC Erhverv launched the groundbreaking patented CloudKey™ solution, solving some of the biggest pain points for business clients in the data storage & privacy field

Next-gen digital sign-up flow in just 2 minutes

eesy launched its new best-in-class digital app and a new onboarding process, enabling mobile voice sign-ups in just two minutes with e-SIM. A true gamechanger for our MV challenger brand

Live on Dawn - our new IT stack

We are progressing well on our IT transformation journey and successfully launched our new IT stack in the first stores

2023 … 2024

Utilising AI for unparalleled customer service

By integrating AI into all its business operations, Nuuday is harvesting the benefits of generative AI to deliver the best customer service, while boosting productivity

Best network for the 8th consecutive year

5G SPEED

For the eighth consecutive year, Nuuday's mobile customers have access to Denmark's best network, measured by the Danish Technological Institute (DTI)

NetDesign joins forces with TDC Erhverv

TDC Erhverv
NetDesign

In response to growing demand from businesses for end-to-end digital solutions, NetDesign joined forces with TDC Erhverv

Launched YouSee streamer

We launched the innovative YouSee streamer to seamlessly integrate all linear and non-linear entertainment in one user interface

Steady bNPS progress on top of 2022 progress

Nuuday reached an all-time high bNPS, up three points from last year – a tangible sign of progression towards becoming the preferred choice by Danish households and businesses

Financial overview

	2023	2022	2021	2020	2019
Income statement (DKKm)					
Revenue	14,478	14,674	14,657	14,756	15,625
Hereof service revenue	13,342	13,275	13,213	13,341	14,227
Gross profit	4,805	4,847	4,993	5,318	5,895
Underlying EBITDA[1]	**1,722**	**1,766**	**1,823**	**1,936**	**2,035**
Transformation costs	(151)	(57)	0	0	0
EBITDA	**1,571**	**1,709**	**1,823**	**1,936**	**2,035**
Operating profit/(loss) (EBIT)	**(2)**	**93**	**(13)**	**(77)**	**164**
Profit/(loss) before income taxes	(451)	(227)	(413)	(470)	(204)
Profit/(loss) for the year	**(421)**	**(190)**	**(390)**	**(410)**	**(128)**
Income statement, excluding special items					
Operating profit (EBIT)	**50**	**159**	**111**	**46**	**219**
Profit/(loss) before income taxes	(399)	(161)	(338)	(347)	(151)
Profit/(loss) for the year	(381)	(138)	(342)	(313)	(87)
Balance sheet (DKKm)					
Total assets	17,757	17,448	17,776	17,669	19,101
Net interest-bearing debt (NIBD)	(2,808)	(2,827)	(8,530)	(9,647)	(9,861)
Total equity	6,122	6,543	386	776	1,192
Underlying capital expenditure[1]	**(880)**	**(1,136)**	**(1,149)**	**(1,431)**	**(1,517)**
Transformation capital expenditure	(358)	(178)	0	0	0
Capital expenditure	**(1,238)**	**(1,314)**	**(1,149)**	**(1,431)**	**(1,517)**
Statement of cash flow (DKKm)					
Operating activities	1,261	959	2,146	1,643	1,322
Investing activities	(1,449)	(1,316)	(970)	(1,348)	(1,601)
Financing activities	485	755	(1,174)	(323)	298
Total cash flow	**297**	**398**	**2**	**(28)**	**19**

	2023	2022	2021	2020	2019
Key financial ratios					
Underlying Simple Cash Flow[2], DKKm	842	630	674	505	518
Service revenue growth, %	0.5	0.5	(1.0)	(6.2)	(1.1)
Productivity ratio[3], DKKm	4.1	3.7	3.4	3.1	3.2
Gross margin, %	33.2	33.0	34.1	36.0	37.7
Underlying EBITDA margin %	11.9	12.0	12.4	13.1	13.0
EBITDA margin, %	10.9	11.6	12.4	13.1	13.0
EBIT margin, %	0.0	0.6	(0.1)	(0.5)	1.0
Equity ratio, %	34.5	37.5	2.2	4.4	6.2
Retail RGUs ('000)					
Mobility services[4]	3,865	3,856	3,799	3,674	3,660
Hereof IoT	603	596	578	560	503
TV	894	949	985	1,037	1,177
Broadband[5]	1,007	1,041	1,055	1,098	1,178
Landline voice[6]	272	324	395	466	470
Employees					
FTEs (end-of-year)	3,193	3,615	3,686	3,985	4,515
FTEs excl. transformation (end-of-year)	3,079	3,515	3,686	3,985	4,515
FTEs Consumer	1,723	1,939	2,033	2,197	2,552
FTEs Business	957	964	971	1,056	1,193
FTEs Other	513	712	682	732	770

1 Excluding transformation costs: Transformation costs exclusively comprise costs that will cease on completion of the transformation, and that are directly related to Nuuday's comprehensive business transformation, e.g. direct IT costs, external expenses and personnel costs for resources working on the transformation as well as extra costs as a consequence of running parallel systems during the transformation. The costs of transformation are fully funded, i.e. the costs of Nuuday's transformation are covered by Nuuday's current cash balance.
2 Underlying Simple Cash Flow = Underlying EBITDA – Underlying capital expenditure.
3 Productivity ratio = Service revenue / average number of employees excl. transformation FTEs.
4 Consist of mobile voice, mobile broadband and IoT. The numbers reflect recategorization in 2H 2023 of certain business mobile voice and mobile broadband subscriptions to IoT.
5 Comparative figures have been adjusted to include leased lines.
6 Following internal migration of customers and alignment of accounting methods in Q2 2020, the level of landline voice RGUs has increased. The migration had no impact on revenue or the result.

Business and strategy

Direction

Our business model

Nuuday is the leading telecoms provider in Denmark, boasting a robust and varied portfolio of brands, products and services. With nearly six million customer relationships across consumer and business segments, our brands deliver high-speed broadband, best-in-class mobile connectivity, flexible TV and streaming options, and a comprehensive range of advanced business solutions, including cyber security, unified communications, and digital collaboration. Danish consumers and businesses depend on Nuuday to provide them with the most innovative, reliable, and cutting-edge telecommunications services available.

#1

Market position in DK across internet products (fixed & mobile broadband), TV & streaming, mobile voice and B2B services

6.0m

Customer relations (RGUs), including IoT

Consumer brands

youSee

TV, mobile, broadband
Denmark's leading triple-play telecommunications and entertainment provider, and the preferred brand for households across geographies and sizes

TELMORE

Mobile and mobile broadband
Denmark's third-largest consumer mobile brand, offering a superior customer experience, mobile broadband, and streaming with Telmore Play

eesy

Mobile
Digital and fast-growing mobile challenger brand providing easy and value-for-money mobile connectivity on Denmark's best network

HIPER

Broadband
Pure-play internet challenger delivering high-speed broadband with great value for money

Business brands

TDC Erhverv

Mobile, broadband & security, collaboration and network services
Denmark's market leader in B2B telecommunications with a broad portfolio of end-to-end services from basic connectivity to advanced digital solutions

Relatel

Mobile, mobile broadband and innovative switch software
A mobile B2B brand focused on providing SMBs with great products and services at attractive prices

We have Denmark's strongest range of partnerships to ensure our customers can access Denmark's best mobile and fixed networks, best-in-class entertainment and leading-edge business offers

Denmark's best mobile network

Our unique partnership with TDC NET gives us access to the best-in-class 5G mobile network, assessed as the best coverage and quality network for the eighth consecutive year

Our network partner:

tdc net

Leading high-speed broadband coverage

Through our partnerships with the leading Danish fibre and cable networks, we provide access to high-speed broadband for the vast majority of Danish households and businesses

Selection of our partners:

tdc net, EWII, Fibia, THY·MORS ENERGI

Superior entertainment portfolio

With the best and most relevant entertainment catalogue, and through strong partnerships with both domestic and international content providers, we offer our customers a superior catalogue of entertainment from both streaming services as well as broadcasters

Selection of partners:

TV2, HBO max, NETFLIX, Disney+

Best-in-class business solutions

Through well-established business partnerships with industry leaders such as Cisco and Microsoft, we offer our business customers flexible best-in-class solutions in areas such as cyber security, digital collaboration and unified communications

Selection of partners:

CISCO Partner, Microsoft

Delivering on our strategy

Nuuday's ambition is to become a European best-in-class telco and the preferred service provider for Danish households and businesses. With the comprehensive transformation embarked on in 2021 as a baseline, Nuuday made significant progress again in 2023, with a technology revamp, product innovation and operational excellence.

Building on its leading position in the Danish market, Nuuday launched significant initiatives across all three strategic pillars in 2023, innovating best-in-class products, providing exceptional customer experiences and accelerating its digital transformation.

We are delivering on creating the new Nuuday as we execute one of the most comprehensive and rapid transformations in the European telecommunications industry.

Best choice

The best choice for Danish consumers and businesses

Across a strong brand portfolio with diverse value propositions, we aim to offer our customers the best choice, through all-encompassing, flexible and innovative products based on leading-edge technologies

Strategic focus areas

- Deliver best-in-market connectivity everywhere
- Innovate entertainment and business solutions
- Provide excellent value for converged households and businesses

Best experience

Deliver the best customer experience

We are determined to provide Danish consumers and businesses with seamless journeys and meet them on their preferred channels – an aim shared by all our brands

Strategic focus areas

- Systematically eliminate pain points
- Create smooth and seamless customer journeys
- Provide a great experience in all touchpoints

Most digital

Digital transformation through radical simplification

By radically simplifying our business model and transforming our IT, we seek to innovate and continuously deliver the best products and services as well as the best digital experiences to our customers

Strategic focus areas

- Simplify business model
- Transform IT foundation
- Digitalise our customer interactions

Best choice

2023: Innovating best-in-class offerings

Several initiatives were launched in 2023, supporting our aspiration to be the Best Choice for Danish consumers and businesses. We launched our YouSee Streamer, an adaptable entertainment service that merges traditional TV channels and streaming services as well as a new router with integrated Mesh technology. In the business segment, we bolstered our portfolio with the innovative CloudKey®, providing a unique digital solution for data storage and privacy. Our fibre broadband reach was expanded through partnerships with utilities across the country, and in collaboration with TDC Net, our customers enjoyed a superior 5G experience on DK's best mobile network - now for the eighth consecutive year.

At YouSee, constant product innovation is imperative for further strengthening our position as Danish consumers' preferred provider of entertainment. Now, with our YouSee Streamer, the world's best entertainment across TV and streaming is just one click away with our unified user interface. The impressive, positive feedback from users signals to us that we now indeed offer the best choice for entertainment – no matter if you prefer traditional flow TV, streaming only, or a combination, which is where the magic really happens with our Streamer.

- Christian Morgan, Head of YouSee

Highlight initiatives

YouSee launched its cutting-edge Mesh technology, which provides fast and stable Wi-Fi coverage regardless of home size. With Mesh, users can enjoy uninterrupted streaming and browsing, making it a valuable addition to any home network

For the eighth year in row, we are pleased to offer Denmark's best mobile network, providing unmatched experiences for our customers across 5G-coverage and speed dimensions

Denmark's best mobile network

In response to growing demand for secure data storage solutions in the business segment, TDC Erhverv launched the ground-breaking CloudKeyTM - a patented proprietary software solution, showcasing our market-leading innovation capabilities

In 2023, we went live on Global Connect, SEF and RAH fibre networks, enabling us to offer high-speed products to an additional 100K households

For the fourth year in a row, Hiper, our high-speed broadband challenger, was awarded "best value for money". More than 100K customers use Hiper's products every day – and that figure is growing

Best experience

2023: All-time high bNPS

Throughout the year, we made significant progress on our key customer experience indicators. Our YoY bNPS hit a record high, up by three points, adding to the six-point increase the previous year. This was made possible by our strong efforts across all areas of customer interaction - and especially our rapid digitla transformation. For instance, TDC Erhverv introduced chat for businesses. The launch, a great success, achieved an 88% "thumbs up" rating which, combined with significant website improvements, led to a 34K reduction in calls.

Achieving our highest-ever bNPS score is a testament to both our incredible staff as well as our successful adoption of AI across all our customer interactions. Providing customers with even more contextual service, 24/7 availability and faster response times are only a few of the crucial improvements AI brings to our customers. Customers are at the heart of our business, and by integrating AI, we can meet modern the demands of modern consumers while simultaneously enhancing internal efficiency.

- Michael Stinner, Head of CX & Business Transformation

Highlight initiatives

Nuuday achieved its all-time high bNPS score in 2023, driven by strong performances across all brands, with an excellent adoption of AI tools to enhance customer experiences and services

In 2023, Telmore was measured to have the highest NPS across 300 Danish companies in various industries in Wilke's CX benchmark. A remarkable performance by our mobile and entertainment brand

Our high-speed broadband brand, Hiper, was awarded the title "most recommended brand" for the second consecutive year, with a higher Net Promoter Score than its peers

eesy rolled out its new best-in-class app and sign-up process, enabling e-SIM registration and activation in under two minutes, addressing the needs of digital-first consumers who expect a fully digital journey

Most digital

2023: Live on our new IT stack while leveraging AI

Our extensive digital transformation across brands, departments, and products continues to progress. With the "Trappist" project in collaboration with Netcracker as a cornerstone, our future IT stack will enable us to become the leading digital telecommunications company in Denmark – on par with global frontrunners. The first SIM cards are now live on the new stack, and the purchase flow and onboarding process have been praised by both our customers, and our agents in stores. We have also implemented several AI tools into daily operations, improving productivity and significantly reducing the number of incoming calls. This was also driven by a strong online chat implementation across all brands. After witnessing rapid tangible results, we are excited to execute further on our digital transformation, with AI playing a pivotal role in increasing productivity even more, while enabling great customer experiences

Our digital transformation is a key enabler for making Nuuday a market-leading, lean, digital service provider. In 2023, we successfully went live with our new IT stack in YouSee stores. Coupled with our rapid and successful integration of AI across our business operations, and strong execution skills - internally and with our world-class partners - I am confident that we are on track to become the most digital telco in Denmark.

- Monika Gullin, Chief Technology Officer

Highlight initiatives

In 2023, we reduced the total number of incoming calls received by 9%. An impressive achievement driven by successful implementation of AI chat and optimisation of CX elements in each brand. And for the calls we did receive, our valued agents continued to deliver outstanding service, driving our support related KPIs to new heights

We are live on our new IT stack in all YouSee stores - a key milestone in our digital transformation. With an overwhelming positive customer response, we are now continuing the rollout to other channels and migrating the base

In collaboration with Microsoft Azure, we are now leveraging the powers of the world's leading large language model – ChatGPT. And while doubling down on the use of new, cutting-edge technologies, we are not compromising data privacy or security thanks to Azure's tailored privacy-first cloud-based LLM solution

This year's Universum ranking recognised Nuuday as an attractive employer in the highly competitive race for the best IT talent. With 28 places climbed, Nuuday took the highest jump across all companies and sectors.

Performance

Nuuday's performance

- **In 2023, the strong momentum in our future-proof product areas continued, with 20,000[1] net-adds in mobility services and growth of 81,000 RGUs within fibre broadband.**
- **Service revenue was 0.5% higher than the previous year, driven by strong performances in mobility services and fibre broadband.**
- **Underlying EBITDA (excluding transformation costs[2]) declined by 2.5%, driven mainly by gross profit-margin pressure and increasing infrastructure costs, outweighing the stabilisation in our core business.**
- **Underlying capital expenditure saw significant reductions of 22.5%, while total capital expenditure, including transformation costs related to Nuuday's technology transformation, was slightly lower YoY (5.8%) in 2023 vs 2022. This reflects our declining legacy IT investments ready for the Netcracker solution, and our transformation cost profile, which is weighted towards 2024.**
- **Underlying Simple Cash Flow improved by DKK 212m YoY to DDK 842m driven by significant reduction in underlying capital expenditure**

Nuuday's 2023 financial performance reflects a year of transformation, as we invest in our customer experience and wider business transformation. However, our goal remains the same: to produce a sustainable, efficient and profitable business that delivers innovative products and excellent customer experiences in a truly digital manner.

Revenue

The company's success in stabilising its core customer base, as we migrate customers from legacy to future-proof services, while improving the quality of our services, and hence ARPU, was reflected in slightly growing service revenue. Service revenue was up by 0.5% to DKK 13,342m, driven by our continued strong performance in the future-proof mobile and high-speed broadband segments. This outweighed the declines in legacy services. Service revenue in our consumer mobile segment grew by 2.6% YoY, driven by ARPU increases and strong volume in Eesy. ARPU growth in both consumer and business broadband along with increasing high-speed RGU bases more than offset the structural decline in DSL broadband. Revenue decreased slightly by 1.3%.

Gross profit

Gross profit decreased modestly by 0.9%, or DKK 42m, to DKK 4,805m. This decline was driven by costs related to customers migrating from legacy products (such as DSL) to future-proof high-speed, and the continued increase in infrastructure and content costs.

Operating expenses

Nuuday's underlying operating expenses (excluding transformation costs) increased by 0.1%, or DKK 2m, to DKK 3,083m. We have substantially improved the efficiency of our business, notably in reducing call ratios and external spending, resulting in 436 fewer FTEs YoY, excluding transformation FTEs.

These improvements largely offset the pressures of wage inflation, higher IT costs and slightly higher marketing spend.

Revenue (DKKm)	14,478
Service revenue (DKKm)	13,342
Gross profit (DKKm)	4,805
Underlying Opex [2)] (DKKm)	3,083
Underlying EBITDA [2)] (DKKm)	1,722

1 Mobile voice and mobile broadband. Numbers exclude recategorization of certain business mobile voice subscriptions to IoT that occurred in Q3 and Q4.
2 From 2022, Nuuday began reporting transformation costs separately from its underlying business performance. Transformation costs exclusively comprise costs that will cease on completion of the transformation, and that are directly related to Nuuday's comprehensive business transformation, e.g. direct IT costs, external expenses and personnel costs for resources working on the transformation as well as extra costs from running parallel systems during the transformation. The transformation costs are fully funded, i.e. the costs related to Nuuday's transformation are covered by Nuuday's current cash balance.

EBITDA

Underlying EBITDA (excluding transformation costs) declined by 2.5%, or DKK 44m, to DKK 1,722m. Including transformation costs, EBITDA declined by 8.1%, or DKK 138m, to DKK 1,571m. Despite positive developments in service revenue, and stable underlying operating expenses, EBITDA was negatively influenced by the decline in gross profit margins, primarily from infrastructure costs and lower margins on future-proof services.

Capital expenditure

Capital expenditure excluding transformation costs decreased by 22.5%, or DKK 256m, to DKK 880m. This decline, caused mainly by lower capitalised wages as we reduced investment in our legacy IT systems in the build up to the Netcracker launch, was partly offset by an increase in volume-driven capex related to customer installations.

Capital expenditure including transformation costs decreased by 5.8%, or 76m, to DKK 1,238m. This was driven by the profile of the IT investments related to our multi-year transformation programme.

Simple cash flow

As we get ready for the Netcracker launch, investments in legacy IT systems ramped down heavily in 2023. This led to a significant improvement in underlying simple cashflow, increasing 33.7% in 2023 to DKK 842m.

Loss for the year

After amortisation, interest expenses, etc., the loss (excluding special items) amounted to DKK 381m compared with DKK 138m in 2022. The additional loss resulted from lower EBITDA due to higher transformation costs, and higher financial expenses related to refinancing of debt and fair value adjustments. Including special items, the loss amounted to DKK 421m vs DKK 190m in 2022.

Cash flow

Total cash flow for 2023 includes net investment of DKK 247m in short-term bonds. Adjusted for this investment, total cash flow increased by DKK 146m from DKK 398m in 2022 to DKK 544m.

Cash flow from operating activities increased by DKK 302m to DKK 1,261m, driven primarily by net working capital (DKK 469m) due to implementation of VAT on intra-group trade[1] as well as temporary improvements in payment terms for VAT, and employee taxes in 2023 expiring in 2024. Other contributions to the net working capital increase came from a favourable development in inventories and the impact of the final repayment of the COVID-19 temporary liquidity support package from the Danish State in January 2022. This increase was partly offset by lower EBITDA (DKK 138m).

Cash outflow from investing activities increased by DKK 133m to DKK 1,449m driven by investment of temporary excess liquidity in short-term bonds (DKK 247m), partly offset by lower capex, including transformation costs (DKK 76m).

Cash inflow from financing activities declined by DKK 270m to DKK 485m. The development was due to the negative impact of Nuuday's share of TDC Holding group's cash pool being transferred to Nuuday in the first half of 2022 (DKK 865m). This was partly offset by the change in loans related to refinancing (DKK 594m).

2023 guidance follow-up

EBITDA performance in 2023 was in line with our guidance; namely that EBITDA would be somewhat lower in 2023 compared with 2022, driven by significant investments in customer experiences as well as the continued migration of customers to fibre infrastructure. Service revenue was in line with guidance for 2023, as we managed to slightly increase service revenue.

2024 guidance

We expect a flat development in service revenue in 2024, which will be a year with significantly higher investments in our business transformation as well as continued migration of customers to fibre infrastructures. Hence, we expect a flat development in EBITDA excluding transformation costs. EBITDA including transformation costs is expected to be somewhat below the 2023 level.

1) See also note 5.1 to the consolidated financial statements

Underlying Capex (DKKm)	880
Underlying simple cash flow (DKKm)	842
Loss excluding special items (DKKm)	381
Cash flow from operating activities (DKKm)	1,261
Employees excluding transformation FTEs (EoY)	3,079

Corporate governance

Corporate governance statement

We work proactively with corporate governance and aim to provide transparency for our stakeholders as a means of ensuring our long-term value creation

Our governance model

In accordance with Danish legislation, Nuuday has a two-tier management structure consisting of a Board of Directors and an Executive Committee. The Board of Directors is responsible for the overall direction of the company and for appointing a competent Executive Committee. The Executive Committee is responsible for the day-to-day management of the company. The responsibilities and duties between the Board of Directors and the Executive Committee are clearly outlined and described in the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Executive Committee.

The Board of Directors

Nuuday's Board of Directors is composed of six members elected by the General Meeting. An additional three members are elected by the employees, bringing the number of board members to a total of nine. The board members elected by the General Meeting are up for election every year and may be re-elected.

Pursuant to Danish legislation, Nuuday employees are entitled to representation on the Company's Board of Directors in the form of employee-elected board members equivalent to half of the total number of board members elected at the General Meeting.

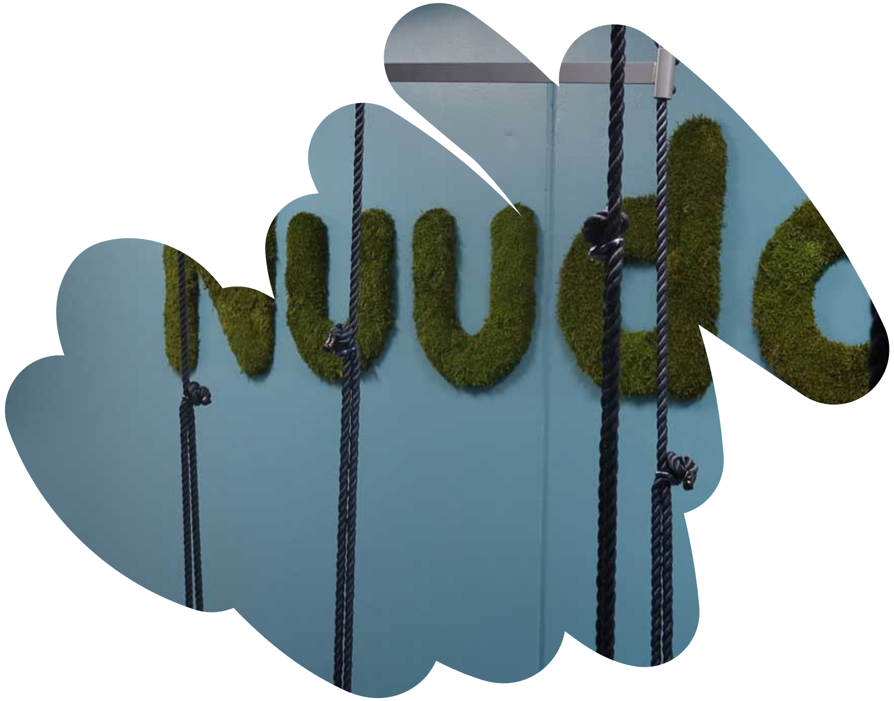
The employee-elected board members are in office for a four-year period, and have the same rights, obligations and responsibilities as the board members elected by the General Meeting.

Nuuday's Board of Directors believes that diversity in general strengthens the Board and seeks to reflect this balance in the composition of the Board. As part of the Board of Directors' annual evaluation, the Board also assesses whether the board members have the required skills and experience or if members' expertise should be updated in some respects.

The Board of Directors conducted an evaluation of themselves and intends to release the evaluation procedures and general conclusions in 2024.

Board committees

The Board of Directors has established three committees. A Compensation and Nomination Committee, which approves remuneration and employment terms for Nuuday's leadership team, proposes the Board's remuneration, and identifies candidates for the Board and



management positions. An Audit Committee, which oversees the selection and nomination process of Nuuday's independent auditor and monitors the effectiveness of Nuuday's internal control and risk management systems. And a Health & Safety Committee, which oversees workplace safety policies and supports management in developing annual health and safety plans.

Whistleblower scheme

Nuuday has been covered by TDC Holdings' whistleblower scheme since 2011. In 2021, Nuuday adopted an individual whistleblower scheme. Through the scheme, our employees and partners have access to swiftly and confidentially – and if required, anonymously – submit reports of violations or potential violations – via a special independent and autonomous channel to an independent, autonomous whistleblower unit.

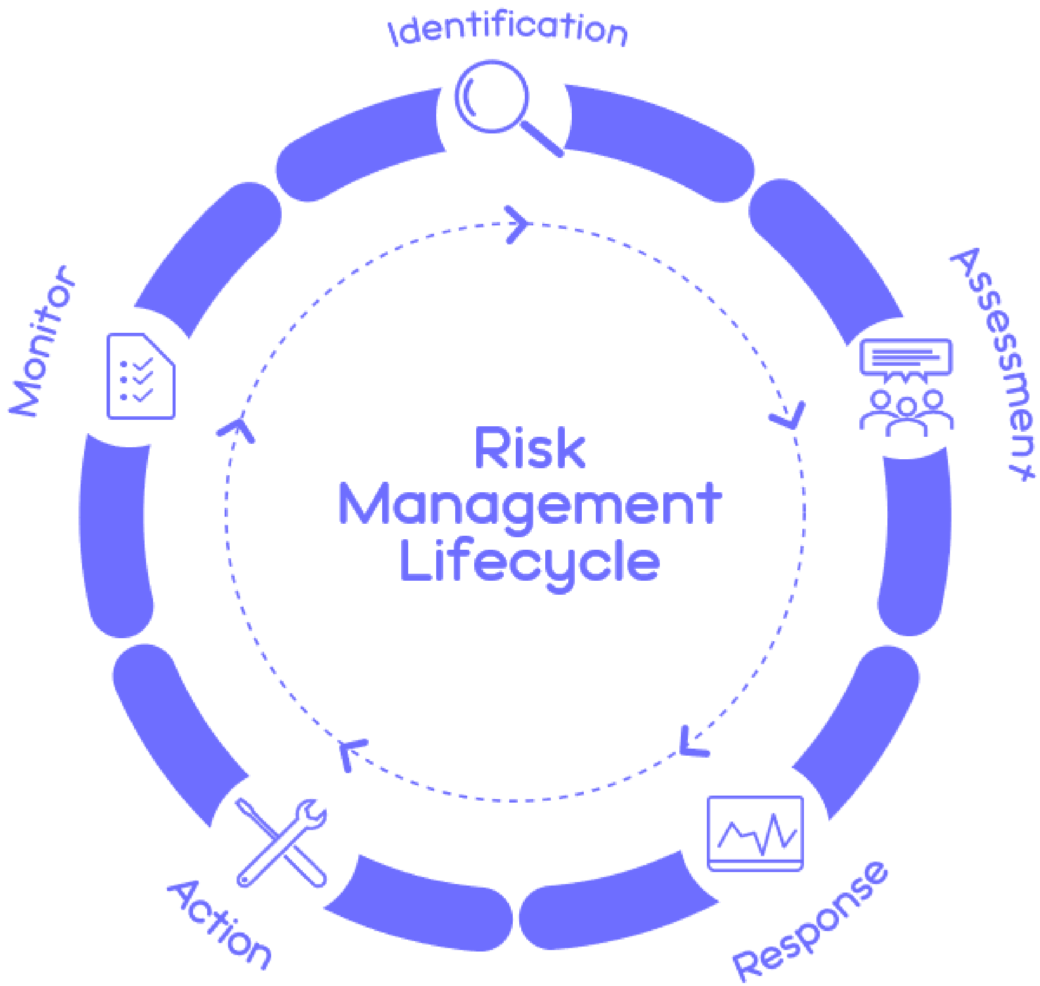
Risk management

Risk management governance
Nuuday involves all layers of the organisation in its risk management approach. From enterprise risks affecting Nuuday's overarching strategic goals to operational or technical risks affecting our IT landscape, we use risk management to weigh options and support informed decision making. Based on internationally recognised standards such as ISO 31000, COSO ERM, and FAIR, our policy framework is underpinned by procedures and guidance, thus creating a strong foundation for our risk management governance.

While Nuuday's Board of Directors is ultimately accountable for risk management and compliance, we work with a three-lines of defence model. The first line comprises our business units, each of which are responsible for effective risk management (identification, assessment, mitigation, etc.). The second line consists of our nine domains, each with risk and compliance specialists:

- Security & Fraud
- Human Resources
- Legal & Compliance
- Image, PR & Public Affairs
- Operations
- Finance
- Health & Safety
- Commercial
- Transformation Execution

Establishing these domains ensures that Nuuday follows the standardised risk management lifecycle and receives centrally aligned risk and compliance support across all business units from subject matter experts. The second line assists the first line with assessments and offers guidance regarding mitigation plans.



Our third line is an audit function responsible for independently reviewing the risk and compliance design and its effectiveness.

Risk appetite

Pursuing our business objectives involves taking risks, with a potential for risks affecting the outcome of these objectives. We have defined a risk appetite for each of the nine domain areas, approved by the executive management team and the Board of Directors.

Nuuday's risk appetite reflects a desire to balance risk exposure and risk reluctance, thus avoiding both excessive risk taking and excessive caution.

Risk management lifecycle

Identification

Risks are identified in various ways, including via targeted surveys, audit findings, management meetings, or ad-hoc. Identified risks are reported through defined channels, dependent on the type of risk.

Assessment

Risk assessments take various forms but have the same goal: to measure the likelihood and impact of an identified risk being realised.

Response

Based on the risk assessment, one or multiple responses are appropriate. A response might be to "Treat," "Tolerate," "Transfer," "Terminate," or "Take no action." Taking no action when facing a risk is an acceptable solution only if the risk assessment score indicates the risk is within the approved risk appetite.

Action

Here we fulfil the action determined as the appropriate response. This step also involves reviewing the strategy to ascertain the efficacy of the response and determine whether another response activity is required.

Monitor

The risk picture, including relevant vulnerabilities or threats that could affect the treatment or realisation of a given risk, is monitored after actions have been completed. Continuously, a minimum of once annually, or if the risk

picture changes significantly, the risk returns to the Assessment stage of the Risk Management Process.

Documentation

To ensure accountability, the identification, assessment, response to and treatment of risks is documented in adequate detail.

The documentation can be made available to internal and external stakeholders on a need-to-know basis unless there are concerns of confidentiality. In such cases, management approval is required.

Integrated risk management & reporting

Transparency is a key aspect of Nuuday's risk management. This is achieved by ensuring that appropriate stakeholders are aware of risks.

Risks associated with e.g. incidents, changes, or system operations are handled as an integrated part of the given process to ensure that the potential impact to the organisation is documented and a plan is in place in case the risk materialises.

Risks associated with programmes and projects are handled by the steering groups, with project/programme managers receiving assistance from the domain risk managers when necessary.

Third-party risks are handled in collaboration with the suppliers, i.e. we stipulate controls for the suppliers, depending on the service provided. We mitigate any identified risks before entering contracts, and where this is not possible, remaining risks are documented and handled systematically.

Strategic risks identified in other contexts, including management meetings, are discussed and documented, so appropriate response tasks can be established in the relevant organisational areas.

For each risk identified, responsibilities are assigned, and progress is monitored and evaluated.

Risks identified are consolidated and presented to Nuuday's executive management on a quarterly basis. Any risks falling outside the defined appetite are presented for approval.

The Nuuday Audit Committee receives a consolidated risk overview and status as well as information about the most critical risks on a quarterly basis.

On the following pages, we describe some of the main risks that Nuuday faces, with information about the risk's trend, impact, and mitigation initiatives.

Risk & trend	Risk domain	Details & impact	Mitigation initiatives
New or current competitors taking market share Increasing	Commercial	Denmark has a competitive telecommunications landscape. Increased competition and continuing price pressure affect Nuuday's ability to establish sustainable pricing in B2C and B2B markets.	• Improve customer experience through fully digital customer journeys • Retain best network status • Continue to provide high-quality services and improve NPS • New attractive product releases • Increased adoption of differentiating offerings, reducing B2B churn
Consumer savings – "downspin" Decreasing	Commercial	We are seeing less inflation, but people are still choosing to save on, for example, mobile phone subscriptions by choosing cheaper packages, thus lowering the Average Revenue Per Unit. This could potentially spread into TV and broadband segments.	• Monitoring market tendencies • Continue to strengthen areas of differentiation (network quality and 5G) • Offer highly competitive and attractive propositions across all consumer brands • Address the entirety of the consumer and business mobile market
Entertainment content: price increases and taxation Increasing	Commercial	Content producers continue to raise their prices for entertainment, which particularly affects the YouSee & Telmore brands. On TV, increasing price pressure from streaming providers coupled with increasing content costs (especially related to premium sports) could further accelerate existing downward trends, with customers 'shaving' or 'cutting' the cord on their TV subscriptions.	• Optimise products and pricing to ensure that TV packages remain relevant for as many customers as possible • Invest in developing attractive next-generation entertainment products to cater for the rapidly growing combi-viewer segment that values both streaming and TV channel content • Pursue a full household strategy and incentivise purchasing multiple services and products
Large antenna association market in turmoil Increasing	Commercial	VIOS, ASOM and others are "pitching" to antenna associations to "retake ownership of their network" and start producing own broadband rather than relying on Norlys, TDC Net and YouSee. This marginalizes YouSee to a TV only provider if not dealt with and could even put pressure on TV pricing as VIOS et al. aggregate content demand/bargaining power across associations.	• Sharper offers to keep associations in TDC Net/YouSee fold - requires larger incentives to the association and zero charged DVB-C/TV distribution costs • With Dawn, a larger array of services - like association admin and white label offering • Own Nuuday broadband/TV production • Potentially partnering w OpenNet to have an alternative to TDC Net as network enabler

Risk & trend	Risk domain	Details & impact	Mitigation initiatives
Cyber attacks Stable	Security & Fraud	The Centre for Cyber Security's latest report on threats against the Danish telecommunication sector indicates that the threat of cyber crime is "Very High." Depending on the nature of the cyber attack, the processing, confidentiality, integrity, availability, stability, capacity, performance, continuity and/or the resilience of the information technologies Nuuday uses can be impacted.	• Investing in security and operations of network infrastructure • Focused efforts on network resilience through risk and incident management • Continued dialogue with Danish authorities and customers to ensure data protection and confidentiality
Ransomware on core systems Increasing	Security & Fraud / Operations	With increased threats of cyber crime, the risk of ransomware also increases. Depending on the attack vector and affected systems, ransomware could have a high impact on Nuuday's ability to continue its business.	• Establishing new ways to improve resilience • Crisis management exercises
Network infrastructure downtime Stable	Operations	Nuuday's business relies on functioning telecommunication infrastructure (mobile network, coaxial, fibre, etc.). When network providers face downtime, Nuuday's customers may be unable to make telephone calls, use the internet, or consume entertainment. Events that do not fulfil customer expectations for security and quality can negatively impact retention.	• Working with infrastructure providers to ensure speedy recovery • Review and testing of business continuity plans
Regulatory privacy Stable	Legal & Compliance	European and national laws stipulate how Nuuday can process personal information. The current legislative landscape regarding transferring personal data to non-EU countries has been in focus. A general compliance risk relates to customer data being processed in breach of relevant privacy laws and regulations, potentially resulting in large fines or negative references in public arenas.	• Data protection network with Data Privacy Managers anchored in each of Nuuday's organisational areas • Integration of Data Processing Agreements & Transfer Impact Assessments into the procurement process • Dedicated resources to support with data subject requests • Privacy by Design principles integrated into software development & project lifecycles

Risk & trend	Risk domain	Details & impact	Mitigation initiatives
IT & business transformation Stable	Transformation Execution / Human Resources	Nuuday is progressing with its transformation, which is key in engaging customers, increasing productivity, and guaranteeing high-quality services in the future. A number of risks are associated with this transformation, such as employee engagement, human resource management, technical integrations and de-coupling of legacy IT. The materialisation of risks affecting the transformation of Nuuday's IT stack and business is in focus, and the identified risks are being broken down at programme and project level to prioritise appropriate mitigation efforts before the risks are realised.	• Management reiteration of transformation plan and Nuuday's strategic objectives at town hall meetings to inspire confidence in direction and journey • Handle programme risks in collaboration with risk domains and steering groups to find suitable solutions • Seconding of workforce supporting legacy IT systems to calm employee concerns • Use feedback from employee surveys to strengthen satisfaction, motivation, loyalty and culture • Ensure targets and expectations are clear to all employees • Reinforce a culture of ongoing feedback, and focus on continuous development
Political & legal changes Stable	Image, PR & Public Affairs	EU and national governmental changes often lead to new political objectives. With these new objectives, we often see political decisions or new legislation. Depending on the magnitude, these changes can profoundly affect Nuuday's ability to carry out its business and/or fulfil operational targets.	• Nuuday participation in industry groups and discussions on proposed legislation • Continued dialogue with authorities, politicians and municipalities
Financial risks	Finance	See Financial Statements – Section 4.3 "Financial Risks" for details	• N/A
Human rights Stable	Image, PR & Public Affairs / Legal & Compliance	Nuuday has responsibility for our direct employees, the employees of partners and companies in our supply chain, including the risk of forced labour, discrimination or harassment and misuse or loss of personal data, or data breaches. If Nuuday or Nuuday partners violate fundamental human rights, this may lead to legal action as well as bad publicity and customer reactions negatively impacting Nuuday.	• Procedures and policies & partner code of conduct • Based on a thorough risk assessment, we conduct audits at our suppliers each year, particularly screening for adherence to the UN Global Compact Assessment • Industry collaboration through JAC – the Joint Alliance for CSR

Risk & trend	Risk domain	Details & impact	Mitigation initiatives
Anti-corruption and bribery Stable	Image, PR & Public Affairs / Legal & Compliance	Nuuday is a large employer in Denmark with suppliers across the globe. With multiple contract relationships there is always a risk that bribery or corrupt practices could occur, influencing business decisions. If corruption or bribery occurs, it may lead to legal action as well as bad publicity and customer reactions negatively impacting Nuuday.	• Anti-corruption policy commits Nuuday to complying with the UN Convention against corruption • Raising awareness and putting in place resources and training for employees • Whistleblower policy that allows for the anonymous reporting of suspected wrongdoings at the company • Partner Code of Conduct for suppliers, partner organisations and employees
Environment and climate Stable	Image, PR & Public Affairs / Legal & Compliance	Several potential environmental and climate risks may be linked to our operations and supply chain. Nuuday has a responsibility to try to reduce our own resource consumption, emissions and waste in production and to influence partners and suppliers to act equally responsibly. If Nuuday does not show credible action on environment and climate matters, it may generate bad publicity and customer reactions negatively impacting Nuuday.	• Nuuday has set ambitious carbon emissions reduction targets for Scopes 1, 2 & 3 • ISO 14001 certification covering our whole operation • Detailed ESG reporting on climate and environment metrics • Nuuday has embarked on a revised sustainability strategy with sustainable procurement and products as a key pillar • Nuuday aims to retain an Ecovadis platinum rating as a token of recognition that Nuuday is a leader in sustainability
Social and employees Stable	Human Resources / Health & Safety	Nuuday focuses on retaining the services of its key personnel and invests in attracting suitable and qualified talents to ensure a good working environment e.g., with no accidents or stress incidents. Nuuday's success depends largely on our ability to attract and retain key personnel. The competition for qualified personnel is intense and with limited availability of candidates with the required knowledge of the telecoms industry and relevant experience in Denmark.	• 88% of employees are covered by collective agreements • Occupational health and safety policy and certification to ISO 45001 standard • Flexible working conditions • Projects to increase personal resilience and prevention of abuse of substances • Quarterly employee engagement surveys • Diversity, equity, inclusion & belonging (DEIB) Policy

Sustainability highlights

Nuuday's Sustainability Report addresses the reporting requirements under sections 99a and 99d of the Danish Financial Statements Act, except for the business model that is described on pages 12-13 in the Annual Report. The statutory statement on gender balance in top management in accordance with section 99b of the Danish Financial Statements Act is also to be found in Nuuday's Annual Report.

For a full account of Nuuday's activities and achievements throughout 2023 within the areas of sustainability, see Nuuday's 2023 Sustainability Report at Nuuday.com/sustainability.

Our approach
At Nuuday, we are committed to running our business in a responsible and sustainable manner, as we believe this is both vital for the long-term sustainability of our business and a necessity for existing and competing in modern society. As a company, we seek to address our most material issues, and we take a stand to make a difference and make technology a force for good.

Since 2009, we have been a signatory to the UN Global Compact, and our approach to sustainability is based on the ten principles on human rights, labour, environment and anti-corruption. Since 2022, we have been a member of the telco industry Joint Alliance for CSR (JAC), which serves as a multilateral forum on top of our individual efforts to enhance sustainability.

Our sustainability framework
Nuuday's sustainability strategy is centred on three key pillars: combating climate change; children's digital lives; sustainable procurement & products. These pillars stand on a foundation of responsible operations and diversity, equity, inclusion, and belonging (DEIB) that are deeply engrained in the way Nuuday operates its business internally.

We are committed to the UN Sustainable Development Goals and have aligned our sustainability strategy with the goals, namely Quality Education (SDG #4), Gender Equality (SDG #5), Decent Work & Economic Growth (SDG #8), Responsible Consumption and Production (SDG #12) and Climate Action (SDG #13).

Key activities – combating climate change
2023 was a memorable year as we met our interim carbon emissions reduction target of halving Scope 1 & 2 emissions by the end of 2023 before becoming net zero by 2028. This milestone was reached through several reduction activities, most importantly renewable energy sourcing.

In 2023, Nuuday received its fair share of the power produced by four recently erected solar parks across Denmark based on fixed power purchasing

Sustainability framework

Strategic focus areas

Combating climate change
Eliminate Scopes 1 & 2 emissions by 2028, and achieve net zero across the entire value chain (Scope 3) by 2040

13 CLIMATE ACTION

Children's digital lives:
Offer support to children so they can have a safe digital life, and provide IT development learning opportunities for pupils acquiring skills for a digital future

4 QUALITY EDUCATION

Sustainable procurement & products
Maximise supply chain sustainability by engaging with top suppliers, while offering a range of sustainable solutions and integrating efforts into our brand propositions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Foundation

Diversity, equity, inclusion & belonging (DEIB)
Ensure equal opportunities, build an inclusive workplace where our colleagues feel they belong, develop leaders and employees, and strive to obtain gender equality in senior management

5 GENDER EQUALITY

Responsible operations
Ensure the highest standards for issues such as safety, security, employee well-being, GDPR, privacy and tax transparency to take care of our employees and meet stakeholder expectations

8 DECENT WORK AND ECONOMIC GROWTH

agreements contracted by TDC NET. In January 2023, the last of the four parks went into operation, ensuring that Nuuday now covers 70% of its energy consumption from these green power sources.

We also progressed with energy-saving initiatives, accelerating the phase-out of natural gas at our locations while we gradually convert the company fleet to electric vehicles – with the last fossil-fuelled car set to be newly leased in 2025 at the latest.

In 2023, we decided to recalibrate the Nuuday Scope 3 net zero target that was set by and inherited from the dissolved TDC Group. This was done to properly reflect Nuuday's Scope 3 emissions on a stand-alone basis and consider our limited options for influencing suppliers' emissions before 2030. With "purchased goods & services and capital goods" constituting close to 90% of Nuuday's Scope 3 emissions, we have decided to recalibrate our Scope 3 target, introducing an interim reduction target of 60% of Scope 3 emissions in 2030

compared to baseline before reaching net zero in 2040. With this target, Nuuday will remain among the most ambitious companies in the telco industry fuelled by these reductions targets.

Key activities – children's digital lives
For numerous years, Nuuday has partnered with the NGO Børns Vilkår to support initiatives that strengthen children's digital skills and digital life in general. In 2023, we continued to support Børns Vilkår's work to assist children with navigating in an often-deceptive digital world and equip them with tools to operate safely online.

We also supported the Children's Helpline (Børnetelefonen) & various fundraising activities during the year through the particular and extensive partnership between TDC Erhverv and Børns Vilkår. Financial and technical assistance with operating the Children's Helpline enabled Børns Vilkår to effectuate more than 63,000 counselling conversations with children and youngsters in 2023.

As a founding partner of Coding Class, we once again – now for the eighth consecutive year – hosted school classes at our Copenhagen offices that introduce pupils to computer programming and exploring programming-based solutions at YouSee. Together with IT-Branchen, our advocacy efforts also bore fruit as the Government has now proposed that "technology & digital literacy" will become part of the school curriculum.

Lastly, in 2023, we again hosted Girls' Day in Science, where a group of schoolgirls came to visit Nuuday for a talk

about careers, education and jobs within IT to inspire these young women to pursue educations within Science, Technology, Engineering and Mathematics (STEM).

Key activities – sustainable procurement & products
In 2022, Nuuday joined the telco industry Joint Alliance for CSR (JAC) with a view to gaining access to and further developing the joint auditing system. In 2023, Nuuday conducted three on-site supplier audits with two further audits still in progress, and we gained access to +100 joint telco audits. These audits have all led to a number of corrective measures towards our suppliers, clearly demonstrating that the JAC cooperation generates a strong supplier control regime. On top of this, we strengthened our supplier due diligence process with further screening of new suppliers and top supplier self-assessment systems.

We also explored various initiatives with partners to launch new products and services. A new collaboration with handset producer Fairphone was launched in 2023, along with a new mobile take-back programme for YouSee as well as TDC Erhverv's enrolment in the Cisco "Environmental Sustainability Specialization Program". Striving to be an inclusive partner for all Danish customers, YouSee partnered with the app "Inklusiv" to offer personal service at four stores for people with autism, reduced mobility or other special needs.

Gender diversity in top management

At Nuuday, we have a goal of achieving 30% women in management in 2025 – and a long-term goal of attaining gender balance in management. Reaching gender balance is not only the right thing to do, but it also supports diversity in thoughts, experiences, knowledge, ideas, and perspectives that is critical for our long-term success as a company.

Our ambition to reach 30% women in management by 2025 is supported by several already well-established practices and priorities:

- Clear targets: each member of the Executive Leadership Team (ELT) has committed to specific annual targets in their own Business Units for the underrepresented gender in management.
- Succession planning: the quality of our succession pipeline for Top Management positions (i.e. Executive Leadership Team (ELT) and Senior Leadership Team (SLT)) is reviewed annually and revisited quarterly, also when it comes to gender representation. Succession status, including actions, is addressed annually with the Board.
- Promotion to top management positions: we strive to have a diverse pool of candidates to pick from – both in terms of internal and external candidates. All appointments are approved by the CEO/ELT.
- Search & selection: we use diversity terms agreed with our head-hunters, who are required to deliver diverse candidate short-lists, also for Top Management positions.
- Total rewards: we review compensation and benefits to support fairness and equity across Nuuday. This task is part of the annual salary review cycle.
- Leadership expectations: all leaders at Nuuday are also assessed on their ability to drive inclusive, high-performing teams.
- Leadership development: all leaders at Nuuday are trained in how to optimise team performance by leveraging inclusion and cognitive diversity. For those new in leadership, and to support success in their new role, we offer "Leadership Fundamentals" training and the assignment of a mentor. Also, in 2024, we will roll out a 360-degree assessment tool that supports by providing leadership insights and targeted development actions. This will also help to reinforce success in delivering on our Nuuday Leadership Expectations.
- Tracking progress: we run quarterly employee surveys that also track general perceptions of inclusion and belonging at Nuuday. Leaders at all levels are expected to engage in team dialogues on results and relevant actions. This ensures we progress on our Nuuday DEIB aspirations.

Management level	Status 2023 %	Target %	Time horizon for meeting the target
Board	33.33%	33.33%	Target has been reached with the current number of Board members
Executive Leadership Team (ELT, incl. CEO)	25%	30%	2025
Direct reports to ELT with leadership responsibility	25%	30%	2025

For 2023, the gender composition among the board members elected by the General Meeting was 66.67% male (4) and 33.33% female (2), and thus the Board of Directors has achieved its objective that among board members elected by the General Meeting, both genders shall be represented by at least 33% by the end of 2023.

For the Executive Leadership Team, the gender composition at the end of 2023 was 75%/25%, i.e. 6 males and 2 females. This is including the CEO (male).

For those reporting directly to the ELT with leadership responsibility, the gender at the end of 2023 was 75%/25%, i.e. 30 males and 10 females.

Board of Directors

Michael Parton
Chair of the Board

Appointed (until): 2023 (2024)
Nationality: British
Year of birth: 1954
Non-independent

Board function
Shareholder elected
Chairman of the Health & Safety Committee; member of the Compensation & Nomination Committee; member of the Audit Committee

Education:
Chartered Management Accountant

Board meeting participation in 2023:
12 of 12

Sofia Arhall Bergendorff
Vice chair

Appointed (until): 2023 (2024)
Nationality: Swedish
Year of birth: 1969
Independent

Board function
Shareholder elected
Chairman of the Compensation & Nomination Committee; member of the Health & Safety Committee

Education:
MBA, INSEAD, France & Singapore

Other Board positions:
Stena Line

Board meeting participation in 2023:
12 of 12

Peter Nyegaard
Board member

Appointed (until): 2023 (2024)
Nationality: Danish
Year of birth: 1963
Independent

Board function
Shareholder elected
Chairman of the Audit Committee; member of the Compensation & Nomination Committee

Education:
MSc in Economics, University of Copenhagen, Denmark.

Other Board positions:
Danmarks Skibskredit A/S (vice chair), Edda Group ApS, Good Life Gruppen ApS , Øens A/S

Board meeting participation in 2023:
12 of 12

Søren Abildgaard
Board member

Appointed (until): 2023 (2024)
Nationality: Danish
Year of birth: 1968
Independent

Board function
Shareholder elected

Education:
AMP, Harvard Business School Executive Education
MSc in International Marketing, Southbank University, UK

Board meeting participation in 2023:
10 of 12

Joe Boorman
Board member

Appointed: 2023 (2024)
Nationality: British
Year of birth: 1972
Independent

Board function
Shareholder elected
Member of the Audit Committee

Education:
Chartered Accountant, (BA Hons.) Geography, University of Sheffield, UK

Board meeting participation in 2023:
11 of 12

Board of Directors

Susana Leith-Smith
Board member

Appointed: 2023 (2024)
Nationality: Portuguese
Year of birth: 1977
Non-independent

Board function
Shareholder elected
Member of the Audit Committee; member of the Compensation & Nomination Committee; member of the Health & Safety Committee

Education:
MSc in Modern History & International Relations, University of St Andrews, UK

Other Board positions:
Arqiva Group Limited, TDC Holding A/S, DKT Holdings ApS, DKT Finance ApS, Telekommunikation ApS, Open Fiber S.p.A, Womankind Worldwide

Board meeting participation in 2023:
11 of 12

Thomas Lech Pedersen
Board member

Appointed (until): 2024 (2028)
Nationality: Danish
Year of birth: 1976

Board function
Employee elected

Education:
AU, Human Resources, Academy Aarhus, Denmark

Other Board positions:
Association of Managers and Employees in Special Positions of Trust

Board meeting participation in 2023:
12 of 12

Tobias Tolstrup
Board member

Appointed (until): 2024 (2028)
Nationality: Danish
Year of birth: 1985

Board function
Employee elected

Education:
AP, Marketing Management, Viborg Erhvervsakademi/Manchester Metropolitan University, Denmark/UK

Other Board positions:
Dansk Metal, Teleafdeling 8

Board meeting participation in 2023:
12 of 12

Zanne Stensballe
Board member

Appointed (until): 2024 (2028)
Nationality: Danish
Year of birth: 1969

Board function
Employee elected
Member of the Health & Safety Committee

Education:
Graduate diploma in Business Administration (Marketing Management), Storstrøms Handelshøjskolecenter, Denmark & eMBA, AVT Business School, Denmark

Board meeting participation in 2023:
12 of 12

Executive Management

Jon James
Chief Executive Officer

Year of birth:
1969

Education:
BA in Economics and History, Cambridge University, UK

Henrik Christiansen
Chief Financial Officer

Year of birth:
1967

Education:
BSc in Management Accounting, Copenhagen Business School, Denmark

Monika Gullin
Chief Technology Officer

Year of birth:
1968

Education:
MSc in Electrical Engineering, KTH Stockholm, Sweden

Maj Britt Andersen
Chief Human Resources Officer

Year of birth:
1967

Education:
MSc in International Business and Modern Languages, Copenhagen Business School, Denmark

Executive Management

Michael Stinner
Head of CX & Business Transformation

Year of birth:
1974

Education:
Business Administration and IT, IHK Cologne, Germany

Christian Morgan
Head of YouSee

Year of birth:
1984

Education:
MSc in Economics and Business Administration, Copenhagen Business School, Denmark

John Henriksen
Head of TDC Erhverv

Year of birth:
1969

Education:
IT Technology, Tietgen Business College, Denmark

Jens Grønlund
Head of NuuBrands

Year of birth:
1984

Education:
MSc in Strategy and Organisation, University of Southern Denmark, Denmark

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Consolidated income statement

(DKKm)	Note	2023	2022
Revenue	2.1	14,478	14,674
Cost of sales	2.2	(9,673)	(9,827)
Gross profit		4,805	4,847
External expenses	2.3	(1,485)	(1,372)
Personnel expenses	2.4	(1,820)	(1,829)
Other income	2.1	71	63
Operating profit before depreciation, amortisation and special items (EBITDA)		1,571	1,709
Depreciation, amortisation and impairment losses	2.5	(1,521)	(1,550)
Special items	2.6	(52)	(66)
Operating loss (EBIT)		(2)	93
Financial income and expenses	4.4	(449)	(320)
Loss before income taxes		(451)	(227)
Income taxes	2.7	30	37
Loss for the year		**(421)**	**(190)**
Attributable to:			
Shareholders of Nuuday A/S		(421)	(190)
Loss for the year		**(421)**	**(190)**

Consolidated statement of comprehensive income

(DKKm)	Note	2023	2022
Loss for the year		(421)	(190)
Total comprehensive loss		**(421)**	**(190)**

Consolidated balance sheet

Assets (DKKm)	Note	2023	2022
Non-current assets			
Intangible assets	3.1,3.2	12,610	12,764
Property, plant and equipment	3.3	1,066	1,144
Lease assets	3.4	264	327
Joint ventures, associates and other investments		3	3
Other receivables		11	12
Prepaid expenses	3.7	4	7
Total non-current assets		**13,958**	**14,257**
Current assets			
Inventories		193	245
Trade receivables	3.5	1,059	1,132
Other receivables		7	8
Contract assets	3.6	778	676
Amounts owed by group companies		33	-
Income tax receivable	2.7	-	2
Derivative financial instruments		78	97
Prepaid expenses	3.7	697	629
Short-term bonds		256	-
Cash		698	402
Total current assets		**3,799**	**3,191**
Total assets		**17,757**	**17,448**

Equity and liabilities (DKKm)	Note	2023	2022
Equity			
Share capital		-	-
Retained earnings		6,122	6,543
Total equity	4.1	**6,122**	**6,543**
Non-current liabilities			
Deferred tax liabilities	2.7	1,533	1,554
Provisions	3.8	44	49
Lease liabilities	3.4	222	274
Loans	4.2,4.5	3,458	-
Other payables		234	228
Total non-current liabilities		**5,491**	**2,105**
Current liabilities			
Loans from group companies	4.2,4.5	-	2,873
Lease liabilities	3.4	82	83
Trade payables		1,598	1,691
Other payables		1,148	830
Contract liabilities	3.6	2,136	2,196
Amounts owed to group companies		1,134	1,090
Income tax payable	2.7	12	-
Derivative financial instruments		11	11
Provisions	3.8	23	26
Total current liabilities		**6,144**	**8,800**
Total liabilities		**11,635**	**10,905**
Total equity and liabilities		**17,757**	**17,448**

Consolidated statement of cash flows

(DKKm)	Note	2023	2022
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,571	1,709
Adjustment for non-cash items		4	18
Payments related to provisions	3.8	(10)	(7)
Special items	2.6	(75)	(76)
Change in working capital	5.1	57	(412)
Interest received		52	13
Interest paid		(361)	(312)
Income tax received	2.7	23	26
Total cash flow from operating activities		**1,261**	**959**
Investing activities			
Investment in enterprises	5.2	-	(51)
Investment in property, plant and equipment	3.3	(305)	(375)
Investment in intangible assets	3.2	(897)	(891)
Investment in other non-current assets		(1)	(1)
Investment in short-term bonds		(736)	-
Sale of other non-current assets		1	2
Sale of short-term bonds		489	-
Total cash flow from investing activities		**(1,449)**	**(1,316)**

(DKKm)	Note	2023	2022
Financing activities			
Proceeds from long-term loans		3,432	-
Repayments of long-term debt		(2,873)	-
Lease payments		(74)	(75)
Change in interest-bearing receivables and payables		-	865
Costs relating to long-term loans		-	(35)
Total cash flow from financing activities		**485**	**755**
Total cash flow		**297**	**398**
Cash and cash equivalents at 1 January		402	2
Effect of exchange-rate changes on cash and cash equivalents		(1)	2
Cash and cash equivalents at 31 December		**698**	**402**

Consolidated statement of changes in equity

(DKKm)	Share capital	Retained earnings	Total
Equity at 1 January 2022	-	386	386
Loss for the year	-	(190)	(190)
Total comprehensive income	-	(190)	(190)
Contributions of equity		6,347	6,347
Total transactions with shareholders	-	6,347	6,347
Equity at 31 December 2022	**-**	**6,543**	**6,543**
Loss for the year	-	(421)	(421)
Total comprehensive income	-	(421)	(421)
Equity at 31 December 2023	**-**	**6,122**	**6,122**

Section 1

Basis of preparation

This section sets out the basis of preparation, which relates to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. Similarly, critical sources of estimation uncertainty are described in the notes to which they relate.

In this section

1.1 | Accounting policies

Nuuday's consolidated financial statements for 2023 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and further disclosure requirements in the Danish Financial Statements Act.

The consolidated financial statements are based on the historical cost convention, except for financial assets and liabilities that are initially measured at fair value adjusted for transaction costs if they are not subsequently measured at fair value through the income statement. Trade receivables are measured at their transaction price.

When preparing the consolidated financial statements, Management makes assumptions that affect the reported amount of assets and liabilities at the balance sheet date, and the reported income and expenses for the accounting period. The accounting estimates and judgements considered critical to the preparation of the consolidated financial statements are shown in note 1.2.

The accounting policies are unchanged compared with the policies applied in the Annual Report 2022.

Consolidation policies

The consolidated financial statements include the financial statements of the parent company and subsidiaries of which Nuuday A/S has direct or indirect control. Joint ventures of which the Group has joint control and associates of which the Group has significant influence are recognised using the equity method.

The consolidated financial statements have been prepared on the basis of the financial statements of Nuuday A/S and its consolidated companies, which have been restated to Group accounting policies, combining items of a uniform nature.

On consolidation, intra-group income and expenses; shareholdings, dividends, internal balances; and realised and unrealised profits and losses on transactions between the consolidated companies have been eliminated.

1.2 | Critical accounting estimates and judgements

The preparation of Nuuday Group's Annual Report requires Management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised during the period in which the estimates are revised and during any future periods affected.

The following areas involve a higher degree of estimates or complexity and are outlined in more detail in the related notes:

Notes		Critical accounting estimates and judgements	Estimates/judgements
2.1	Revenue	Assessment of principal or agent	Judgement
		Assessment of contracts involving complex sale of goods and services	Estimate/Judgement
2.6	Special items	Assessment of special events or transactions	Judgement
3.1	Impaiment	Assumptions used for impairment testing	Estimate/judgement
3.2	Intangible assets	Assumptions for useful lives	Estimate
3.5	Trade receivables	Assessment of expected losses	Estimate

1.3 | New accounting standards

Nuuday Group has adopted the new standards, amendments to standards and interpretations that are effective for the financial year 2023. None of the changes have affected recognition or measurement in the financial statements nor are they expected to have any future impact.

IASB has approved a number of new accounting standards and changes to standards that are not yet effective. Nuuday Group has evaluated the standards and as none of them are expected to be relevant to the Group, they are not expected to impact on the financial statements.

Section 2

Profit for the year

This section focuses on disclosures of details of the Nuuday Group's results for the year, including segment reporting, special items and taxation. A detailed review of revenue, EBITDA and profit for the year is provided in the section "Nuuday performance" in the Management's review.

In this section

2.1 | Revenue

(DKKm)	2023	2022
Sales of goods recognised at a point in time	1,165	1,394
Sales of services recognised over time	13,313	13,280
Total	**14,478**	**14,674**

Revenue specified by services (DKKm)	2023	2022
Landline voice	697	746
Mobile services	5,190	5,085
Internet & network	3,543	3,460
TV	3,322	3,452
Other services	1,726	1,931
Total	**14,478**	**14,674**

Critical accounting estimates and judgements

Revenue recognition for a telecom operator is a complex area of accounting that requires management estimates and judgements.

Recognition of revenue depends on whether the Group acts as a principal in a transaction or an agent representing another company. Whether the Group is considered to be the principal or agent in a transaction depends on an analysis of both the form and substance of the customer agreement. When the Group acts as the principal, revenue is recognised at the agreed value, whereas when the Group acts as an agent, revenue is recognised as the commission the Group receives for arranging the agreement.

Judgements of whether the Group acts as a principal or as an agent impact on the amounts of recognised revenue and operating expenses, but do not impact on net profit for the year or cash flows. Judgements of whether the Group acts as a principal are used primarily in transactions covering content.

When the Group concludes contracts involving complex sale of goods and services, management judgements are required to determine whether goods and services shall be recognised together or as separate goods and services.

Management estimates are also used for allocating the transaction price to the individual elements based on their respective fair values, if judged to be recognised separately. For example, business customer contracts can comprise several elements related to mobile phones, subscriptions, leases, etc.

2.1 | Revenue (continued)

§ Accounting policies

Revenue is measured at the fair value of the consideration receivable after deducting sales tax and discounts relating directly to sales. Revenue comprises goods and services provided during the year. Goods and services may be sold separately or in bundled packages. Services include traffic and subscription fees, *interconnection* and *roaming* fees, fees for leased lines, network services, TV distribution as well as connection and installation fees. Goods include customer premises equipment, telephony handsets, PCs, set-top boxes, etc.

Nuuday sells to households and the contracts are primarily perpetual, with the same service provided until the customer terminates the contract. Some of the contracts include a non-cancellation period of 6 months. The company also has contracts with antenna associations for longer periods.

Nuuday sells digital solutions to enterprises and public segments. Business offers modular solutions for small and medium-sized enterprises, as well as customised solutions for public and large enterprises. Modular self-service contracts are perpetual, and contracts with customised solutions are for longer periods, i.e., 3-5 years.

The significant sources of revenue are recognised in the income statements as follows:

- revenues from subscription fees and flat-rate services are recognised over the subscription period
- revenues from telephony are recognised at the time the calls are made
- sales related to prepaid services are deferred, and revenues are recognised at the time of use
- revenues from leased lines are recognised over the rental period
- revenues from the sale of equipment are recognised on delivery. Revenues from equipment maintenance are recognised over the contract period

Revenue arrangements with multiple deliverables are recognised as separate units of accounting, independent of any contingent element related to the delivery of additional items or other performance conditions. Such revenues include the sale of equipment located at customer premises, e.g. switchboards and handsets.

The transaction price in revenue arrangements with multiple deliverables, such as handsets and subscriptions, are allocated to each performance obligation based on the stand-alone selling price. Where the selling price is not directly observable, it is estimated based on expected cost plus a margin. Discounts on bundled sales are allocated to each element in the contract.

Contracts with similar characteristics have been evaluated using a portfolio approach due to the large number of similar contracts.

In case of contracts for longer periods, and if the payment exceeds the services rendered, contract liabilities are recognised, see note 3.5.

Revenues are recognised gross when Nuuday acts as the principal in a transaction. For content-based services and the resale of services from content providers where the group acts as the agent, revenues are recognised net of direct costs.

The percentage-of-completion method is used to recognise revenue from contract work in progress based on an assessment of the stage of completion. Contract work in progress includes installation of telephone and IT systems, systems integration and other business solutions.

Non-refundable up-front connection fees are included in the total transaction price for the contract with the customer and are thereby allocated to the identified performance obligations (services).

The period between the transfer of the service to the customer and the payment by the customer is not of an extent that gives reason to adjust the transaction prices for the time value of money.

Other income

Other income comprises mainly accounting items of a secondary nature compared with the company's principal activities.

2.2 | Cost of sales

(DKKm)	2023	2022
Mobile services	(3,551)	(3,510)
Landline voice	(315)	(368)
Internet & network	(1,935)	(1,780)
TV	(2,364)	(2,427)
Other services	(1,508)	(1,742)
Total	**(9,673)**	**(9,827)**

Comments

Nuuday derives the vast majority of its cost of sales from contracts with TDC NET A/S. In 2020 Nuuday entered into a contract with TDC NET A/S under which end-to-end mobile services are provided. The contract has an initial term of eight years, including an additional seven years phaseout period if the contract is not extended. See also note 6.2.

§ Accounting policies

Cost of sales includes transmission costs and cost of goods sold. Transmission costs include external expenses related to operation of mobile and landline networks and leased transmission capacity as well as interconnection and roaming costs related directly to the Group's primary income.

Cost of goods sold includes terminal equipment and transmission material as well as TV-programme rights and other content costs.

2.3 | External expenses

(DKKm)	2023	2022
Marketing and advertising	(195)	(203)
Subscriber acquisition and retention, cf. note 3.6	(204)	(172)
Consultants	(162)	(126)
Properties	(118)	(121)
IT	(478)	(402)
Temps and personnel-related expenses	(77)	(77)
Other	(251)	(271)
Total	**(1,485)**	**(1,372)**

§ Accounting policies

External expenses include expenses related to marketing and advertising, subscriber acquisition costs (over the expected term of the related customer relationship), IT, property, expenses related to staff, capacity maintenance, service contracts, etc.

2.4 | Personnel expenses

(DKKm)	2023	2022
Wages and salaries (including short-term and long-term bonuses)	(1,963)	(2,075)
Pensions (defined contribution plans)	(180)	(180)
Social security	(36)	(42)
Total	**(2,179)**	**(2,297)**
Of which capitalised as non-current assets	359	468
Total personnel expenses recognised in the income statement	**(1,820)**	**(1,829)**

Remuneration for the Executive Committee[1] and the Board of Directors (DKKm)	2023	2022
Base salary (incl. benefits)	9.3	7.2
Cash bonus	6.3	3.9
Pensions	1.3	1.2
Long-term incentive programme	9.8	1.3
Management incentive programme	-	0.9
	26.7	14.5
Redundancy compensation	2.1	4.0
Key management in total	28.8	18.5
Fee to the Board of Directors	8.3	7.5
Total	**37.1**	**26.0**

[1] During 2023, the remuneration to the Executive Committee (excluding redundancy compensation) comprised 2.0 members on average (2022: 1.5 members).

Comments

Wages, salaries, social security contributions, paid leave and sick leave, bonuses and other employee benefits are recognised in the year in which the employee renders the related services.

The average number of full-time employee equivalents was 3,265 (2022: 3,668).

Incentive programmes
See note 6.1.

2.5 | Depreciation, amortisation and impairment losses

(DKKm)	2023	2022
Amortisation of intangible assets, cf. note 3.2	(1,037)	(1,079)
Depreciation of property, plant and equipment, cf. note 3.3	(393)	(381)
Depreciation of lease assets, cf. note 3.4	(87)	(85)
Impairment losses, cf. notes 3.2 and 3.3	(14)	(15)
Of which capitalised as tangible and intangible assets	10	10
Total	**(1,521)**	**(1,550)**

2.6 | Special items

(DKKm)	2023	2022
Costs related to redundancy programmes	(47)	(49)
Other restructuring costs, etc.	(4)	(17)
Loss from rulings	(1)	-
Special items before income taxes	**(52)**	**(66)**
Income taxes related to special items	12	14
Total special items	**(40)**	**(52)**

Cash flow from special items(DKKm)	2023	2022
Redundancy programmes	(60)	(66)
Rulings	(2)	-
Other	(13)	(10)
Total	**(75)**	**(76)**

Critical accounting judgements

In the income statement, special items are presented as a separate item. Special items include income or costs that in Management's judgement shall be disclosed separately by virtue of their size, nature or incidence. In determining whether an event or transaction is special, Management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence of the transaction or event, including whether the event or transaction is recurring. This is consistent with the way that financial performance is measured by Management and reported to the Board of Directors, and assists in providing a meaningful analysis of the operating results of Nuuday.

§ Accounting policies

Special items are significant amounts that Management considers are not attributable to normal operations such as restructuring costs and special write-downs for impairment of intangible assets and property, plant and equipment.

Special items are disclosed on the face of the income statement.

2.7 | Income taxes

Income taxes (DKKm)	2023 Income tax income/ (expense)	2023 Income tax payable/ (receivable)	2023 Deferred tax liabilities/ (assets)	2022 Income tax income/ (expense)	2022 Income tax payable/ (receivable)	2022 Deferred tax liabilities/ (assets)
At 1 January		(2)	1.554		(24)	1.587
Income taxes for the year	31	5	(36)	22	1	(23)
Adjustment of tax for previous years	(1)	(14)	15	15	(5)	(10)
Income tax paid		23			26	
Total	**30**	**12**	**1.533**	**37**	**(2)**	**1.554**
Shown in the balance sheet as:						
Tax payable/deferred tax liabilities		12	1.533		-	1.554
Tax receivable/deferred tax assets					(2)	-
Total		**12**	**1.533**		**(2)**	**1.554**
Income taxes are specified as follows:						
Income excluding special items	18			23		
Special items	12			14		
Total	**30**			**37**		

2.7 | Income taxes (continued)

Deferred tax (DKKm)	2023 Deferred tax assets	2023 Deferred tax liabilities	2023 Total[1]	2022
Intangible assets	-	35	35	42
Other	-	45	45	41
Current	**-**	**80**	**80**	**83**
Intangible assets	-	1,413	1,413	1,456
Property, plant and equipment	(24)	-	(24)	(27)
Lease assets and liabilities	(9)	-	(9)	(6)
Tax value of tax-loss carryforwards	-	-	-	(12)
Other	-	73	73	60
Non-current	**(33)**	**1,486**	**1,453**	**1,471**
Deferred tax at 31 December	**(33)**	**1,566**	**1,533**	**1,554**

[1] The total net deferred tax is recognised as a liability in the balance sheets.

Effective tax rate (DKKm)	2023 DKKm	2023 %	2022 DKKm	2022 %
Danish corporate income tax rate	88	22.0	35	22.0
Limitation on the tax deductibility of interest expenses	(60)	(15.0)	(33)	(20.8)
Value adjustment of tax assets	(12)	(3.0)	-	-
Other non-taxable income and non-deductible expenses	3	0.7	6	3.9
Adjustment of tax for previous years	(1)	(0.2)	15	9.1
Effective tax excluding special items	**18**	**4.5**	**23**	**14.2**
Special items	12	2.2	14	2.1
Effective tax including special items	**30**	**6.7**	**37**	**16.3**

Comments

Nuuday A/S and all its Danish subsidiaries participate in joint taxation with DKT Holdings ApS, which is the ultimate owner of the Nuuday Group and management company in the joint taxation. The jointly taxed companies are jointly and severally liable for the total income taxes, taxes paid on account and outstanding residual tax (with additional payments and interest) relating to the joint taxation.

Comments

The decreasing effective tax rate (excluding special items) was due primarily to an increased effect of limitation of interest expenses as well as decrease of adjustment of tax for previous years.

2.7 | Income taxes (continued)

§ Accounting policies

Tax for the year comprises current income tax, changes in deferred tax and adjustments from prior years and is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income.

Current income tax liabilities and current income tax receivables are recognised in the balance sheet as income tax payable or income tax receivable.

Deferred tax is measured under the balance-sheet liability method on the basis of all temporary differences between the carrying amounts and the tax bases of assets and liabilities at the balance sheet date. However, deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit/loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by Nuuday Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets including the tax value of tax-losses carried forward are recognised when it is likely that these will be utilised in the foreseeable future.

Deferred tax is adjusted concerning elimination of unrealised intra-group profit and losses.

Deferred tax is measured on the basis of the tax rules and tax rates effective under the legislation in the respective countries at the balance sheet date when the deferred tax is expected to be realised as current income tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement except for the effect of items recognised directly in other comprehensive income.

Deferred tax assets and liabilities are offset in the consolidated balance sheet.

Section 3

Operating assets and liabilities

This section shows the assets used to generate Nuuday's performance and the resulting liabilities incurred. Assets and liabilities relating to Nuuday's financing activities are addressed in section 4. Deferred tax assets and liabilities are shown in note 2.7.

In this section

3.1 | Impaiment

Impairment test of assets
The annual impairment test is an assessment of whether the cash generating units will be able to generate sufficient positive net cash flow in the future to support the carrying amount of the assets related to the unit. The carrying amount of assets with indefinite useful lives are tested for impairment annually and if events or changes in circumstances indicate impairment. The annual tests were carried out at 1 October 2023 and at 1 October 2022, respectively.

Management has concluded that any reasonably possible changes in the key assumptions are not expected to cause the carrying amount of assets to exceed the recoverable value.

Cash-generating units
There are identified four cash-generating units in Nuuday – YouSee, Nuubrands, Business and Mobile Partners. Nuuday's management structure reflects this as they are responsible for operating performance, investment and future activities in the respective units.

Assets other than brand are allocated to the cash-generating units at which the assets primarily generate cash inflows.

Brand is related to the TDC brand and tested as a corporate asset, since all cash-generating units uses the brand or offspring of the TDC brand.

Key assumptions
Impairment testing is an integral part of Nuuday's budget and planning process, which is based on long-term business plans with projection until 2030. The discount rates applied reflect specific risks relating to the individual cash-generating unit.

The recoverable amount is based on the value in use determined on expected cash flows based on long-term business plans approved by Management. Projections for the terminal period are based on general expectations and risks, taking into account the general growth expectations for the telecoms industry in Denmark.

The long-term business plans are based on current trends. The budget period includes cash flow effects from completed restructurings combined with effects of strategic initiatives aimed at improving or maintaining trend lines.

Weighted average cost of capital (WACC) applied as the discounting factor in the calculations increases/ decreases by 1.0% and all other things being equal, the value in use would decrease/ increase by DKK 1.8bn and 2.4bn, respectively and would not cause the carrying amount of assets to exceed the recoverable value.

Under the same assumptions, a 1.0% decrease/increase in the market-based growth rate during the forecast period as well as the terminal period would the value in use decrease/increase by DKK 1.3bn and 1.8bn, respectively. All the above-mentioned changes in key assumptions would not cause the carrying amount to exceed the recoverable value. If the key assumptions change more than indicated in the above analyses the recoverable value may decrease at a level, where an impairment loss occurs. With the present relation between WACC and growth rate the WACC can increase to approximately 12.5% pre-tax with a growth rate at 2.7% before the carrying amount will exceed the recoverable value.

Nuubrands is most sensitive and a change more than 1.0% in WACC or 10% lower EBITDA will cause an impairment.

The assumptions for calculating the value in use for the most significant assets goodwill and brand are given below.

	YouSee		Nuubrands		Business		Total[1]	
Key assumptions for calculating the value in use for the significant goodwill[1] and brand amounts (DKKm)	2023	2022	2023	2022	2023	2022	2023	2022
Carrying amount of goodwill at 31 December (DKKm)	3,603	3,603	1,030	1,030	895	895	5,528	5,528
Carrying amount of brand at 31 December (DKKm) (unallocated)							4,052	4,052
Market-based growth rate applied at 1 October to extrapolated projected future cash flows for the period following 2030	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%		
Applied pre-tax discount rate at 1 October	10.6%	11.7%	10.6%	11.7%	10.6%	11.7%		

[1] Representing 99% of the total carrying amount in 2023

3.1 | Impairment (continued)

Assumptions regarding recoverable amounts and projected earnings

YouSee
Projections are based on the assumption of a steadily declining *EBITDA* in the projected period. However, the trend towards the terminal period in the long-term business plan will stabilise based on the following assumptions:
- Landline voice RGU will decline in line with market trends however partly offset by slightly increasing ARPU development due to the price development in the market
- A decline in mobility services gross profit from a slightly declining customer base, however partly offset by inflationary ARPU increases throughout the period
- A decline in broadband gross profit due to decreasing RGUs on particularly DSL, as customers migrate to high-speed technologies (e.g. fibre and coax). Gross profit is expected to stabilise from 2026 and onwards as increases in fibre will be offsetting diminishing declines in other technologies. Inflationary ARPU increases will also partly offset the gross profit decline
- TV gross profit expected to decline slightly towards 2030, however the large RGU decline is partly offset by increasing ARPUs
- Savings throughout the planning period driven by savings in both external and personnel expenses, driven by the extensive IT transformations and general cost focus, respectively

Nuubrands
Projections are based on the assumption of steadily increasing EBITDA throughout the projected period in the long-term business plan based on the following assumptions:
- Steady growth in mobility services gross profit driven by increased footprint in the no-frills market from Eesy. Furthermore, significant ARPU increases in Telmore are expected to ensure steady mobility services gross profit development
- Increasing broadband gross profit driven by Hiper's increased footprint in the high-speed technology market
- Steady development in cost expected throughout the period, continuous cost focus remains, money will expectedly still be invested in marketing and acquisition cost to increase customer bases

Business
Projections are based on the assumptions of a steadily increasing EBITDA throughout the planning period in the long-term business plan based on the following assumptions:
- Landline voice RGU decline in line with market trend, almost offset by the ability to increase ARPU
- Steadily increasing gross profit development in mobility services throughout the planning period, driven by an expected increase in RGU base, and paired with ARPU increases across both mobile broadband and especially mobile voice
- Declining broadband GP in the early years of the planning period, however it will stabilise and increase to current levels towards the terminal period. The increase is driven by migrations of customers from DSL to high-speed technology (e.g. fibre) in the upcoming years, which drive high loss of RGUs and low ARPUs, but will eventually stabilise after the conclusion of the migrations
- OPEX is expected to increase slightly throughout the period due primarily to inflationary wage pressure, while continuous cost saving focus remains

3.1 | Impairment (continued)

Critical accounting estimates and judgements

Intangible assets comprise a significant portion of Nuuday Group's total assets. The measurement of the recoverable amount of intangible assets is a complex process that requires significant Management judgements in determining various assumptions to be used to calculate cash-flow projections, discount rates and terminal growth rates.

The sensitivity of changes in the assumptions used to determine the recoverable amount may be significant. Furthermore, the use of other estimates or assumptions when determining the recoverable amount of the assets may result in other values and could result in required impairment of assets.

§ Accounting policies

Impairment tests on intangible assets with indefinite useful lives and other non-current assets are performed at least annually and, if necessary, when events or changes in circumstances indicate that their carrying amounts may not be recoverable. All assets are tested if an event or circumstance indicates that the carrying amount may not be recoverable. If an asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use.

For the purpose of impairment testing in the consolidated financial statement, goodwill and other non-current assets are allocated to the Group's cash-generating units. The determination of cash-generating units is based on the internal management reporting.

3.2 | Intangible assets

(DKKm)	2023 Goodwill	2023 Customer relationships	2023 Brands	2023 Other rights, software, etc.	2023 Total	2022 Goodwill	2022 Customer relationships	2022 Brands	2022 Other rights, software, etc.	2022 Total
Cost at 1 January	9,255	14,281	4,175	9,200	36,911	9,255	14,328	4,175	8,670	36,428
Additions	-	-	-	897	897	-	-	-	891	891
Additions related to acquisition of activities	-	-	-	-	-	-	-	-	51	51
Assets disposed of or fully amortised	-	(19)	-	(384)	(403)	-	(47)	-	(412)	(459)
Cost at 31 December	**9,255**	**14,262**	**4,175**	**9,713**	**37,405**	**9,255**	**14,281**	**4,175**	**9,200**	**36,911**
Amortisation and impairment losses at 1 January	(3,693)	(12,981)	(123)	(7,350)	(24,147)	(3,693)	(12,783)	(123)	(6,913)	(23,512)
Amortisation	-	(199)	-	(838)	(1,037)	-	(245)	-	(834)	(1,079)
Impairment losses for the year	-	-	-	(14)	(14)	-	-	-	(14)	(14)
Assets disposed of or fully amortised	-	19	-	384	403	-	47	-	411	458
Amortisation and impairment losses at 31 December	**(3,693)**	**(13,161)**	**(123)**	**(7,818)**	**(24,795)**	**(3,693)**	**(12,981)**	**(123)**	**(7,350)**	**(24,147)**
Carrying amount at 31 December	**5,562**	**1,101**	**4,052**	**1,895**	**12,610**	**5,562**	**1,300**	**4,052**	**1,850**	**12,764**

Comments

In 2023, impairment losses of intangible assets, etc. totalled DKK 14m, (2022: DKK 14m) of all related to termination of various software projects.

Assets with indefinite useful lives other than goodwill related to the TDC brand were unchanged at DKK 4,052m compared with 2022.

The carrying amount of software amounted to DKK 1,800m (2022: DKK 1,728m). Software in process amounted to DKK 253m, of which DKK 15m related to prepayments. The addition of internally developed software totalled DKK 342m (2022: DKK 454m).

3.2 | Intangible assets (continued)

Critical accounting estimates and judgements

Management estimates useful lives for intangible assets based on periodic studies of customer churn or actual useful lives and the intended use for those assets. Such studies are completed or updated when new events occur that may have the potential to impact the determination of the useful life of the asset, i.e. when events or circumstances occur that indicate that the carrying amount of the asset may not be recoverable and should therefore be tested for impairment. Any change in customer churn or the expected useful lives of these assets is recognised in the financial statements, as soon as any such change has been ascertained, as a change in a critical accounting estimate.

§ Accounting policies

Goodwill and brands with indefinite useful lives are recognised at cost less accumulated impairment losses. Goodwill and brands are only acquired in business combinations and is measured in the purchase price allocation.

Goodwill and brands with indefinite useful lives are not amortised but is subject to annual impairment test, cf. note 3.1

Brands with finite useful lives, proprietary rights, etc. are measured at cost less accumulated amortisation and impairment losses and are amortised on a straight-line basis over their estimated useful lives.

Customer-related assets are measured at cost less accumulated amortisation and impairment losses and are amortised using the diminishing-balance method based on the percentage of churn (10% to 23%) corresponding to the expected pattern of consumption of the expected future economic benefits.

Development projects, including costs of computer software purchased or developed for internal use, are recognised as intangible assets if the cost can be calculated reliably and if they are expected to generate future financial benefits. Costs of development projects include wages, external charges, depreciation and amortisation that are directly attributable to the development activities as well as interest expenses in the production period.

Development projects that do not meet the criteria for recognition in the balance sheet are expensed as incurred in the income statement.

The main amortisation periods are as follows:

Software	3-5 years

Development projects in process and intangible assets of indefinite useful lives are tested for impairment at least annually and written down to recoverable amounts in the income statement if exceeded by the carrying amount.

Intangible assets are recorded at the lower of recoverable amount and carrying amount.

3.3 | Property, plant and equipment

(DKKm)	2023 Network infrastructure	2023 Equipment	2023 Assets under construction	2023 Total	2022 Network infrastructure	2022 Equipment	2022 Assets under construction	2022 Total
Cost at 1 January	2,162	771	125	3,058	2,400	725	86	3,211
Transfers (to)/from other items	30	-	(30)	-	12	-	(12)	-
Additions	265	39	11	315	288	46	51	385
Assets disposed of	(159)	(1)	-	(160)	(538)	-	-	(538)
Cost at 31 December	**2,298**	**809**	**106**	**3,213**	**2,162**	**771**	**125**	**3,058**
Depreciation and impairment losses at 1 January	(1,255)	(655)	(4)	(1,914)	(1,474)	(593)	(4)	(2,071)
Depreciation	(338)	(55)	-	(393)	(319)	(62)	-	(381)
Assets disposed of	159	1	-	160	538	-	-	538
Depreciation and impairment losses at 31 December	**(1,434)**	**(709)**	**(4)**	**(2,147)**	**(1,255)**	**(655)**	**(4)**	**(1,914)**
Carrying amount at 31 December	**864**	**100**	**102**	**1,066**	**907**	**116**	**121**	**1,144**

Cash flow (DKKm)	2023	2022
Additions, cf. table above	(315)	(385)
Capitalised depreciations cf. note 2.5	10	10
Cash flow from investment in property, plant and equipment	**(305)**	**(375)**

3.3 | Property, plant and equipment (continued)

§ Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and costs directly attributable to the acquisition until the date on which the asset is ready for use. The cost of self-constructed assets includes directly attributable payroll costs, materials, depreciation, parts purchased and services rendered by sub-suppliers or contractors as well as interest expenses in the construction period. Cost also includes estimated decommissioning costs if the related obligation meets the conditions for recognition as a provision.

Directly attributable costs comprise personnel expenses together with other external expenses calculated in terms of time spent on self-constructed assets.

The depreciation base is measured at cost less residual value and any impairment losses. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The main depreciation periods are as shown in the next table.

Network infrastructure:	
exchange equipment	3-15 years
other network equipment	3-20 years
Equipment (computers, tools and office equipment)	3-15 years

The useful lives and residual values of the assets are reviewed regularly. If the residual value exceeds the carrying amount of an asset, depreciation is discontinued.

Property, plant and equipment that have been disposed of or scrapped are eliminated from accumulated cost and accumulated depreciation. Gains and losses arising from sale of property, plant and equipment are measured as the difference between the sales price less selling expenses and the carrying amount at the time of sale. The resulting gain or loss is recognised in the income statement under other income or other expenses.

Software that is an integral part of telephone exchange installations, for example, is presented together with the related assets. Useful lives are estimated individually.

Customer-placed equipment (e.g. set-top boxes) is capitalised and depreciated over the estimated useful life of the individual asset, not exceeding five years.

3.4 | Lease assets and liabilities

Lease assets (DKKm)	2023 Land and buildings	2023 Vehicles and equipment	2023 Total	2022 Land and buildings	2022 Vehicles and equipment	2022 Total
Carrying amount at 1 January	295	32	327	344	34	378
Additions	5	21	26	12	26	38
Disposals	-	(2)	(2)	-	(4)	(4)
Depreciation	(63)	(24)	(87)	(61)	(24)	(85)
Carrying amount at 31 December	**237**	**27**	**264**	**295**	**32**	**327**

Amounts recognised in the income statement (DKKm)	2023	2022
Expense relating to short-term leases	(30)	(29)
Depreciation charge of lease assets, cf. above	(87)	(85)
Interest expense (included in financing costs)	(10)	(10)

Comments

Nuuday leases various offices, retail stores, vehicles and equipment. Rental contracts are typically made for fixed periods of 3 to 15 years but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities (DKKm)	2023	2022
Recognised in the balance sheet at present value:		
External lease liabilities	19	15
Lease liabilities due to group companies	285	342
Total	**304**	**357**
Of which presented as current	(82)	(83)
Total non-current	**222**	**274**
Maturing between 1 and 3 years	116	141
Maturing between 3 and 5 years	62	63
Maturing between 5 and 10 years	44	70
Total non-current	**222**	**274**

Reconciliation of lease liabilities (DKKm)	2023	2022
Carrying amount at 1 January	357	399
Lease payments	(74)	(75)
New lease contracts	25	39
Other non-cash movements	(4)	(6)
Carrying amount at 31 December	**304**	**357**

3.4 | Lease assets and liabilities (continued)

Comments

The total cash outflow for leases in 2023 totalled DKK 84m (2022: DKK 85m). The amount is excl. short-term leases and leases of low-value assets.

§ Accounting policies

Assets and liabilities arising from leases are initially measured on a present-value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the lease asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rates are based on our existing credit facilities and observable market data.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the lease asset.

Lease payments are allocated between principal and financing costs. The financing costs are charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease assets are measured at cost less accumulated depreciation and write-downs for impairment. Cost comprises the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- decommissioning costs.

Lease assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the lease asset is depreciated over the underlying asset's useful life cf. note 3.3.

Impairment tests on lease assets are performed when circumstances indicate their carrying amounts may not be recoverable. Write-downs of lease assets related to vacant tenancies are based on expectations concerning timing and scope, future cost levels etc. The calculation of the write-downs comprises rent and operating costs for the contract period reduced by the expected rental income from subleases.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are expensed as incurred. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.5 | Trade receivables

(DKKm)	2023	2022
Trade receivables	1,155	1,226
Expected credit losses	(96)	(94)
Trade receivables, net	**1,059**	**1,132**
Expected credit losses at 1 January	(94)	(167)
Expected credit loss recognised	(39)	(51)
Realised credit losses	19	99
Reversed expected credit losses	18	25
Expected credit losses at 31 December	**(96)**	**(94)**

Comments

The carrying amount of the balance's approximated fair value is due to the short maturity of amounts receivable.

Critical accounting estimates

Expected credit losses are assessed for portfolios of trade receivables based on customer segments, historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk. The expected loss rates are updated at each reporting date.

Trade receivables (DKKm)	Not yet due	Less than 1 month past due	More than 1 month past due	More than 3 months past due	More than 6 months past due	Total
2023						
Expected loss rate	2%	2%	9%	27%	61%	8%
Gross carrying amount	808	168	54	22	103	1,155
Expected credit losses	(19)	(3)	(5)	(6)	(63)	(96)
2022						
Expected loss rate	2%	1%	3%	17%	77%	8%
Gross carrying amount	897	151	62	23	93	1,226
Expected credit losses	(15)	(1)	(2)	(4)	(72)	(94)

3.5 | Trade receivables (continued)

§ Accounting policies

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Nuuday operates with standard customer payment terms where customer subscriptions are billed and paid in advance of the subscription period, while usage and one-off services are billed and paid after the subscription period. The receivables are generally due for settlement within 20-30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Nuuday applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables, contract assets and lease receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3.6 | Contract assets and liabilities

(DKKm)	2023	2022	1 January 2022
Assets recognised from costs to obtain a contract (SAC)	336	248	204
Assets recognised from costs to fulfil a contract	82	55	23
Assets recognised from costs to fulfil contracts with Group companies	360	373	335
Total contract assets	**778**	**676**	**562**
Deferred subscription income	2,132	2,191	2,150
Work in progress for the account of third parties, liabilities	4	5	17
Total contract liabilities	**2,136**	**2,196**	**2,167**

Comments

Of the deferred subscription income, DKK 26m (2022: DKK 30m) will be recognised as income after more than one year.

Revenue recognised in 2023 that was included in deferred subscription income at the beginning of the period amounted to DKK 2,154m (2022: DKK 2,108m).

Costs recognised in 2023 that were included in assets recognised from costs to obtain a contract (SAC) at the beginning of the period amounted to DKK 140m (2022: DKK 123m). Assets to fulfil a contract at the beginning of the period DKK 112m (2022 DKK 86m) were recognised as costs in 2023.

Of the assets recognised from costs to obtain a contract (SAC), DKK 160m (2022 DKK 108m) and DKK 308m (2022: DKK 314m) of costs to fulfil a contract will be recognised as costs after more than one year.

§ Accounting policies

Subscriber acquisition costs and fulfilment costs
The most common subscriber acquisition costs are dealer commissions. Subscriber acquisition costs and fulfilment costs are capitalised and recognised as expenses in external expenses and personnel expenses over the expected term of the related customer relationship. The term is estimated using historical customer churn rates. Change of management estimates may have a significant impact on the amount and timing of the expenses for any period.

Deferred subscription income recognised as a liability comprises payments received from customers covering income in subsequent years.

3.7 | Prepaid expenses

Comments

Total prepaid expenses amounted to DKK 701m (2022: DKK 636m) of which DKK 325m (2022: DKK 269m) related to group companies.

3.8 | Provisions

(DKKm)	2023 Restructuring obligations	2023 Other provisions	2023 Total	2022
Provisions at 1 January	32	43	75	105
Provisions made	61	1	62	54
Provisions used (payments)	(68)	(1)	(69)	(73)
Reversal of unused provision	-	(1)	(1)	(11)
Provisions at 31 December	**25**	**42**	**67**	**75**
Of which recognised through special items in the income statement	**20**		**20**	**32**
Recognised as follows in the balance sheet:				
Non-current liabilities	2	42	44	49
Current liabilities	23	-	23	26
Total	**25**	**42**	**67**	**75**

Specification of how payments regarding provisions are recognised in the statements of cash flow (DKKm)	2023	2022
Payments related to provisions	(10)	(7)
Cash flow related to special items	(59)	(66)
Total	**(69)**	**(73)**

Comments

Provisions for restructuring obligations related primarily to redundancy programmes. The majority of the provisions for redundancy programmes are expected to result in cash outflows in the next five years. The uncertainties related primarily to the estimated amounts and the timing of the related cash outflows.

Other provisions related mainly to onerous contracts and jubilee benefits for employees as well as decommissioning obligations. The majority of these provisions are not expected to result in cash outflows in the next five years. The uncertainties regarding onerous contracts related to both timing and estimated amounts. The uncertainties regarding jubilee benefits related to both salary and the number of employees included.

Nuuday's total redundancy costs included wages during the notice period, severance pay, stand-off pay, payments pursuant to the Danish Salaried Employees Act, social security contributions and outplacement costs.

§ Accounting policies

Provisions are recognised when the Group has a legal or constructive obligation arising from past events, it is probable that economic benefits must be sacrificed to settle it, and the amount can be estimated reliably.

Provisions for restructuring, etc. are recognised when a final decision thereon has been made before or on the balance sheet date and has been announced to the parties involved, provided that the amount can be measured reliably. Provisions for restructuring are based on a defined plan, which means that the restructuring commences immediately after the decision has been made.

Provisions are measured at Management's best estimate of the amount at which the liability is expected to be settled. Provisions are discounted if the effect is material to the measurement of the liability.

Section 4

Capital structure and financing costs

This section includes disclosures related to Nuuday's capital structure and related financing costs as well as finance-related risks and how these are managed.

In this section

4.1 | Equity

Comments

The total authorised number of shares is 400,200 with a par value of DKK 1 per share (unchanged compared to 2022) All issued shares are fully paid up.

During 2023, total equity decreased by DKK 421m to DKK 6,122m due to loss for the year.

During 2022, total equity increased by DKK 6,157m to DKK 6,543m due to equity contribution (DKK 6,347m) offset by the loss for the year (DKK 190m).

The parent company statement of changes in equity specifies which reserves are available for distribution. The distributable reserves amounted to DKK 4,733m at 31 December 2023 (2022: DKK (5,208)m). At the Annual General Meeting, the Board of Directors will not propose any dividend for the financial year 2023.

§ Accounting policies

Dividends
Dividends expected to be distributed for the year are recognised in a separate item in equity. Dividends and interim dividends are recognised as a liability at the time of adoption by the Annual General Meeting and the meeting of the Board of Directors, respectively.

4.2 | Loans

Comments

On 3 February 2023, Nuuday closed a EUR 500m term loan, with a number of banks and other investors. The loan is governed by a common term agreement defining financial and legal covenants. In connection with the DKT Finance refinancing in February 2023, Nuuday redeemed it's loan from TDC Holding A/S. Together with the revolving credit facility the new term loan completes the long term funding of Nuuday.

The establishment of the new capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders.

Loan	2028
Maturity	Feb 2028
Fixed/floating rate	Floating
Coupon	Margin+floored Euribor[1]
Currency	EUR
Type	STF Loan
Nominal value (DKKm)	3,727
Nominal value (Currency)	500
– Of which nominal value swapped to or with floating interest rate (currency)	150
– Of which nominal value swapped to or with fixed interest rate (currency)	350

[1] Bank facilities have a 0% Euribor floor.
General notes:
a) EUR exposures are not considered a significant risk due to the fixed EUR/DKK exchange rate policy.
b) As of 31 December 2023 there were no drawings on RCFs. That is, undrawn RCFs amount to EUR 135m, maturing July 2026

Reconciliation of loans (DKKm)	2023	2022
Carrying amount at 1 January	2,873	9,000
Conversion of loan from TDC Holding A/S to share capital	-	(6,127)
Additions	3,408	-
Repayment of loan	(2,873)	-
Amortisation of borrowing costs	45	-
Currency adjustment	5	-
Carrying amount at 31. December	**3,458**	**2,873**
Recognised as follows in the balance sheet:		
Non-current liabilities	3,458	-
Current liabilities	-	2,873
Total	**3,458**	**2,873**

4.2 | Loans (continued)

Net interest-bearing debt (DKKm)	2023	2022
Loans from group companies incl. short term part	-	2,873
Senior Term Facility	3,458	-
Lease liabilities incl. short-term part	304	357
Short-term bonds and interest-bearing receivables	(256)	(1)
Cash	(698)	(402)
Total	**2,808**	**2,827**

§ Accounting policies

Loans
Loans are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other financial liabilities are measured at amortised cost.

Financial instruments
On initial recognition, financial derivatives are recognised in the balance sheet at fair value and subsequently remeasured at fair value in the balance sheet and in the income statement. Depending on the type of instrument, different recognised measurement methods are applied for derivative financial instruments.

Nuuday does not apply hedge accounting.

4.3 | Financial risks

Comments

Nuuday is exposed to financial market and credit risks when buying and selling goods and services denominated in foreign currencies as well as due to the cash flow from investing in the business and financing activities. These risks are identified, monitored and managed by Nuuday Treasury.

Interest-rate risks

Nuuday is exposed to interest-rate risks in the euro area. This risk emerges as the Revolving Credit Facility (RCF) is tied to the development in the daily European reference rate, Euribor. The term loan facility, which ensures Nuuday's long term funding, has to a large extent been hedged. Therefore, Nuuday has mitigated the main interest rate risk in the funding structure.

Exchange-rate risks

Nuuday has limited exchange-rate risks, primarily from USD related to payables from equipment and handset suppliers as well as content providers. This exposure is hedged by Nuuday Treasury.

Nuuday has no material exchange-rate risk from its loan facilities as they are issued in EUR.

Counterparty risks

Nuuday is exposed to credit risks as a provider of digital customer experiences and entertainment in Denmark and as counterparty to financial contracts. The individual brands handles the credit risk emanating from providing services for customers, while the credit risks in relation to financial contracts are handled centrally by Nuuday Treasury.

Liquidity risks

Nuuday has no short-term refinancing risk as the term loan facility is running for four years.

Undrawn credit lines

At year-end 2023, Nuuday had undrawn committed credit lines totalling EUR 135m.

Credit rating

Nuuday is rated by the three global rating agencies Moody's, Fitch and S&P. All ratings are listed in the below table.

Nuuday ratings at 31 December 2023	Moody's		Fitch		S&P	
	Company	Instrument	Company	Instrument	Company	Instrument
Nuuday	B2 (Stable)	B2	B (Stable)	BB-	B- (Stable)	B-

Nuuday ratings at 31 December 2022	Moody's		Fitch		S&P	
	Company	Instrument	Company	Instrument	Company	Instrument
Nuuday	B2	B2	B (neg outlook)	BB-	B-	B

4.4 | Financial income and expenses

(DKKm)	2023	2022
Interest income	25	13
Interest expenses	(462)	(417)
Net interest	**(437)**	**(404)**
Specified as follows:		
Loans from TDC Holding A/S	(11)	(360)
Lease liability	(10)	(10)
Other	(416)	(34)
	(437)	**(404)**
Currency translation adjustments	(6)	(1)
Fair Value adjustments	(6)	85
Total	**(449)**	**(320)**

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 449m in 2023, an increase of DKK 129m.

Interest: Following the refinancing in Q1 2023 of the internal loan from TDC Holding, the group entered a STF of EUR 0.5bn. This resulted in a lower level of loans offset by higher interest rate.

Fair value adjustments: Nuuday has hedged its STF from floating interest rates to fixed interest rates (nominal EUR 0,35bns). This has resulted in a gain in 2022 due to increasing market interest rates which impacted the period positively. In 2023 the positive unrealized fair value declined due to time value, this was offset by an interest saving from the derivatives relating to the STF.

In Nuuday's internal reporting, currency translation adjustments and interest from derivatives are reported as such, as specified in the adjacent table.

	2023				2022			
(DKKm)	Interest	Currency translation adjustment	Fair value adjustment	Total	Interest	Currency translation adjustment	Fair value adjustment	Total
Senior term facility loan (STF)	(385)	(5)	-	(390)	-	-	-	-
Hedge of senior term facility loan	51	-	(55)	(4)	(10)	-	106	96
Loans from TDC Holding A/S	(10)	-	-	(10)	(360)	-	-	(360)
Lease liabilities	(9)	-	-	(9)	(10)	-	-	(10)
Other	(32)	(13)	9	(36)	(34)	(12)	-	(46)
Total	**(385)**	**(18)**	**(46)**	**(449)**	**(414)**	**(12)**	**106**	**(320)**

4.5 | Maturity profiles of financial instruments

	2023						
Maturity profiles of expected cash flows[1](DKKm)	< 1 year	1-3 years	3-5 years	> 5 years	Total	Fair value	Carrying amount
Financial assets and liabilities measured at fair value through profit or loss							
Assets[2]:							
Derivatives							
Inflow	48	15	-	-	63		
Outflow	-	(1)	-	-	(1)		
Total derivatives assets	**48**	**14**	**-**	**-**	**62**	**78**	**78**
Liabilities:							
Derivatives							
Inflow	277	18	8	-	303		
Outflow	(278)	(15)	(21)	-	(314)		
Total derivatives liabilities	**(1)**	**3**	**(13)**	**-**	**(11)**	**(11)**	**(11)**
Total derivatives	**47**	**17**	**(13)**	**-**	**51**	**67**	**67**
Financial liabilities measured at amortised cost					-		
Senior Term Facilities (STF)	-	-	(3,727)	-	(3,727)	(3,727)	(3,458)
Senior Term Facilities (STF), interest[3]	(392)	(664)	(488)	-	(1,544)	(164)	(164)
Lease liability	(84)	(123)	(70)	(52)	(329)	(304)	(304)
Amounts owed to group companies	(1,134)	-	-	-	(1,134)	(1,134)	(1,134)
Trade and other payables[4]	(944)	-	-	-	(944)	(944)	(944)
Total	**(2,554)**	**(787)**	**(4,285)**	**(52)**	**(7,678)**	**(6,273)**	**(6,004)**
Total	**(2,507)**	**(770)**	**(4,298)**	**(52)**	**(7,627)**	**(6,206)**	**(5,937)**

Maturity profiles
The maturity analyses of financial assets and liabilities are disclosed by category and class and are allocated according to maturity period. All interest payments and repayments of financial liabilities are based on contractual agreements. Interest payments on floating-rate instruments are determined using forward rates.

Financial assets and liabilities measured at fair value relate to derivatives. The fair value of these derivatives is calculated based on observable inputs such as interest rates, etc. (Level 2 in the IFRS fair value hierarchy).

4.5 | Maturity profiles of financial instruments (continued)

	2022						
Maturity profiles of expected cash flows[1](DKKm)	< 1 year	1-3 years	3-5 years	> 5 years	Total	Fair value	Carrying amount
Financial assets and liabilities measured at fair value through profit or loss							
Assets[2]:							
Derivatives							
Inflow	34	155	-	-	189		
Outflow	(19)	(69)	-	-	(88)		
Total derivatives assets	**15**	**86**	**-**	**-**	**101**	**97**	**97**
Liabilities:							
Derivatives							
Inflow	278	-	-	-	278		
Outflow	(289)	-	-	-	(289)		
Total derivatives liabilities	**(11)**	**-**	**-**	**-**	**(11)**	**(11)**	**(11)**
Total derivatives	**4**	**86**	**-**	**-**	**90**	**86**	**86**
Financial liabilities measured at amortised cost							
Loan from TDC Holding A/S	(2,873)	-	-	-	(2,873)	(2,873)	(2,873)
Loan from TDC Holding A/S, interest[3]	(125)	-	-	-	(125)	(107)	(107)
Lease liability	(84)	(149)	(71)	(84)	(388)	(357)	(357)
Amounts owed to group companies	(983)	-	-	-	(983)	(983)	(983)
Trade and other payables[4]	(1,022)	-	-	-	(1,022)	(1,022)	(1,022)
Total	**(5,087)**	**(149)**	**(71)**	**(84)**	**(5,391)**	**(5,342)**	**(5,342)**
Total	**(5,083)**	**(63)**	**(71)**	**(84)**	**(5,301)**	**(5,256)**	**(5,256)**

1. All cash flows are undiscounted. The table reflects only the cash flow from financial liabilities.
2. Both assets and liabilities measured at fair value through profit or loss are disclosed in the above table because some of the derivatives are used for hedging financial liabilities measured at amortised cost, see table.
3. Fair value and carrying amount value consist of accrued interest on STF or loan from TDC Holding A/S at 31 December.
4. As not all trade and other payables recognised in the balance sheet are financial instruments (e.g. unbilled payables do not constitute a financial liability), the amount differs from the amount disclosed in the balance sheet.

Section 5

Cash flow

This section provides information on Nuuday's cash flow. More information on development in the cash flow items is included in note 2.6 Special items, note 3.2 Intangible assets, note 3.3 Property, plant and equipment, note 3.4 Lease assets and liabilities, note 3.8 Provisions as well as note 4.4 Financial income and expenses. A review of cash flow is provided in the section Nuuday performance in the Management's review.

In this section

5.1 | Change in working capital

(DKKm)	2023	2022
Change in inventories	51	(35)
Change in receivables	41	(85)
Change in contract assets	(102)	(114)
Change in trade payables	68	(187)
Change in contract liabilities	(60)	29
Change in prepaid expenses	(92)	5
Change in other items, net	151	(25)
Total	**57**	**(412)**

Comments

The positive development in net working capital (DKK 469m) is due to implementation of VAT on intra-group trade as well as temporary improvements in payment terms for VAT, and employee taxes in 2023 expiring in 2024. Other contributions to the net working capital increase came from a favorable development in inventories and the impact of the COVID-19 temporary liquidity support package from the Danish State in January 2022. The implementation of VAT on intra-group trade is a consequence of Nuuday's separate VAT registration in connection with the refinancing of the DKT Holdings group. Until 31 December 2022, Nuuday was jointly registered with other group companies. From 1 January 2023, VAT is therefore imposed on intra-group trade.

5.2 | Investment in enterprises

In 2023 no transactions concerning investment in enterprises has occurred.

In 2022, Nuuday insourced IT- and other activities from the parent company TDC Holding A/S. The net cash flow on the acquisition amounted to DKK 51m.

The acquisition had no significant impact on the income statement for 2022.
Cash flow from operating activities is presented using the indirect method and is based on profit before interest, taxes, depreciation, amortisation and special items adjusted for non-cash operating items, cash flow related to special items, changes in working capital, interest received and paid as well as income taxes paid.

§ Accounting policies

Cash flow from investing activities comprises acquisitions and divestments of enterprises, purchases and sales of intangible assets, property, plant and equipment as well as other non-current assets. Cash flow from acquired enterprises are recognised from the time of acquisition, while cash flows from enterprises divested are recognised up to the time of divestment.

Cash flow from financing activities comprises changes in interest-bearing debt, lease instalments and dividends to shareholders.

Cash and cash equivalents cover cash and marketable securities with a remaining life not exceeding three months at the time of acquisition, and with an insignificant risk of changes in value.

The cash flow statement cannot be derived solely from information presented in the financial statements.

Section 6

Other disclosures

This section contains statutory notes or notes that are presumed to be less important for understanding the Group's financial performance.

In this section

6.1 | Incentive programmes

In order to support the delivery of short- and long-term financial results, the Group has both short- and long-term incentive programmes for executives and senior managers.

Short-term incentive programmes (STI)
The short-term incentive programmes are closely linked to our strategy. The performance measures in 2023 were SCF, EBITDA and Net Promoter Score.

Bonus payments are calculated as the individual employee's basic salary multiplied by the bonus percentage, the degree of target fulfilment and a Personal Performance Modifier.

The STI bonus percentage for members of the Executive Leadership Team including the Executive Committee is between 35-50%. For other senior managers, the bonus percentage is between 20%-25%. The target fulfilment can be maximum 200%.

Long-Term Incentive programme (LTI)
The LTI programme is cash based and its objectives are linked to the long-term strategy. The programme is revolving with grants given each year but with a 2 or 3-year vesting period, as the goals are principally set for a 2 or 3-year vesting period. The objectives are cashflow, SCF, service revenue as well as a health and safety multiplier. The expenses are recognised over the vesting period.

Bonus payments are calculated as the individual employee's basic salary multiplied by a LTI percentage multiplied by the degree of target fulfilment.

The LTI percentage usually varies within a range of 12%-40%. The target fulfilment can be maximum 200%.

Management incentive programme (MIP)
In July 2020, the parent company TDC Holding A/S established a new cash-based incentive programme which includes the Executive Committee and certain key managers of Nuuday. In total 15 managers are participating the MIP programme. Under the MIP, the participants are required to place a deposit to TDC Holding A/S to qualify for a return. The payback amounts are based on the development in certain financial performance measures of the TDC Holding group as well as certain business and Health & Safety KPIs over the period until 2023. The investment programme covers the time period 2019-2023. The participants have 40% of the deposits at risk of being lost in downside scenarios and we have recognized an accrual of 1.21x in payout to the participants' deposit.

Nuuday participants' total deposits amount to DKK 13m and the expenses for 2023 relating to the programme amounted to DKK 3m (2022: DKK 11m).
At 31 December 2023 the total liabilities related to the management incentive programme amounted to DKK 31m (2022: DKK 30m)

6.2 | Related parties

Name of related party	Nature of relationship	Domicile
DKT Holdings ApS	Indirect ownership – ultimate parent	Copenhagen, Denmark
DKT Finance ApS	Indirect ownership	Copenhagen, Denmark
DK Telekommunikation ApS	Indirect ownership	Copenhagen, Denmark
TDC Holding A/S	Ownership - parent	Copenhagen, Denmark
TDC NET A/S	Subsidiary of TDC Holding A/S	Copenhagen, Denmark
TDC Pensionskasse	Pension fund	Copenhagen, Denmark

Related parties also include Nuuday's joint ventures and associates shown in note 6.7.

Remuneration for the Board of Directors and the Executive Committee is specified in note 2.4.

Loans from the parent company TDC Holding A/S are specified in note 4.2.

Purchase commitments towards group companies are shown in note 6.4.

All transactions with related parties are made on market terms. The most significant related party is TDC NET A/S, see also note 2.2.

Nuuday has the following additional transactions and outstanding balances with related parties:

Related parties (DKKm)	2023	2022
TDC Holding A/S		
Income	1	2
Expenses, lease payments and capital expenditures	(188)	(560)
Payables	(317)	(423)
Loans	-	(2,873)
Joint ventures and associates		
Income	6	5
Other related parties		
Income	115	98
Expenses and capital expenditures	(5,266)	(5,393)
Receivables	359	269
Payables	(1,103)	(1,008)

6.3 | Fees to auditors

Fees to auditors elected by the Annual General Meeting (DKKm)	2023	2022
Statutory audit	**3**	**3**
Other assurance engagements	-	1
Other services	16	5
Total non-statutory audit services	**16**	**6**
Total	**19**	**9**

6.4 | Other financial commitments

(DKKm)	2023	2022
Lease commitments for short-term and low-value leases		
Short-term leases	14	13
Leases of low-value assets	-	-
Total	**14**	**13**
Capital and purchase commitments		
Commitments related to infrastructure, IT and administrative services from group companies	10,170	13,036
Commitments related to outsourcing agreements	319	200
Investments in intangible assets	289	398
Other purchase commitments	446	954

Comments

The commitments related to infrastructure are preliminary contracts with TDC NET A/S.

Except for short-term leases and leases of low-value assets, leases are recognised as a lease asset and a corresponding liability at the date at which the leased asset is available for use by the Group, cf. note 3.4.

6.5 | Pledges and contingencies

Pledges
Cash with a carrying amount of DKK 538m (2022: DKK 402m) are pledged as security for long-term loans.

Contingent liabilities
Nuuday is party to certain pending lawsuits and cases pending with public authorities and complaints boards. Based on a legal assessment of the possible outcome of each of these lawsuits and cases, Management is of the opinion that these will have no significant adverse effect on Nuuday's financial position.

Nuuday A/S is liable for obligations attributable to the activities, assets and liabilities of TDC Holding A/S that existed at the demerger on 11 June 2019. The joint and several liabilities of Nuuday A/S and TDC Holding A/S respectively may not exceed an amount corresponding to the net value of the assets and liabilities.

6.6 | Events after the balance sheet date

There have been no events that materially affect the assessment of this Annual Report 2023 after the balance sheet date and up to today.

6.7 | Overview of group companies at 31 December 2023

Company name	Domicile	Currency	Ownership share (%)
Hiper A/S	Copenhagen, Denmark	DKK	100
TDC Telco ApS	Taastrup, Denmark	DKK	100
4T af 1. oktober 2012 ApS[1]	Copenhagen, Denmark	DKK	25

1. The enterprise is included under the equity method.

Parent company financial statements

Parent company income statement

(DKKm)	Note	2023	2022
Revenue	2.1	14,163	14,447
Cost of goods sold		(9,413)	(9,647)
External expenses		(1,346)	(1,446)
Personnel expenses	2.2	(1,890)	(1,694)
Other income		76	65
Operating profit before depreciation, amortisation and special items (EBITDA)		1,590	1,725
Depreciation, amortisation and impairment losses		(1,496)	(1,527)
Special items	2.3	(52)	(66)
Operating profit/(loss) (EBIT)		42	132
Loss from subsidiaries	3.4	(47)	(33)
Financial income and expenses	4.3	(448)	(317)
Loss before income taxes		(453)	(218)
Income taxes	2.4	32	28
Loss for the year		**(421)**	**(190)**

Parent company statement of comprehensive income

(DKKm)	Note	2023	2022
Loss for the year		(421)	(190)
Total comprehensive Loss		**(421)**	**(190)**

Parent company balance sheet

Assets (DKKm)	Note	2023	2022
Non-current assets			
Intangible assets	3.1	12,124	12,274
Property, plant and equipment	3.2	1,036	1,121
Lease assets	3.3	262	324
Investments in subsidiaries	3.4	508	645
Investments in associates and joint ventures		3	3
Other receivables		11	11
Prepaid expenses		5	8
Total non-current assets		**13,949**	**14,386**
Current assets			
Inventories		193	244
Trade receivables	3.5	1,055	1,129
Contract assets	3.6	698	616
Receivables from group companies		208	74
Other receivables		7	8
Derivatives financial instruments		78	97
Prepaid expenses		697	629
Short-term bonds		256	-
Cash		538	402
Total current assets		**3,730**	**3,199**
Total assets		**17,679**	**17,585**

Equity and liabilities (DKKm)	Note	2023	2022
Equity			
Share capital	4.1	-	-
Other reserves		1,389	1,335
Retained earnings		4,733	5,208
Total equity		**6,122**	**6,543**
Non-current liabilities			
Deferred tax liabilities	2.4	1,518	1,553
Provisions		44	48
Loans	4.2	3,458	-
Lease liabilities	3.3	221	272
Other payables		219	214
Total non-current liabilities		**5,460**	**2,087**
Current liabilities			
Loans group companies		-	2,873
Lease liabilities	3.3	81	81
Trade payables		1,578	1,664
Contract liabilities	3.6	2,106	2,173
Payables to group companies		1,153	1,305
Income tax payable		20	5
Other payables		1,125	817
Derivatives financial instruments		11	11
Provisions		23	26
Total current liabilities		**6,097**	**8,955**
Total liabilities		**11,557**	**11,042**
Total equity and liabilities		**17,679**	**17,585**

Parent company statement of cash flows

(DKKm)	Note	2023	2022
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,590	1,725
Adjustment for non-cash items		3	16
Payments related to provisions		(10)	(7)
Special items		(72)	(76)
Change in working capital	5.1	(18)	(440)
Interest received		49	13
Interest paid		(358)	(308)
Income tax paid	2.4	12	21
Total cash flow from operating activities		**1,196**	**944**
Investing activities			
Investment in subsidiaries	3.4	(100)	-
Investment in activities		-	(51)
Investment in property, plant and equipment		(288)	(361)
Investment in intangible assets		(888)	(883)
Investment in other non-current assets		(1)	-
Investment in short-term bonds		(736)	-
Sale of other non-current assets		1	2
Sale of short-term bonds		489	-
Dividend received from subsidiaries		190	-
Total cash flow from investing activities		**(1,333)**	**(1,293)**

(DKKm)	Note	2023	2022
Financing activities			
Proceeds from long-term loans		3,432	-
Repayments of long-term debt		(2,873)	-
Lease payments		(73)	(74)
Cost related to long-term loans		-	(35)
Change in interest-bearing receivables and payables		(213)	856
Total cash flow from financing activities		**273**	**747**
Total cash flow		**136**	**398**
Cash and cash equivalents at 1 January		402	2
Effect of exchange-rate changes on cash and cash equivalents		-	2
Cash and cash equivalents at 31 December		**538**	**402**

Parent company statement of changes in equity

(DKKm)	Share capital	Reserve for capitalised development projects	Retained earnings	Total
Equity at 1 January 2022	-	1,093	(707)	386
Loss for the year	-	242	(432)	(190)
Total comprehensive income/(loss)	-	242	(432)	(190)
Contributions of equity	-	-	6,347	6,347
Total transactions with owners	-	-	6,347	6,347
Equity at 31 December 2022	**-**	**1,335**	**5,208**	**6,543**
Loss for the year	-	54	(475)	(421)
Total comprehensive income/(loss)	-	54	(475)	(421)
Equity at 31 December 2023	**-**	**1,389**	**4,733**	**6,122**

Notes to parent company financial statements

1.1 | Accounting policies

The Financial statements 2023 of the parent company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and further disclosure requirements in the Danish Financial Statements Act (reporting class "C stor").

The parent company accounting policies are the same as those applied for the Group, with the additions mentioned below. See note 1.1 to the consolidated financial statements for the Group's accounting policies.

The accounting policies are unchanged compared with the policies applied in the Annual Report 2022.

Supplementary accounting policies for the parent company

Investments in subsidiaries, joint ventures and associates
The equity method is used for measuring investments in subsidiaries, joint ventures and associates. Under the equity method, investments in a subsidiary, a joint venture or an associate are recognised on initial recognition at cost, and the carrying amount is increased or decreased to recognise the parent company's share of the profit or loss of the investment after the date of acquisition. The parent company's share of profit or loss is recognised in the parent company's profit or loss. Dividends received from investments in subsidiaries, joint ventures and associates reduce the carrying amount of the investment. The parent company's share of other comprehensive income arising from the investment is recognised in other comprehensive income of the parent company.

Reserve for capitalised development projects
In accordance with the Danish Financial Statements Act, the parent company has established a non-distributable reserve in equity regarding capitalised development projects. This reserve will be reversed as the development projects are amortised or impaired.

1.2 | Critical accounting estimates and judgements

For information on critical accounting estimates and judgements, see note 1.2 to the consolidated financial statements.

1.3 | New accounting standards

For information on new accounting standards for the Group, see note 1.3 to the consolidated financial statements.

2.1 | Revenue

(DKKm)	2023	2022
Sales of goods recognised at a point in time	1,165	1,394
Sales of services recognised over time	12,998	13,053
Total	**14,163**	**14,447**

Revenue specified by services (DKKm)	2023	2022
Landline voice	697	746
Mobility services	5,190	5,085
Internet & network	3,228	3,232
TV	3,322	3,452
Other services	1,726	1,932
Total	**14,163**	**14,447**

2.2 | Personnel expenses

(DKKm)	2023	2022
Wages and salaries (including short-term and long-term bonus)	(2,026)	(1,934)
Pensions	(179)	(180)
Social security	(36)	(42)
Total	**(2,241)**	**(2,156)**
Of which capitalised as non-current assets	351	462
Total	**(1,890)**	**(1,694)**
Average number of full-time employee equivalents[1]	2,921	3,321

[1] Denotes the average number of full-time employee equivalents including permanent employees and trainees.

Remuneration for the Board of Directors and the Executive Committee is described in note 2.4 to the consolidated financial statements.

2.3 | Special items

(DKKm)	2023	2022
Costs related to redundancy programmes	(47)	(49)
Other restructuring costs, etc.	(4)	(15)
Loss from rulings	(1)	(2)
Special items before income taxes	**(52)**	**(66)**
Income taxes related to special items	12	14
Total special items	**(40)**	**(52)**

2.4 | Income taxes

(DKKm)	2023 Income tax income/ (expense)	2023 Income tax payable/ (receivable)	2023 Deferred tax liabilities/ (assets)	2022 Income tax income/ (expense)	2022 Income tax payable/ (receivable)	2022 Deferred tax liabilities/ (assets)
At 1 January		5	1,553		(21)	1,586
Income taxes	33	13	(46)	13	8	(21)
Adjustment of tax for previous years	(1)	(10)	11	15	(3)	(12)
Tax paid		12			21	
Total	**32**	**20**	**1,518**	**28**	**5**	**1,553**
Income taxes are specified as follows:						
Income excluding special items	20			14		
Special items	12			14		
Total	**32**			**28**		

Effective tax rate (%)	2023	2022
Danish corporate income tax rate	22.0	22.0
Profit from subsidiaries, joint ventures and associates	(2.5)	(4.6)
Adjustment of tax for previous years	(0.2)	9.7
Limitation on the tax deductibility of interest expenses	(14.9)	(22.0)
Other	0.6	4.1
Effective tax rate excluding special items	**5.0**	**9.2**
Special items	2.1	3.6
Effective tax rate including special items	**7.1**	**12.8**

Deferred tax (DKKm)	2023	2022
Intangible assets	42	42
Other	41	41
Current	**83**	**83**
Intangible assets	1,397	1,441
Property, plant and equipment	(28)	(25)
Lease assets and liabilities	(9)	(6)
Other	75	60
Non-current	**1,435**	**1,470**
Deferred tax at 31 December	**1,518**	**1,553**

3.1 | Intangible assets

(DKKm)	2023 Goodwill	2023 Customer relationships	2023 Brands	2023 Other rights, software, etc.	2023 Total	2022 Goodwill	2022 Customer relationships	2022 Brands	2022 Other rights, software, etc.	2022 Total
Cost at 1 January	8,815	14,199	4,162	9,165	36,341	8,815	14,345	4,162	8,642	35,964
Additions	-	-	-	888	888	-	-	-	883	883
Additions related to acquisition of activities	-	-	-	-	-	-	-	-	51	51
Assets disposed of or fully amortised	-	(19)	-	(384)	(403)	-	(146)	-	(411)	(557)
Cost at 31 December	**8,815**	**14,180**	**4,162**	**9,669**	**36,826**	**8,815**	**14,199**	**4,162**	**9,165**	**36,341**
Amortisation and impairment losses at 1 January	(3,693)	(12,931)	(110)	(7,333)	(24,067)	(3,693)	(12,840)	(110)	(6,901)	(23,544)
Amortisation	-	(192)	-	(832)	(1,024)	-	(237)	-	(829)	(1,066)
Impairment losses for the year	-	-	-	(14)	(14)	-	-	-	(14)	(14)
Assets disposed of or fully amortised	-	19	-	384	403	-	146	-	411	557
Amortisation and impairment losses at 31 December	**(3,693)**	**(13,104)**	**(110)**	**(7,795)**	**(24,702)**	**(3,693)**	**(12,931)**	**(110)**	**(7,333)**	**(24,067)**
Carrying amount at 31 December	**5,122**	**1,076**	**4,052**	**1,874**	**12,124**	**5,122**	**1,268**	**4,052**	**1,832**	**12,274**

3.2 | Property, plant and equipment

	2023				2022			
	Network infrastructure	Equipment	Assets under construction	Total	Network infrastructure	Equipment	Assets under construction	Total
Cost at 1 January	2,122	769	118	3,009	2,373	724	81	3,178
Transfers (to)/from other items	20	-	(20)	-	-	-	-	-
Additions	260	37	-	297	287	45	37	369
Assets disposed of	(159)	(1)	-	(160)	(538)	-	-	(538)
Cost at 31 December	**2,243**	**805**	**98**	**3,146**	**2,122**	**769**	**118**	**3,009**
Depreciation and impairment losses at 1 January	(1,230)	(654)	(4)	(1,888)	(1,456)	(593)	(4)	(2,053)
Depreciation	(328)	(54)	-	(382)	(312)	(61)	-	(373)
Assets disposed of	159	1	-	160	538	-	-	538
Depreciation and impairment losses at 31 December	**(1,399)**	**(707)**	**(4)**	**(2,110)**	**(1,230)**	**(654)**	**(4)**	**(1,888)**
Carrying amount at 31 December	**844**	**98**	**94**	**1,036**	**892**	**115**	**114**	**1,121**

3.3 | Lease assets and liabilities

Lease assets (DKKm)	2023 Land and buildings	2023 Vehicles and equipment	2023 Total	2022 Land and buildings	2022 Vehicles and equipment	2022 Total
Carrying amount at 1 January	292	32	324	339	34	373
Additions	5	21	26	12	26	38
Disposals	-	(2)	(2)	-	(4)	(4)
Depreciation	(62)	(24)	(86)	(59)	(24)	(83)
Carrying amount at 31 December	**235**	**27**	**262**	**292**	**32**	**324**

Lease liabilities (DKKm)	2023	2022
Recognised in the balance sheet at present value:		
Current	81	81
Non-current	221	272
Total	**302**	**353**
Maturing within 1 year	81	81
Maturing between 1 and 3 years	115	139
Maturing between 3 and 5 years	62	63
Maturing after 5 years	44	70
Total	**302**	**353**

Amounts recognised in the statement of profit and loss (DKKm)	2023	2022
Expense relating to short term leases	(30)	(29)
Depreciation charge of lease assets, cf. above	(86)	(83)
Interest expense (included in financing cost)	(10)	(10)

The total cash outflow for leases in 2023 was DKK 83m (2022: DKK 84m), of which, DKK 10m (2022: DKK 10m) related to interest payments on lease liabilities.

3.4 | Investments in subsidiaries

(DKKm)	2023	2022
Cost at 1 January	752	752
Capital injection	100	-
Cost at 31 December	**852**	**752**
Value adjustments at 1 January	(107)	(74)
Share of profit/(loss)	(47)	(33)
Dividend	(190)	-
Value adjustments at 31 December	**(344)**	**(107)**
Carrying amount at 31 December	**508**	**645**

Overview of subsidiaries at 31 December 2023

Company name	Domicile	Currency	Ownership share (%)
Subsidiaries:			
Hiper A/S	Copenhagen, Denmark	DKK	100
TDC Telco ApS	Taastrup, Denmark	DKK	100

3.5 | Trade receivables

(DKKm)	2023	2022
Trade receivables	1,145	1,218
Expected credit losses	(90)	(89)
Trade receivables, net	**1,055**	**1,129**
Expected credit losses at 1 January	(89)	(163)
Expected credit losses recognised	(38)	(50)
Realised credit losses	19	99
Reversed expected credit losses	18	25
Expected credit losses at 31 December	**(90)**	**(89)**

3.6 | Contract assets and liabilities

(DKKm)	2023	2022
Assets recognised from costs to obtain a contract (SAC)	304	226
Assets recognised from costs to fulfil a contract	61	41
Assets recognised from costs to fulfil an internal contract	333	349
Total contract assets	**698**	**616**
Deferred subscription income	2,096	2,168
Work in progress for the account of third parties, liabilities	10	5
Total contract liabilities	**2,106**	**2,173**

Trade receivables (DKKm)	Not yet due	Less than 1 month past due	More than 1 month past due	More than 3 months past due	More than 6 months past due	Total
2023						
Expected loss rate	2%	1%	2%	18%	76%	7%
Gross carrying amount	806	167	53	21	98	1,145
Expected credit losses	(19)	(3)	(4)	(5)	(59)	(90)
2022						
Expected loss rate	2%	1%	2%	18%	76%	7%
Gross carrying amount	895	151	61	22	89	1,218
Expected credit losses	(15)	(1)	(1)	(4)	(68)	(89)

4.1 | Equity

For information on share capital, see note 4.1 to the consolidated financial statements.

4.2 | Loans

For a specification of loans and a reconciliation between loans and cash flows from financing activities, see note 4.2 to the consolidated financial statements.

4.3 | Financial income and expenses

(DKKm)	2023	2022
Other interest income	23	13
Interest expenses to group companies	(11)	(360)
Other Interest expenses	(448)	(54)
Net interest	**(436)**	**(401)**
Currency translation adjustments	(6)	(1)
Fair value adjustments	(6)	85
Total	**(448)**	**(317)**

5.1 | Change in working capital

(DKKm)	2023	2022
Change in inventories	51	(35)
Change in receivables	(67)	(142)
Change in contract assets	(82)	(87)
Change in trade payables	98	(181)
Change in contract liabilities	(66)	22
Change in prepaid expenses	(93)	6
Change in other items, net	141	(23)
Total	**(18)**	**(440)**

6.1 | Related parties

For information about the related parties of the Group, see note 6.2 to the consolidated financial statements. The parent company has the following transactions and balances with its subsidiaries (cf. the overview of subsidiaries in note 3.4):

Subsidiaries (DKKm)	2023	2022
Income	5	14
Expenses	(97)	(113)
Receivables	209	75
Debt	(19)	(219)

Remuneration for the Board of Directors and the Executive Committee is described in note 2.4 and incentive programmes are described in note 6.1 to the consolidated financial statements.

All transactions with related parties are made on market terms.

Nuuday A/S is included in the consolidated financial statements of DKT Holdings ApS. The consolidated financial statements can be downloaded from *tdcgroup.com*.

6.2 | Fees to auditors

Fees to auditors elected by the Annual General Meeting (DKKm)	2023	2022
Statutory audit	**3**	**3**
Other assurance engagements	-	1
Other services	16	5
Total non-statutory audit services	**16**	**6**
Total	**19**	**9**

6.3 | Other financial commitments

For information on other financial commitments, see note 6.4 to the consolidated financial statements.

6.4 | Pledges and contingencies

Cash with a carrying amount of DKK 538m (2022: DKK 402m) are pledged as security for long-term loans.

For information on pending lawsuits, see note 6.5 to the consolidated financial statements.

6.5 | Events after the balance sheet date

For information on events after the balance sheet date, see note 6.6 to the consolidated financial statements.

Statements

Management statement

Today, the Board of Directors and the Executive Committee considered and approved the annual report of Nuuday A/S for 2023.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the financial position at 31 December 2023 of the Group and the parent company and of the results of the Group and parent company operations and cash flows for 2023.

In our opinion, the management's review includes a true and fair account of the developments in the operations and financial circumstances of the Group and the parent company, of the results for the year and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 8 March 2023

Executive Committee

Jonathan Glyn James Chief Executive Officer	**Henrik Christiansen** Chief Financial Officer

Board of Directors

Michael Parton Chair	**Anna Sofia Arhall Bergendorff**	**Søren Abildgaard Jacobsen**
Peter Nyegaard	**Susana Leith-Smith**	**Joe Boorman**
Zanne Merethe Stensballe	**Thomas Lech Pedersen**	**Tobias Tolstrup**

Independent auditor’s report

To the shareholder of Nuuday A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nuuday A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2023, and of the results of their operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management commentary

Management is responsible for Management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the information required by relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management’s responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group’s and the Parent’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 8 March 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33963556

Lars Siggaard Hansen
State Authorised Public Accountant
Identification No (MNE) mne32208

Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347

Forward-looking statements

Forward-looking statements
This report may include statements about Nuuday'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 Nuuday's results include: the competitive environment and the industry in which Nuuday operates; contractual obligations in Nuuday's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks, including Nuuday'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 licences; 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 the 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 Nuuday cannot predict. In addition, Nuuday 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.