Nuuday
Annual report
2021

nuuday

Contents

Our strategy
page 9

Letter from CEO
page 5

Shortcut to reading the Annual report
Click on the tabs in the menu to navigate quickly to the tables of contents for the report and accounts, respectively.

In brief

The Essentials

Nuuday at a glance

Nuuday is Denmark's leading telecoms service provider consisting of nine brands, spanning connectivity, communication and entertainment that share the common goal of helping consumers and businesses make sense with technology

5.9m
Customer relations (RGUs) in Nuuday

Our customer relations

1.8m
Business incl. mobile partners

4.1m
Consumer

3,686
Employees

Revenue (DKKbn) **14.7**

EBITDA (DKKbn) **1.8**

CAPEX (DKKbn) **1.1**

Our Brands

- youSee
- TELMORE
- HIPER
- eesy Bare mobil
- youTV
- BLOCKBUSTER®
- NetDesign
- Relatel
- TDC Erhverv

Letter from the CEO

Embarking on a new strategic transformation journey

In 2021, COVID-19 continued to significantly impact on our daily lives and our society. The pandemic materially affected our physical operations, but it also fostered a spirit of innovation as our staff and customers adapted to a more digital way of living and working.

As Denmark's leading telecoms service provider, at Nuuday we are proud of our role in responding to COVID-19 by accelerating the digitalisation of Danish society.

YouSee quintupled its customers' broadband speed, increased free mobile data, and provided extra free content for customers, while TDC Erhverv set up built-to-order fibre for the national COVID-19 test centres and provided VPN connections to help B2B customers support employees working remotely.

But 2021 also marked a strategic turning point for Nuuday's business. We finalised the separation from TDC Group and entered 2022 as an independent entity with an independent Board.

In June, I had the pleasure of joining Nuuday as its new CEO with a mandate to accelerate the business' transformation. Soon after, I appointed a new management team, including a new Chief Technology Officer (CTO) and a new Chief Customer Experience Officer (CXO).

The transformation of Nuuday is far-reaching and based on three strategic pillars: becoming Denmark's most digital service provider, offering Danish households and businesses the best choice of products and services while delivering the best customer experience.

The foundation of our transformation is a significant update to our technology. To reduce the complexity of Nuuday's IT and make life simpler for our customers and colleagues while speeding up product innovation and improving our customer experience, we are investing heavily in replacing our IT with a new 'best of suite' IT stack.

In parallel, we are re-engineering our commercial and operational activities to deliver the strategy. Our new team is working together to ensure our transformation delivers a seamless and rapid technology upgrade for Nuuday's customers, while simultaneously improving our customer experience.

I am pleased to say that we have already seen the first clear results of our work to improve our customer journey, with a 24% reduction in customer support calls since 2020.

The goal of our strategy is to become one of the most digital and advanced telcos in Europe, and to be a critical ingredient in Denmark's digital transformation. We are determined to improve our propositions and customer experience and make Nuuday the natural provider for Danish consumers and businesses. The entire organisation is now focused on that goal.

Letter from the CEO

2021 Performance

During 2021, our commercial performance improved, in part as a consequence of the early stages of our transformation.

Nuuday's overall service revenue gradually stabilised throughout 2021 and remained flat for the year, with a small decline of 0.9% compared with 2020. The stabilisation was driven by improved trends in our customer base in the second half of 2021 resulting from early changes to our commercial strategy and our expanded fibre network footprint.

Mobile services revenue grew by 4% driven by growth in our base of RGUs (revenue generating units). The increase was driven mainly by our B2B products as a result of our strong position in the public sector. Our B2C base also grew, led by our no-frills brands.

In 2021, we grew our subscriber base in coax and fibre broadband as we expanded our reach of high-speed broadband technologies across Denmark. We now have a market-leading national broadband footprint through our partnerships with the largest Danish suppliers of high-speed broadband infrastructure, and we continue to migrate our customers from DSL to high-speed broadband. For much of the year, however, we were still in the process of expanding our reach and were not yet present on all regional networks. This, combined with the structural decline on DSL, resulted in broadband revenue declining by 4%.

The TV market remains under pressure as customers shift from traditional TV to streaming services. This universal and irreversible trend resulted in a slight 1% revenue decline in traditional fixed TV packages in 2021.

Overall Nuuday EBITDA declined by 6%, in line with expectations. The decline was driven by gross profit margin pressure from higher content costs and the continuing migration of customers from higher-margin mature technologies to future-proof technologies. This was partly offset by our work to improve processes and simplify our customer experience, which reduced operating expenses by 6%.

We continued our journey towards becoming one of the most sustainable telcos in the world, delivering on our ambitious climate agenda to become carbon neutral throughout our entire value chain within this decade.

In recognition of our efforts, we saw our CO2 targets approved by the Science Based Targets initiative, and the rating platform EcoVadis rated us as a global top 1% performer on sustainability. At the same time, we strengthened our approach to issues such as diversity and inclusion, and well-being at work.

Looking ahead to 2022

Our comprehensive transformation programme is at the centre of our strategy for 2022, with the goal of ensuring Nuuday rapidly becomes a top European telco – and the provider of choice for Danish consumers and businesses.

We are focusing intensely on stabilising and growing our customer base in growth products; notably mobile and broadband, as well as in complex B2B products. We are confident that our improved commercial offerings, combined with our expanded network footprint and our strengthened focus on customer experience, will deliver this stabilisation.

After the separation from TDC Group, we are maintaining our longstanding partnership with TDC NET, in combination with our other network partners, as we embark on our journey as an independent service provider with our newly appointed Board of Directors.

We are particularly grateful to all Nuuday's dedicated employees for their engagement and efforts in supporting our customers every day. Since the launch of our new strategy, their energy and enthusiasm in support of the Nuuday transformation has been inspiring and crucial for our future success as we rethink and improve all areas of our business.

Thank you.

Jon James

CEO of Nuuday

Letter from CEO

Key highlights of 2021

TDC Erhverv won SKI 50.48 agreement
Total of 83 municipalities and 21 public organizations as sole supplier

Live on Norlys' networks
Nuuday launches broadband and TV on Norlys' fibre network, enabling an additional ~200k Danish households to get access to services from YouSee, Hiper and TDC Erhverv

Embarking on a new transformation journey
Nuuday started a rapid and comprehensive transformation journey towards becoming the best-in-class digital service provider

Cisco partner of the year
TDC Erhverv and Netdesign named "Collaboration Partner of the Year EMEAR North" at Cisco Partner Summit

Best network
Nuuday's mobile voice customers have access to Denmark's best network for the seventh consecutive year – now with 5G access

2021 2022

New CEO
Jon James appointed as new CEO at Nuuday

New strategic direction
Execution of our customer strategy and transformation supported by appointment of a new management team, with European telco experience

Live on Nord Energi's and Fibia's networks
Nuuday launches broadband on three additional utility partners fibre network, enabling an additional ~400k households to access to our services

Independent service provider
By 1/1/2022, Nuuday became a fully operational standalone service provider with independent Board of Directors, completing the separation from TDC Group

Financial overview

	2021	2020	2019
Income statement (DKKm)[1]			
Revenue	14,657	14,756	15,625
Gross profit	4,993	5,318	5,895
EBITDA	**1,823**	**1,936**	**2,035**
Operating profit/(loss) (EBIT)	**(13)**	**(77)**	**164**
Profit/(loss) before income taxes	(413)	(470)	(204)
Profit/(loss) for the year	**(390)**	**(410)**	**(128)**
Income statement, excluding special items			
Operating profit (EBIT)	**111**	**46**	**219**
Profit before income taxes	(338)	(347)	(151)
Profit for the year	(342)	(313)	(87)
Balance sheet (DKKm)			
Total assets	17,776	17,669	19,101
Net interest-bearing debt (NIBD)	8,532	9,647	9,861
Total equity	386	776	1,192
Capital expenditure (DKKm)	**(1,149)**	**(1,431)**	**(1,517)**
Statement of cash flow (DKKm)			
Operating activities	2,146	1,643	1,322
Investing activities	(970)	(1,348)	(1,601)
Financing activities	(1,174)	(323)	298
Total cash flow	**2**	**(28)**	**19**

	2021	2020	2019
Key financial ratios (%)			
Revenue growth	(0.7)	(5.6)	(1.1)
Gross margin	34.1	36.0	37.7
EBITDA margin	12.4	13.1	13.0
EBIT margin	(0.1)	(0.5)	1.0
Equity ratio	2.2	4.4	6.2
Retail RGUs ('000)			
Mobile subscriptions	2,800	2,722	2,756
TV	984	1,036	1,177
Broadband	1,032	1,061	1,154
Landline voice[2]	390	466	470
Employees			
FTEs (end-of-year)	3,686	3,985	4,515
FTEs Consumer	2,033	2,197	2,552
FTEs Business	971	1,056	1,193
FTEs Other	682	732	770

1 Nuuday A/S was established 7 December 2018. On 11 June 2019, the parent company TDC A/S demerged parts of its rights and obligations to Nuuday A/S. The financial statements reflect the demerger of TDC A/S. The demerger had accounting effect from 1 January 2019. Prior to the demerger, Nuuday A/S had no activities, and the comparative figures for 2018 are not restated.

2 Following internal migration of customers and alignment of counting methods in Q2 2020, the level of landline voice RGUs has increased. The migration had no impact on revenue or the result

Our position and strategy

Our competitive position

Denmark's leading telco provider with a strong diversified portfolio of brands and products and we serve almost 6 million customers across consumer and business segments. Our brands provide Danish consumers and businesses with high-speed broadband and best-in-class mobile connectivity, flexible TV & streaming propositions, and a broad suite of advanced business solutions including cybersecurity, unified communications and digital collaboration

#1

market position in DK across broadband, TV, mobile voice, B2B services

5.9m

customer relations (RGUs) in total

Consumer brands

TELMORE

Mobile
Denmark's third largest consumer mobile brand offering superior customer experience and a unique mobile & streaming proposition with Telmore Play

HIPER

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

youSee

TV, mobile and broadband
Denmark's leading triple play telecommunications and entertainment provider, with more than 1.5 million Danish households as customers

eesy

Mobile
Digital and fast-growing mobile brand offering simple, easy, value-for-money mobile connectivity on Denmark's best network

you TV

OTT TV streaming services
Flexible streaming service allowing consumers to mix their own portfolio of TV and streaming entertainment content

BLOCKBUSTER®

OTT TVOD streaming service
The preferred digital movie rental platform for movie lovers, with market leading breadth and depth of catalogue

Business brands

TDC Erhverv

Mobile, broadband & network services, security, unified communications & digital collaborating and IoT
Denmark's market leader in B2B telecommunications offering a broad portfolio of solutions

NetDesign

Advanced network, unified communications & digital collaboration and cyber security
Leading provider of advanced integrated B2B solutions

Relatel

Mobile, mobile broadband and innovative switch software
Mobile B2B brand focused on providing the SMB segment with a great product and service at fair prices

We have Denmark's strongest range of partnerships to ensure our customers get access to 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, voted as the best coverage and quality network for 7 years in a row

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

Superior entertainment portfolio

We have the best and most relevant catalogue of entertainment, through strong partnerships with both local and international content providers. This allows us to offer our customers access to a world of entertainment from both streaming services as well as broadcasters

Selection of our partners

Best-in-class business offers

Well-established business partnerships with industry leaders such as Cisco and Microsoft allows us to offer our business customers flexible best in class solutions, within areas such as cyber security, digital collaboration and unified communications

Selection of our partners

Our strategy

With the initiation of the business transformation in 2021, Nuuday has embarked on a journey to rapidly become the most digital service provider in Denmark, offering consumers and businesses the best choice and the best customer experiences. This transformation will be the centre of our strategic direction in the coming years

Focus areas in 2022 and going forward

We want to provide Danish consumers and businesses with the **best choice** by offering great products and services for each customer segment based on the latest digital technologies

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

We want to deliver the **best experience** to our customers by providing high quality product experiences, seamless customer journeys and easy support when and where our customers need it

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

We want to be the **most digital** service provider able to deliver innovative and digital solutions and products

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

Best choice

The best choice for Danish consumers and businesses
Across a strong brand portfolio with diversified value propositions, we aim to offer our customers the best choice, through all-encompassing, flexible, and innovative products using leading edge technologies

2021: Greatly expanded high-speed broadband
In 2021, we went live on several utility networks and are now providing our customers with high-speed broadband in major parts of the country. In addition, we extended our 5G footprint in collaboration with TDC Net which allows us to offer customers access to the best mobile network for the 7th consecutive year. Within entertainment, all customers now have TV2 News available, and our streaming services have been expanded with offerings such as Paramount+

Strategic focus areas 2022 and going forward

1

Deliver best in market connectivity everywhere with the ambition of offering all Danish households and companies the opportunity to get Denmark's best mobile experience and our market leading broadband products regardless of infrastructure

2

Innovate entertainment and business solutions by developing next generation entertainment offerings allowing customers to enjoy content anytime, on any device and leading-edge business solutions within security, 5G and managed networks

3

Provide great value for converged households and businesses that appreciate high quality, seamless experiences and convenience of an integrated solution from a single provider

We want all our customers to see Nuuday as the natural innovator in Denmark.
We are investing to improve our 5G proposition, expand next generation solutions such as security in TDC Erhverv and continuously improving our entertainment portfolio

– Jon James, CEO at Nuuday

With the SKI 50.48 agreement, TDC Erhverv maintained its position in the public sector as the preferred supplier of mobility services

We are happy that TDC Erhverv continues to contribute to the digitalisation of the public sector in Denmark, which is already one of the worlds most digitalised countries

– John Henriksen, Head of TDC Erhverv

Best experience

Deliver the best experiences to our customers

We want to provide Danish consumers and businesses with seamless journeys and meet them at their preferred channels. Several of our brands such as Telmore, Eesy and TDC Erhverv Enterprise already deliver customer experiences that measure with Europe's best. We are determined to ensure that this is true for all our businesses

2021: Significant progress in eliminating poor customer experiences

In 2021, we established a new CX organisation fully dedicated to delivering the best customer experiences. The new organisation has accelerated our work to eliminate pain points on customer journeys making it easier to be a customer with us. At YouSee, this has led to a 24% reduction in our call ratio since 2020. At TDC Erhverv we saw an increase in our brand NPS for our SMB segment and an all-time high brand NPS in our Enterprise segment

Strategic focus areas 2022 and going forward

1

Systematically eliminate pain points to improve customer experience; our products, services, journeys and processes should never be the reason our customers *need* to call us

2

Create smooth and seamless customer journeys that provide quality experiences across the entire customer lifecycle

3

Provide a great experience in all touchpoints by making sure customers get the same great experience in all digital touchpoints as we provide today in our physical interactions through our stores and call centres

Fibre journeys have been a significant source of frustration for customers. Improvements to the fibre journey ensure that DSL will only be switched off if the new fibre connection is verified up and running. Expected reduction: ~6,000 yearly calls

By redesigning the YouSee "Contact Us" page we have made it easier for our customers and limited their need to call us which deflects ~72,000 calls per year as customers have no need to call us anymore

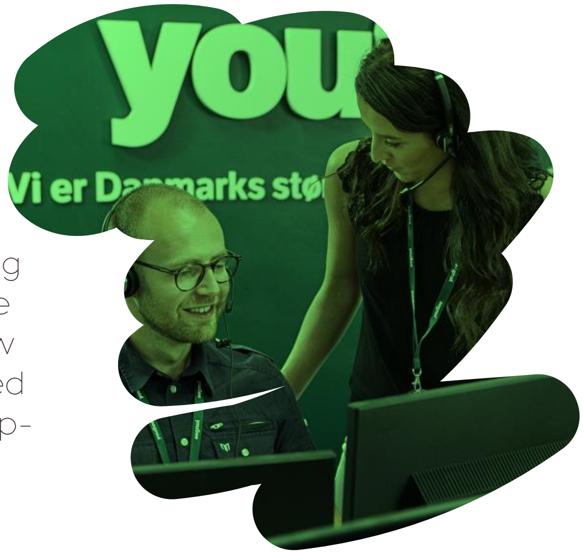
- Michael Stinner, CXO

Frontline employees leading the way

For our talented frontline employees, who are our customers' principal contact with our brands, the top priority is delivering great service and to continuously improving our customer experience

"Every week we dive into our NPS scores to learn as much as possible. It is the dynamics between us and our customers that is key for a great customer experience and the foundation for achiving our sales and save rates ambitions

- Mahmoud Honeini, Retention Agent



"We have a louder voice now when things go wrong in the frontline, due to the new organisation. We now get the help that is needed faster and we have the option of escalating cases which ultimately give the customers better experiences

- Julia Møller Jørgensen, Fiber Agent

Supporting our frontline employees is central to improving our customer service. We have initiated several initiatives, focusing on retaining our skilled employees and on their well-being. Especially in COVID-19 times, which has proved tough on many young people

"We now have a business coach at our contact centres, who provides support and guidance on career, motivation, self-confidence and well-being

- Trine Heiberg, head of YouSee call centers

"We have just launched a new Talent Programme for our retail employees, as we are doing everything we can to retain and develop our talented employees

- Puya Astanehdoost, Head of YouSee Retail

Most digital

Digital transformation through radical simplification

To be able to innovate and continuously deliver the best products and services and the best digital experiences to our customers, we are radically simplifying our business model and transforming our IT

2021: Launch of IT transformation

With our new strategy in 2021, we embarked on an ambitious transformation journey to radically simplify our business model and transform our IT. We re-organised around this mission, appointed a CXO and a CTO to drive the transformation, and established a large-scale programme organisation to deliver it. We finished designing our target state and the plans to reach it, which enabled us to enter 2022 focused on execution

Strategic focus areas 2022 and going forward

1

Simplify business model to establish a solid foundation for our transformation including simplified product portfolios, services and processes within and across brands

2

Transform IT foundation to enable a truly digital operating model that allows for rapid innovation, agility and short time-to-market

3

Digitize our customer interactions by making our digital channels the preferred touchpoints for our customers whether they are looking to buy or need help

"This is a business transformation – not just an IT transformation. We are radically simplifying our commercial offering to enable a complete transformation of our IT. This will allow us to replace a complex web of legacy systems with a state-of-the-art, modern IT stack that supports our ambition to be a best-in-class digital service provider

- Monika Gullin, CTO

Performance

Nuuday's performance

- **In 2021, our customer base has stabilised across products, with positive RGU growth in Q4 for the first time in many quarters**
- **This helped us to return to service revenue growth in H2, marking an important turning point**
- **We opened four new utility networks, enhancing Nuuday's fibre footprint in Denmark**
- **EBITDA declined by 5.8% in 2021, driven by gross profit margin pressure**
- **Capital expenditure decreased by 19.7% YoY, driven by lower investments in customer installations and lower IT investments in advance of the Nuuday IT transformation programme in 2022.**

Service Revenue

Nuuday service revenues fell year on year, but grew YoY in H2 2021, reflecting an important turning point in our transformation. This was driven by continued growth in our growth services, notably mobile and high-speed broadband.

In the mobile segment, revenue grew by 3.6%, driven by Telmore, Eesy and by TDC Erhverv.

In 2021, TDC Erhverv secured the re-tendered public sector account and will continue to provide telephony and data to 83 municipalities and several government organisations. TDC Erhverv has also supported the digitalisation of the public sector by providing access to 5G (since January 2022).

Gross profit

Gross profit continued to decline during the year, reflecting the costs of migrating customers from low margin legacy products (such as DSL) to future proof high speed products together with the impact of higher content costs.

In H2 2021, we also saw a significant increase in interconnect SMS costs due to the Danish test system transmitting more messages than in previous periods. Overall, these factors led to Nuuday's gross profit declining by 6.1% YoY.

Opex

Nuuday's operating expenses declined by 6.3%, driven primarily by personnel expenses due to reduced staffing in call centres during the COVID-19 epidemic and reductions in customer call volumes, offset by incremental investment in marketing.

EBITDA

Nuuday ended the year with an EBITDA decline of 5.8%, corresponding to DKK 113m, which was in line with expectations

Revenue (DKKm) **14,657**

Gross profit (DKKm) **4,993**

Operating expenses (DKKm) **3,170**

EBITDA (DKKm) **1,823**

Capital expenditure

In 2021, Nuuday's capital expenditure fell by 19.7%, or DKK 281m, driven partly by fewer TV set-top box replacements and improved broadband modem refurbishment. Consultancy costs and IT investments also decreased in 2021 in advance of our comprehensive IT transformation.

Loss for the year

Excluding special items, the loss for the year increased by DKK 29m to DKK 342m. This increase was driven by lower EBITDA and by higher financial expenses and tax, which were almost offset by decreased amortisation and depreciation.

Loss for the year (including special items) decreased by DKK 20m to DKK 390m driven by the gain from the divestment of Cloudeon.

Cash flow

Cash flow from operating activities rose by DKK 503m to DKK 2,146m. This increase was driven primarily by net working capital (DKK 626m)

related to adjusted intra-group payment terms following the refinancing of the group's debt. An income tax refund of DKK 142m also contributed to cash flow growth, relating to excess tax payments from 2019. This was partly offset by the COVID-19 temporary liquidity support package from the Danish State built up in 2020 and partially repaid in 2021 in the form of postponed payments of VAT and employee tax. This negatively impacted on our growth in cashflow with approximately (DKK -350m). In addition, our increased cash flow was partly offset by higher net interest paid that related mainly to a change in payment terms from 2020 to 2021 (DKK 156m) and by lower EBITDA (DKK 113m).

The DKK 378m decrease in cash outflow from investing activities to DKK 970m, was caused primarily by lower capex as well as the divestment of Cloudeon.

The net cash flows from operating and investing activities (totalling DKK 1,176m) were used primarily to reduce amounts owed to group companies (DKK 1,095m) and lease repayments (DKK 79m).

2021 guidance follow-up

EBITDA performance in 2021 was in line with guidance. We guided that EBITDA would be lower in 2021 compared to 2020, on the basis that expansion in our growth services would be accompanied by a decline in our mature services which would offset the growth even after cost savings.

The COVID-19 pandemic continued to pose challenges during 2021. Nuuday maintained continuity in all operations, with preventive measures being implemented to minimise risk and ensure stable operations. The effects of COVID-19 on Nuuday's financial performance were related mainly to reduced roaming profits. Nuuday has not received subsidies other than postponed VAT and employee tax payments via the temporary liquidity support package from the Danish State.

2022 guidance

2022 will be a year of significant investment in our customer experience and in our IT transformation, as well as continued migration of customers to fibre infrastructures. As a consequence of these factors, we expect that EBITDA will be somewhat below 2021. Due to the investments in our IT transformation, cash generation will be materially lower than 2021.

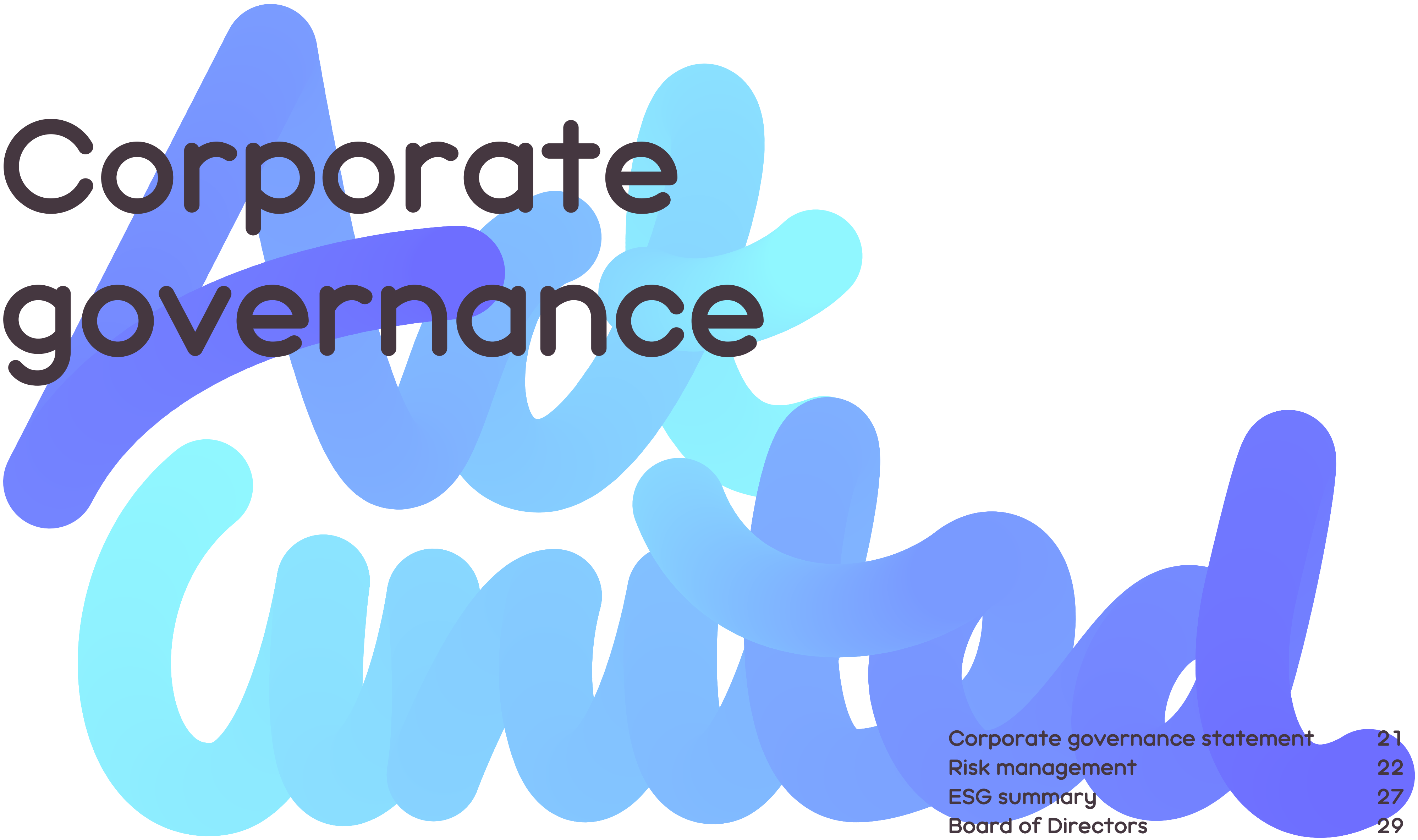
Capital expenditure
(DKKm)
1,149

Loss excl. special items
(DKKm)
342

Cash flow from operating activities
(DKKm)
2,146

Employees
(DKKm)
3,686

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 was at an Extraordinary General Meeting on 8 December 2021 strengthened with six new board members supplemented by three 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 elected 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 gender composition among the board members elected by the General Meeting on 8 December 2021 was 6:1 (83.33% male and 16.67% female) and thus the Board of Directors has set an objective that among board members elected by the General Meeting, both genders shall be represented by at least 33% by the end of 2023. The necessary effort to reach this target immediately following the approval of this annual report is in place. As the Board of Directors was strengthened with six new board members in December 2021 the Board of Directors chose not to formally evaluate its performance in 2021 but discussed how to organise its work to create maximum value for the company in 2022. The Board of Directors plans to evaluate its performance in 2022.

Board committees

In December 2021, the Board of Directors established a Compensation and Nomination Committee, an Audit Committee and a Health & Safety Committee to supervise certain fields and prepare cases to be decided on subsequently by the Board of Directors.

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

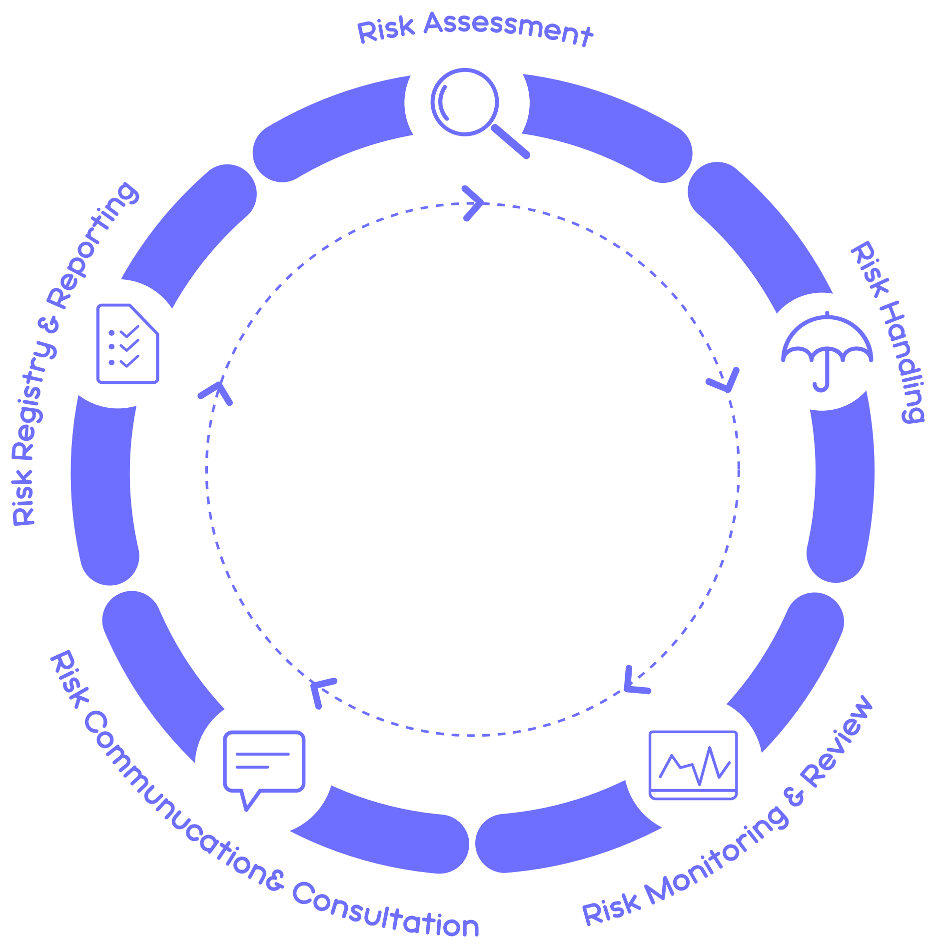
Our approach to risk management
Nuuday's risk management strategy involves addressing internal and external risks to ensure adequate short- and long-term responses. Nuuday has identified several risks that could influence the business, and strategic initiatives have been initiated to actively mitigate these risks.

Risk management is conducted in a systematic and structured manner, and Nuuday is constantly maturing its approach. The methodology and process are based on a hybrid of internationally recognised standards such as ISO, COSO, and NIST.

Nuuday has also opened a portal allowing any individual in the company to report a risk, to ensure that anyone who encounters a possible risk can flag it, with a proposed likelihood and impact score, to the entity owner. An individual responsible for a given entity is then able to conduct risk assessments, assign response tasks and mitigation efforts, and review the response to ensure the risks are within the defined risk appetite.

The risk information collected is consolidated and presented to the Nuuday executive management on a quarterly basis. Any risks that fall outside the defined appetite is 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. For each risk identified, responsibilities are assigned, and progress is monitored and evaluated.

The following pages describe some of Nuuday's principal risks. These do not encompass the entire Nuuday risk register.



Description	Potential impact	Mitigation initiatives
Commercial factors		
Nuuday faces increasing pressure in both B2C and B2C markets. Risks of new competitors taking market share or infrastructure pricing increases can affect all of Nuuday's brands. In the B2C mobile & broadband market, demand for high-speed internet is increasing and demand for landline telephony services is continuing to decline, so where Nuuday cannot provide alternatives, there is a risk of losing customers. In Telmore and YouSee, there are risks related to the rights and pricing of entertainment (music, movies, sports, television) content. Other key risks include delays in hardware delivery. inability to attract new customers, impaired customer experience and loyalty, loss of competitiveness and/or competitive leadership within the markets where Nuuday operates.	Increased competition with continuing price pressure could result in failure to execute sustainable pricing in the B2C and B2B markets. Delays in the roll-out of high-speed internet from infrastructure providers could cause issues with product delivery and affect growth ambitions. On TV, increasing price pressure from streaming providers coupled with increasing content costs – especially related to premium sports – could result in an acceleration in existing downward trends, including customers 'shaving' or 'cutting' the cord on their TV subscription.	In mobile, Nuuday will continue to strengthen its areas of differentiation, such as network quality and 5G, while offering highly competitive and attractive propositions across all consumer brands, to address the entirety of the consumer and business mobile market. In broadband, Nuuday works actively with network partners to ensure timely integration that meets the standards expected by our customers. We actively pursue a strategy of securing that our customers always have the best possible product. Supporting the migration of customers from low to high-speed infrastructure is the core of that strategy. YouSee works actively on optimising products and pricing to ensure that the traditional TV packages remain relevant for as many customers as possible. However, at the same time, we recognise that traditional TV packages will lose share to more flexible, digital entertainment solutions over time. Consequently, YouSee invests in developing attractive next-generation entertainment products to cater for the rapidly growing combi-viewer segment that values both streaming and TV channel content. Nuuday also recognises that, especially at YouSee, the greatest opportunity to mitigate product-specific threats is to actively pursue a full household strategy, securing that YouSee's customers are incentivised to and benefit from purchasing multiple services and products from YouSee.

Description	Potential impact	Mitigation initiatives
Network quality and security factors		
Risks of network breach or outage are significant to Nuuday because customers, and Danish society in general, rely on secure and high-quality networks and services. With unique national responsibilities as Denmark's leading telco, both for consumer and business, it is paramount that Nuuday continues address key risks such as cyber security attacks, particularly in light of today's enhanced threat landscape. Additionally, there can be risks stemming from human errors (e.g. leaked information), malicious activity (e.g. ransomware or state-sponsored actors), natural phenomena (e.g. floods), or system failures (e.g. hardware malfunctions). Other key risks include those presented by new technologies, legacy technologies, technical debt, vendors & outsourcing, scalability, and lifecycle management.	Cyber security threats can compromise the processing, confidentiality, integrity, availability, stability, capacity, performance, continuity and/or the resilience of the information technologies Nuuday uses. Inadequate security measures can lead to network issues and affect operations and services. The loss of confidentiality, integrity, or availability of information in Nuuday's assets could also impact customers, society, and Nuuday's reputation. Any event that fails to meet Nuuday customers' quality and security expectations can impact customer retention.	• Investing in security and operations of network infrastructure • Optimising processes and structures • Business-wide crisis management • Detailed monitoring of customer satisfaction and expectation fulfilment • Close dialogue with Danish authorities and customers to ensure data protection and confidentiality • Quality control of vendors • Focused efforts on network resilience through risk and incident management

Description	Potential impact	Mitigation initiatives
Political, legal and financial factors		
Regulatory measures, political decisions, and economic factors can affect Nuuday's business in various ways. Market regulations, regulated pricing, data regulation such as the GDPR can require adaptation for Nuuday to continue to meet its strategic objectives. Nuuday closely follows changes to regulations and legislation to ensure that increased compliance requirements are addressed. In the context of data privacy, recent changes to data processing regulations are significantly affecting the entire IT industry. Generally speaking, as data storage outside the EU has become contractually cumbersome and scrutinised, it is a less attractive option. Data integrity, security and customer privacy is of outmost importance, and Nuuday remains vigilant regarding its responsibility to protect data from loss, misuse, unauthorised disclosure or damage. Regulatory challenges remain concerning new and faster ways of working and connecting (e.g. cloud), but the age of digitalisation is leading to more complex and data-driven business models.	New government policies or decisions by authorities or courts can potentially affect Nuuday's ability to carry out its business and/or fulfil operational targets. Where decreases in sector profit occur due to regulatory changes, investment incentives may be reduced. Changes to acceptable data transfer and storage practices can have an indirect financial impact due to additional legal consulting, contractual changes, and vendor due diligence. They can also directly impact financials, as storage within the EU/EEA tends to be more expensive. Specific cases of operational and external issues have the potential to negatively impact Nuuday's public image and cause short-term detractions from the Nuuday brands. Breaches of Danish or EU legislation can potentially lead to significant fines.	• Focus on contributions to Danish society via communication campaigns about Nuuday's strategy and initiatives • Continuous and proactive dialogues with politicians, regulatory authorities, and stakeholders • Participate in industry-specific regulatory working groups • Monitor the political and legal developments in Nuuday's markets • Continue systematic vendor due diligence process to optimise the process and expediate future partnership agreements

Description	Potential impact	Mitigation initiatives
Transition and transformation factors		
A major legal and organisational change was completed in 2021 with employees from TDC Group being transferred to Nuuday or TDC Net. The next phase involves a transformation of our IT, which is directly tied to multiple ambitions across the organisation, including a goal to be truly digital. This digital transformation is key in engaging customers, increasing productivity, and guaranteeing high-quality services in the future IT landscape.	With such substantial changes to the organisational structure, there is a risk of employees leaving Nuuday due to uncertainty, general transformation fatigue or more favourable opportunities elsewhere in the market. When focusing key employee resources on building and supporting the IT transformation, day-to-day operations and smaller development tasks can be affected, including the development of new products and services.	• Pay close attention to required change management efforts to ensure Nuuday employees understand the overall direction and have confidence in the overall journey • Continue to work with the feedback from MyVoice/Bradley surveys to strengthen satisfaction, motivation, loyalty and our culture • Ensure suitable resources to allow for product changes and innovation to meet short-term business targets • Ensure targets and expectations are clear to all employees • Reinforce a culture of ongoing feedback and focus on continuous development

ESG summary

At Nuuday, we believe in running our business in a sustainable manner because we want to take responsibility for the impact we have on society. We do this by taking a strategic approach and focusing our sustainability efforts on three key areas: children's digital life, climate and environment, and responsible operations.

In 2021, we continued our journey to become one of the most sustainable telcos in the world. and we were recognised by the leading global rating platform EcoVadis as a global top 1% performer on sustainability earning a platinum rating.

We managed to make good progress on our climate and environment agenda fuelled by a new ambitious target to become carbon neutral in scope 3 by 2030. As a token of approval of our efforts we saw our CO2-targets approved by the Science Based Target initiative as 1 of only 22 Danish companies.

2021 was also a year where we expanded our collaboration with partners, not least Børns Vilkår (Children's Welfare), with whom we launched a new digital tool, "The Family Screen Check", driving a responsible approach to children's exposure to digital communication. Through the Coding Class initiative, we also saw great progress doubling the number of pupils who are exposed to coding and programming while developing solutions to real world challenges.

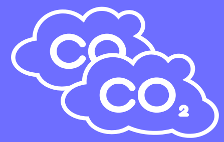
Another highlight is the adoption of a new Nuuday Diversity, Equity, Inclusion & Belonging Strategy including leadership training, and targets for gender representation in Management, while management launched a process to further develop Nuuday's emphasis on mental wellbeing among our employees.

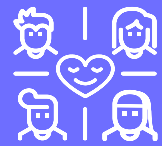
For a full account of Nuuday's activities and achievements throughout 2021 within the areas of sustainability, see Nuuday's 2021 Sustainability Report at Nuuday.com/sustainability.

Nuuday's Sustainability Report addresses the reporting requirements under sections 99, 99b and 99d of the Danish Financial Statements Act.

It also serves as Nuuday's Communication on Progress to the UN Global Compact that Nuuday is a proud member of.

Sustainability framework





Climate and environment:

Through ambitious carbon emissions reduction targets covering scopes 1, 2 and 3, we try to alleviate the negative impact our operations have on society by pursuing the goal of becoming carbon neutral.

Children's digital life:

Through partnerships and activities, we involve ourselves in the surrounding community and take a responsible approach to children's exposure to digital communication.

Responsible operations:

Through distinct programmes on a set of issues covering safety, security, diversity, procurement, and other streams, we strive to run our company in a responsible manner when dealing with suppliers, employees and stakeholders

Board of Directors

Michael Parton
Chair of the Board

Appointed (until): 2021 (2022)
Nationality: British
Year of birth: 1954
Non-independent

Board function
Member of the Compensation & Nomination Committee, Audit Committee, and Chairman of the Health & Safety Committee

Education:
Chartered Management Accountant.

Other Board positions:
Board chair: Arqiva Group Limited

Sofia Arhall Bergendorff
Vice chair

Appointed (until): 2021 (2022)
Nationality: Swedish
Year of birth: 1969
Independent

Board function
Chairman of the Compensation & Nomination Committee, and member of the Health & Safety Committee.

Education:
MBA, INSEAD.

Other Board positions:
Director of Partnerships, Northern Europe at Google
Board member: Director at BlueStep Bank.

Peter Nyegaard
Board member

Appointed (until): 2021 (2022)
Nationality: Danish
Year of birth: 1963
Independent

Board function
Chairman of the Audit Committee.

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

Other Board positions:
Senior advisor, Axcel Management A/S
Board chair: FIH Holding A/S
Board member: Danmarks Skibskredit A/S (vice chair), Moment Group A/S, Delete Group Oy, Øens A/S.

Søren Abildgaard
Board member

Appointed (until): 2021 (2022)
Nationality: Danish
Year of birth: 1968
Independent

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

Martin Bradley
Board member

Appointed (until): 2021 (2022)
Nationality: British
Year of birth: 1971
Non-independent

Education:
BSc in Financing, Loughborough University, UK.

Other Board positions:
Senior Managing Director at Macquarie Infrastructure and Real Assets: Head of European Utilities and Networks team
Board member: TDC Holding A/S, DKT Holdings ApS, DKT Finance ApS and Telekommunikation ApS.

Board of Directors

Nathan Luckey
Board member

Appointed (until): 2021 (2022)
Nationality: British
Year of birth: 1979
Non-independent

Board function
Member of the Audit Committee, the Compensation & Nomination Committee, and the Health & Safety Committee.

Education:
BSc in Engineering, and BSc, in Business, University of Technology, Australia.

Other Board positions:
Board chair: TDC Holding A/S, DKT Holdings ApS, DKT Finance ApS and Telekommunikation ApS, KCOM Group Limited
Board member: Arqiva Group Limited, Inea S.A. and Open Fiber S.p.A.

Thomas Lech Pedersen
Board member

Appointed (until): 2021 (2024)
Nationality: Danish
Year of birth: 1976

Board function
Employee elected

Education:
Human Resources, Academy Aarhus

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

Tobias Tolstrup
Board member

Appointed (until): 2021 (2024)
Nationality: Danish
Year of birth: 1985

Board function
Employee elected

Education:
AP degree in Marketing Management

Other Board positions:
Senior Customer Advisor, Nuuday

Zanne Stensballe
Board member

Appointed (until): 2021 (2024)
Nationality: Danish
Year of birth: 1969

Board function
Employee elected

Education:
Graduate diploma in Business administration (Marketing Management),
MBA, AVT Business School.

Other Board positions:
Senior Project Manager, Nuuday

Group Executive Management

Jon James
Chief Executive Officer

Year of birth:
1969

Education:
BA in Economics and History, Cambridge University.

Peter Charles
Interim Chief Financial Officer

Year of birth:
1960

Education:
BSc in Economics, Southampton University

Monica Gullin
Chief Technology Officer

Year of birth:
1968

Education:
MSc in Electrical Engineering KTH

Maj Britt Andersen
Chief Human Resources Officer

Year of birth:
1967

Education:
MSc in international Business and Modern Languages

Group Executive Management

Michael Stinner
Head of CX & Operations

Year of birth:
1974

Education:
Business and IT Professional, IHK Cologne

Christian Morgan
Head of YouSee

Year of birth:
1984

Education:
MSc in Economics and Business Administration

John Henriksen
Head of TDC Erhverv

Year of birth:
1969

Education:
IT professional

Jens Grønlund
Head of NuuBrands

Year of birth:
1984

Education:
MSc in Strategy and Organisation

Financial statements

Financial statements

Content

Notes to consolidated financial statements

Consolidated income statement

(DKKm)	Note	2021	2020
Revenue	2.1	14,657	14,756
Cost of sales	2.2	(9,664)	(9,438)
Gross profit		4,993	5,318
External expenses	2.3	(1,426)	(1,459)
Personnel expenses	2.4	(1,800)	(1,974)
Other income	2.1	56	51
Operating profit before depreciation, amortisation and special items (EBITDA)		1,823	1,936
Depreciation, amortisation and impairment losses	2.5	(1,712)	(1,890)
Special items	2.6	(124)	(123)
Operating loss (EBIT)		(13)	(77)
Financial income and expenses	4.4	(400)	(393)
Loss before income taxes		(413)	(470)
Income taxes	2.7	23	60
Loss for the year		**(390)**	**(410)**
Attributable to:			
Shareholders of Nuuday A/S		(390)	(410)
Loss for the year		**(390)**	**(410)**

Consolidated statement of comprehensive income

(DKKm)	Note	2021	2020
Loss for the year		(390)	(410)
Other comprehensive income/(loss)		-	-
Total comprehensive loss		**(390)**	**(410)**
Attributable to:			
Shareholders of Nuuday A/S		(390)	(410)
Total comprehensive loss		**(390)**	**(410)**

Consolidated balance sheet

Assets (DKKm)	Note	2021	2020
Non-current assets			
Intangible assets	3.1	12,916	13,381
Property, plant and equipment	3.2	1,140	1,226
Lease assets	3.3	378	412
Joint ventures, associates and other investments		3	51
Amounts owed by joint ventures and associates		-	8
Other receivables		13	11
Total non-current assets		**14,450**	**15,089**
Current assets			
Inventories		210	158
Trade receivables	3.4	1,046	1,117
Other receivables		10	25
Contract assets	3.5	562	489
Amounts owed by group companies		865	170
Amounts owed by joint ventures and associates		-	1
Income tax receivable	2.7	24	61
Prepaid expenses	3.6	607	559
Cash		2	-
Total current assets		**3,326**	**2,580**
Total assets		**17,776**	**17,669**

Equity and liabilities (DKKm)	Note	2021	2020
Equity			
Share capital	4.1	0	0
Retained earnings		386	776
Total equity		**386**	**776**
Non-current liabilities			
Deferred tax liabilities	2.7	1,587	1,625
Provisions	3.7	61	48
Lease liabilities	3.3	317	343
Loans from group companies	4.2,4.5	7,453	9,000
Other payables		219	212
Total non-current liabilities		**9,637**	**11,228**
Current liabilities			
Loans from group companies	4.2,4.5	1,547	-
Lease liabilities	3.3	82	83
Trade payables		1,603	1,782
Other payables		832	904
Contract liabilities	3.5	2,167	2,194
Amounts owed to group companies		1,478	670
Provisions	3.7	44	32
Total current liabilities		**7,753**	**5,665**
Total liabilities		**17,390**	**16,893**
Total equity and liabilities		**17,776**	**17,669**

Consolidated statement of cash flows

(DKKm)	Note	2021	2020
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,823	1,936
Adjustment for non-cash items		49	62
Payments related to provisions	3.7	(12)	(12)
Special items	2.6	(114)	(131)
Change in working capital	5.1	813	187
Interest received		5	-
Interest paid		(440)	(279)
Income tax paid	2.7	22	(120)
Total cash flow from operating activities		**2,146**	**1,643**
Investing activities			
Investment in enterprises		-	(4)
Investment in property, plant and equipment	3.2	(339)	(423)
Investment in intangible assets	3.1	(733)	(915)
Investment in other non-current assets		(4)	(1)
Divestment of joint ventures and associates		97	-
Sale of other non-current assets		1	1
Change in loans to joint ventures and associates		8	(6)
Total cash flow from investing activities		**(970)**	**(1,348)**

(DKKm)	Note	2021	2020
Financing activities			
Lease payments		(79)	(87)
Change in interest-bearing receivables and payables		(1,095)	(229)
Other changes in non-controlling interests		-	(7)
Total cash flow from financing activities		**(1,174)**	**(323)**
Total cash flow		**2**	**(28)**
Cash and cash equivalents at 1 January		-	26
Effect of exchange-rate changes on cash and cash equivalents		-	2
Cash and cash equivalents at 31 December		**2**	**-**

Consolidated statement of changes in equity

	Attributable to shareholders of Nuuday A/S[1]				
(DKKm)	Share capital	Retained earnings	Total	Non-controlling interests	Total
Equity at 1 January 2020	**0**	**1,190**	**1,190**	**2**	**1,192**
Loss for the year	-	(410)	(410)	-	(410)
Total comprehensive income	-	(410)	(410)	-	(410)
Decrease in non-controlling interest	-	(4)	(4)	(2)	(6)
Total transactions with shareholders	-	(4)	(4)	(2)	(6)
Equity at 31 December 2020	**0**	**776**	**776**	**-**	**776**
Loss for the year	-	(390)	(390)	-	(390)
Total comprehensive income	-	(390)	(390)	-	(390)
Total transactions with shareholders	-	-	-	-	-
Equity at 31 December 2021	**0**	**386**	**386**	**-**	**386**

[1] See also note 4.1 for an explanation of distributable reserves and dividend.

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 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) 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 subsequent 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 2020.

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 on:

Notes		Critical accounting estimates and judgements	Estimates /judgements
2.2	Revenue	Assessment of principal or agent	Judgement
		Assessment of contracts involving complex sale of goods and services	Estimate/Judgement
2.7	Special items	Assessment of special events or transactions	Judgement
3.1	Intangible assets	Assumptions for useful lives	Estimate
		Assumptions used for impairment testing	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 2021. 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 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)	2021	2020
Sales of goods recognised at a point in time	1,364	1,382
Sales of services recognised over time	13,293	13,374
Total	**14,657**	**14,756**

Revenue specified by services (DKKm)	2021	2020
Landline voice	806	934
Mobile services	4,907	4,738
Internet & network	3,474	3,613
TV	3,438	3,476
Other services	2,032	1,995
Total	**14,657**	**14,756**

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 the 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 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)	2021	2020
Mobile services	(3,331)	(3,129)
Landline voice	(422)	(437)
Internet & network	(1,681)	(1,883)
TV	(2,457)	(2,319)
Other services	(1,773)	(1,670)
Total	**(9,664)**	**(9,438)**

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)	2021	2020
Marketing and advertising	(207)	(186)
Subscriber acquisition and retention, cf. note 3.5	(163)	(141)
Properties	(110)	(121)
IT	(339)	(392)
Temps and personnel-related expenses	(59)	(62)
Other	(548)	(557)
Total	**(1,426)**	**(1,459)**

§ 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)	2021	2020
Wages and salaries (including short-term and long-term bonuses)	(2,050)	(2,229)
Pensions (defined contribution plans)	(178)	(198)
Social security	(38)	(37)
Total	**(2,266)**	**(2,464)**
Of which capitalised as non-current assets	466	490
Total personnel expenses recognised in the income statement	**(1,800)**	**(1,974)**

Remuneration for the Executive Committee[2] and the Board of Directors (DKKm)	2021	2020
Base salary (incl. benefits)	6.6	5.7
Cash bonus	3.1	2.4
Retention allowance[1]	-	2.0
Pensions	0.9	0.9
Long-term incentive programme	0.4	1.1
Management incentive programme	0.5	0.6
	11.5	12.7
Redundancy compensation	7.3	3.9
Key management in total	18.8	16.6
Fee to the Board of Directors	0.5	-
Total	**19.3**	**16.6**

[1] In addition to the retention element, the allowance is linked to reaching a number of strategic targets in the execution of the new strategy.
[2] During 2021, the remuneration to the Executive Committee (excluding redundancy compensation) comprised 2.0 members on average (2020: 2.0 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 3,749 (2020: 4,200).

Incentive programmes
See note 6.1.

2.5 | Depreciation, amortisation and impairment losses

(DKKm)	2021	2020
Amortisation of intangible assets, cf. note 3.1	(1,186)	(1,290)
Depreciation of property, plant and equipment, cf. note 3.2	(434)	(505)
Depreciation of lease assets, cf. note 3.3	(85)	(88)
Impairment losses, cf. notes 3.1 and 3.2	(16)	(23)
Of which capitalised as tangible and intangible assets	9	16
Total	**(1,712)**	**(1,890)**

2.6 | Special items

(DKKm)	2021	2020
Costs related to redundancy programmes	(103)	(119)
Other restructuring costs, etc.	(5)	-
Loss from rulings	(16)	(2)
Adjustment of purchase price re. acquisition of enterprises	-	(2)
Special items before income taxes	**(124)**	**(123)**
Income taxes related to special items	27	26
Special items related to joint ventures and associates	49	-
Total special items	**(48)**	**(97)**

Cash flow from special items (DKKm)	2021	2020
Redundancy programmes	(91)	(125)
Rulings	(15)	(1)
Other	(8)	(5)
Total	**(114)**	**(131)**

2.6 | Special items (continued)

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 also include gains and losses related to divestment of enterprises, as well as transaction costs and adjustments of purchase prices relating to the acquisition of enterprises. Special items consist of both recurring and non-recurring items.

Special items are disclosed on the face of the income statement. Items of a similar nature in joint ventures and associates are recognised in profit from joint ventures and associates.

2.7 | Income taxes

Income taxes (DKKm)	2021 Income tax income/(expense)	2021 Income tax payable/(receivable)	2021 Deferred tax liabilities/(assets)	2020 Income tax income/(expense)	2020 Income tax payable/(receivable)	2020 Deferred tax liabilities/(assets)
At 1 January	-	(61)	1,625	-	68	1,676
Income taxes for the year	34	23	(57)	48	5	(53)
Adjustment of tax for previous years	(11)	(8)	19	12	(14)	2
Income tax paid	-	22	-	-	(120)	-
Total	**23**	**(24)**	**1,587**	**60**	**(61)**	**1,625**
Shown in the balance sheet as:						
Tax payable/deferred tax liabilities		-	1,587		-	1,625
Tax receivable/deferred tax assets		(24)	-		(61)	-
Total		(24)	**1,587**		**(61)**	**1,625**
Income taxes are specified as follows:						
Income excluding special items	(4)			34		
Special items	27			26		
Total	**23**			**60**		

2.7 | Income taxes (continued)

Deferred tax (DKKm)	2021 Deferred tax assets	2021 Deferred tax liabilities	2021 Total[1]	2020
Intangible assets	-	64	64	73
Other	-	31	31	19
Current	**-**	**95**	**95**	**92**
Intangible assets	-	1,473	1,473	1,504
Property, plant and equipment	(10)	-	(10)	(6)
Lease assets and liabilities	(4)	-	(4)	(3)
Tax value of tax-loss carryforwards	(12)	-	(12)	(12)
Other	-	45	45	50
Non-current	**(26)**	**1,518**	**1,492**	**1,533**
Deferred tax at 31 December	**(26)**	**1,613**	**1,587**	**1,625**

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

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.

Effective tax rate (DKKm)	2021 DKKm	2021 %	2020 DKKm	2020 %
Danish corporate income tax rate	75	22.0	76	22.0
Limitation on the tax deductibility of interest expenses	(67)	(19.6)	(53)	(15.4)
Other non-taxable income and non-deductible expenses	(1)	(0.2)	-	-
Adjustment of tax for previous years	(11)	(3.3)	11	3.2
Effective tax excluding special items	**(4)**	**(1.1)**	**34**	**9.8**
Special items	27	6.7	26	3.0
Effective tax including special items	**23**	**5.6**	**60**	**12,8**

The decreasing effective tax rate (excluding special items) was due primarily to an increased impact of the Danish limitation on the deductibility of interest as well as increased 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 | Intangible assets

(DKKm)	2021 Goodwill	2021 Customer relationships	2021 Brands	2021 Other rights, software, etc.	2021 Total	2020 Goodwill	2020 Customer relationships	2020 Brands	2020 Other rights, software, etc.	2020 Total
Cost at 1 January	9,255	14,334	4,175	8,705	36,469	9,255	14,334	4,175	8,244	36,008
Additions	-	-	-	733	733	-	-	-	915	915
Assets disposed of or fully amortised	-	(6)	-	(768)	(774)	-	-	-	(454)	(454)
Cost at 31 December	**9,255**	**14,328**	**4,175**	**8,670**	**36,428**	**9,255**	**14,334**	**4,175**	**8,705**	**36,469**
Amortisation and impairment losses at 1 January	(3,693)	(12,448)	(119)	(6,828)	(23,088)	(3,693)	(12,065)	(115)	(6,357)	(22,230)
Amortisation	-	(341)	(4)	(841)	(1,186)	-	(383)	(4)	(903)	(1,290)
Impairment losses for the year	-	-	-	(12)	(12)	-	-	-	(22)	(22)
Assets disposed of or fully amortised	-	6	-	768	774	-	-	-	454	454
Amortisation and impairment losses at 31 December	**(3,693)**	**(12,783)**	**(123)**	**(6,913)**	**(23,512)**	**(3,693)**	**(12,448)**	**(119)**	**(6,828)**	**(23,088)**
Carrying amount at 31 December	**5,562**	**1,545**	**4,052**	**1,757**	**12,916**	**5,562**	**1,886**	**4,056**	**1,877**	**13,381**

Comments

In 2021, impairment losses of intangible assets, etc. totalled DKK 12m (2020: DKK 22m) of which DKK 5m related to the right to use assets and DKK 7m from 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 2020.

The carrying amount of software amounted to DKK 1,606m (2020: DKK 1,691m) of which DKK 13m related to software in process. The addition of internally developed software totalled DKK 445m (2020: DKK 451m).

3.1 | 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.

Impairment testing of intangible assets
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 intangible assets. The assumptions used for the impairment testing of goodwill are shown in the section Impairment testing of goodwill and intangible assets with indefinite useful lives.

3.1 | Intangible assets (continued)

Impairment testing of goodwill and intangible assets with indefinite useful lives

The carrying amount of goodwill is tested for impairment annually and if events or changes in circumstances indicate impairment. The annual tests were carried out at 1 October 2021 and at 1 October 2020, respectively.

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. We apply a negative real growth rate (1.0% perpetuity growth factor) reflecting expectations of relatively saturated markets.
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.

For the impairment testing of goodwill, Nuuday uses a pre-tax discount rate for each of the four cash-generating units. In determining the discount rate, a risk premium on the risk-free interest rate is fixed at a level reflecting Management's expectations of the spread for future financing.

The assumptions for calculating the value in use for the most significant goodwill amounts are given below.

Key assumptions for calculating the value in use for the significant[1] goodwill amounts (DKKm)	**YouSee**	**Nuubrands**	**Business**
Carrying amount of goodwill at 31 December 2021 (DKKm)	3,602	1,030	896
Carrying amount of goodwill at 31 December 2020 (DKKm)	3,006	1,626	896
Market-based growth rate applied to extrapolated projected future cash flows for the period following 2030	1.0%	1.0%	1.0%
Applied pre-tax discount rate at 1 October 2021	7.6%	7.6%	7.6%
Applied pre-tax discount rate at 1 October 2020	7.4%	7.1%	7.4%

[1] Representing 99% of the total carrying amount in 2020.

Assumptions regarding recoverable amounts and projected earnings

YouSee
Any reasonably possible changes in the key assumptions are not expected to cause the carrying amount of goodwill to exceed the recoverable value.
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 price development in the market
- A decline in mobility services gross profit from a slightly decline in customer base, but offset by ARPU stabilisation in line with general price development
- A minor declining broadband gross profit due to decreasing RGUs on particularly DSL, as customers migrate to high-speed technologies (e.g. fibre and coax). Partly offset by increasing ARPUs in the later years of the projected period driven by the customer migrations and general price development
- TV gross profit decline due to RGUs pressure from market trends. Focus on future-proof technology in TV such as "Bland selv TV", will stabilise the RGU trend in terminal period and generate higher ARPU
- Opex savings throughout the planning period driven by initiatives generated in an extensive savings programme with reductions of external Opex and personnel costs

Nuubrands
Any reasonably possible changes in the key assumptions are not expected to cause the carrying amount of goodwill to exceed the recoverable value.

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 larger customer base in Telmore, and increased footprint in the no-frills market from Eesy. This is supported by ARPU increases in line with improved product mix and general price development
- Increasing broadband gross profit driven by Hiper's increased footprint in the high-speed technology market
- Opex savings throughout the planning period driven by initiatives generated in an extensive savings programme with reductions of external Opex and personnel costs

3.1 | Intangible assets (continued)

Business
Any reasonably possible changes in the key assumptions are not expected to cause the carrying amount of goodwill to exceed the recoverable value.

Projections are based on the assumptions of a steadily declining EBITDA early in the planning period, offset by a stabilised development towards the terminal period in the long-term business plan based on the following assumptions:
- Landline voice RGU decline in line with market trend
- Stable gross profit development in mobility services throughout the planning period, driven by small increase in RGU base, offset by lower ARPU due to product mix and cost development
- Declining broadband GP in the early years of the planning period, however it will stabilise and increase towards 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 migrations
- Opex savings throughout the planning period driven by initiatives generated in an extensive savings programme with reductions of external Opex and personnel costs

§ Accounting policies

Goodwill and brands with indefinite useful lives are recognised at cost less accumulated impairment losses. The carrying amounts of goodwill and brands with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, and are subsequently written down to the recoverable amounts in the income statement if exceeded by the carrying amounts. Impairment losses-of goodwill are not reversed. For the purpose of impairment testing in the consolidated financial statement, goodwill is allocated to the Group's cash-generating units. The determination of cash-generating units is based on the internal management reporting.

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 (5% to 33%) 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 economic 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:

Brands	3-5 years
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.

Impairment tests on goodwill and other intangible assets with indefinite lives are performed at least annually and, if necessary, when events or changes in circumstances indicate that their carrying amounts may not be recoverable.

3.2 | Property, plant and equipment

(DKKm)	2021 Network infra-structure	2021 Equipment	2021 Assets under construction	2021 Total	2020 Network infra-structure	2020 Equipment	2020 Assets under construction	2020 Total
Cost at 1 January	2,471	698	58	3,227	2,369	633	47	3,049
Transfers (to)/from other items	-	-	-	-	3	2	(5)	-
Transfers from leased assets	6	-	-	6	-	-	-	-
Additions	280	42	28	350	342	81	16	439
Assets disposed of	(357)	(15)	-	(372)	(243)	(18)	-	(261)
Cost at 31 December	**2,400**	**725**	**86**	**3,211**	**2,471**	**698**	**58**	**3,227**
Depreciation and impairment losses at 1 January	(1,456)	(543)	(2)	(2,001)	(1,256)	(499)	(2)	(1,757)
Transfers from leased assets	(4)	-	-	(4)	-	-	-	-
Depreciation	(369)	(65)	-	(434)	(443)	(62)	-	(505)
Impairment losses for the year	(2)	-	(2)	(4)	-	-	-	-
Assets disposed of	357	15	-	372	243	18	-	261
Depreciation and impairment losses at 31 December	**(1,474)**	**(593)**	**(4)**	**(2,071)**	**(1,456)**	**(543)**	**(2)**	**(2,001)**
Carrying amount at 31 December	**926**	**132**	**82**	**1,140**	**1,015**	**155**	**56**	**1,226**

Cash flow (DKKm)	2021	2020
Additions, cf. table above	(350)	(439)
Non-cash additions regarding decommissioning obligations	2	-
Capitalised depreciations cf. note 2.5	9	16
Cash flow from investment in property, plant and equipment	**(339)**	**(423)**

3.2 | 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.

3.3 | Lease assets and liabilities

Lease assets (DKKm)	2021				2020			
	Land and buildings	Network infrastructure	Vehicles and equipment	Total	Land and buildings	Network infrastructure	Vehicles and equipment	Total
Carrying amount at 1 January	372	2	38	412	382	2	40	424
Additions	44	-	21	65	50	0	27	77
Transfer to property, plant and equipment	-	(2)	-	(2)	-	-	-	-
Lease reassessments	-	-	-	-	0	0	(1)	(1)
Disposals	(11)	-	(1)	(12)	0	0	0	0
Depreciation	(61)	-	(24)	(85)	(60)	0	(28)	(88)
Carrying amount at 31 December	**344**	**0**	**34**	**378**	**372**	**2**	**38**	**412**

Lease liabilities (DKKm)	2021	2020
Recognised in the balance sheet at present value:		
External lease liabilities	4	0
Lease liabilities due to group companies	395	426
Total	**399**	**426**
Of which presented as current	(82)	(83)
Total non-current	**317**	**343**
Maturing between 1 and 3 years	138	128
Maturing between 3 and 5 years	89	109
Maturing between 5 and 10 years	90	106
Total non-current	**317**	**343**

Amounts recognised in the income statement (DKKm)	2021	2020
Expense relating to short-term leases	(24)	(30)
Depreciation charge of lease assets, cf. above	(85)	(88)
Interest expense (included in financing costs)	(11)	(12)

Reconciliation of lease liabilities (DKKm)	2021	2020
Carrying amount at 1 January	426	437
Lease payments	(79)	(87)
New lease contracts	65	77
Other non-cash movements	(13)	(1)
Carrying amount at 31 December	**399**	**426**

Nuuday leases various offices, retail stores, vehicles and equipment. Rental contracts are typically made for fixed periods of 3 to 5 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.

3.3 | Lease assets and liabilities (continued)

Comments

The total cash outflow for leases in 2021 totalled DKK 90m (2020: DKK 99m). 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, and
- 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, and
- 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 3.2.

Impairment tests on lease assets are performed at least annually and, if necessary, 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.

3.4 | Trade receivables

(DKKm)	2021	2020
Trade receivables	1,213	1,298
Expected credit losses	(167)	(181)
Trade receivables, net	**1,046**	**1,117**
Expected credit losses at 1 January	(181)	(208)
Expected credit loss recognised	(35)	(55)
Realised credit losses	33	63
Reversed expected credit losses	16	19
Expected credit losses at 31 December	**(167)**	**(181)**

Comments

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

Of the receivables classified as current assets, DKK 0m falls due after more than one year (2020: DKK 5m).

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
2021						
Expected loss rate	1%	1%	4%	11%	75%	14%
Gross carrying amount	779	145	50	37	202	1,213
Expected credit losses	(7)	(2)	(2)	(4)	(152)	(167)
2020						
Expected loss rate	1%	1%	7%	30%	87%	14%
Gross carrying amount	871	148	66	27	186	1,298
Expected credit losses	(4)	(1)	(5)	(8)	(163)	(181)

§ 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.

3.5 | Contract assets and liabilities

(DKKm)	2021	2020
Assets recognised from costs to obtain a contract (SAC)	204	212
Assets recognised from costs to fulfil a contract	23	14
Assets recognised from costs to fulfil contracts with Group companies	335	263
Total contract assets	**562**	**489**
Deferred subscription income	2,150	2,149
Work in progress for the account of third parties, liabilities	17	45
Total contract liabilities	**2,167**	**2,194**

Comments

Of the deferred subscription income, DKK 38m (2020: DKK 38m) will be recognised as income after more than one year.

Revenue recognised in 2021 that was included in deferred subscription income at the beginning of the period amounted to DKK 2,102m (2020: DKK 2,206m).

Costs recognised in 2021 that were included in assets recognised from costs to obtain a contract (SAC) at the beginning of the period amounted to DKK 132m (2020: DKK 148m). Assets to fulfil a contract at the beginning of the period DKK 61m (2020 DKK 36m) was recognised as costs in 2021.

Of the assets recognised from costs to obtain a contract (SAC), DKK 82m (2020 DKK 79m) and DKK 269m (2020: DKK 212m) 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.

3.6 | Prepaid expenses

Comments

Prepaid expenses amounted to DKK 607m (2020: DKK 559m) of which DKK 280m (2020: DKK 0m) related to group companies.

3.7 | Provisions

(DKKm)	2021 Restructuring obligations	2021 Other provisions	2021 Total	2020
Provisions at 1 January	36	44	80	92
Provisions made	110	25	135	134
Provisions used (payments)	(96)	(6)	(102)	(146)
Reversal of unused provisio	-	(8)	(8)	-
Provisions at 31 December	**50**	**55**	**105**	**80**
Of which recognised through special items in the income statement	**48**	**5**	**53**	**41**
Recognised as follows in the balance sheet:				
Non-current liabilities	9	52	61	48
Current liabilities	41	3	44	32
Total	**50**	**55**	**105**	**80**

Specification of how payments regarding provisions are recognised in the statements of cash flow (DKKm)	2021	2020
Payments related to provisions	(12)	(12)
Cash flow related to special items	(90)	(128)
Payments related to investment in enterprises	-	(6)
Total	**(102)**	**(146)**

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 400,100 with a par value of DKK 1 per share (unchanged in 2021 and 2020). All issued shares are fully paid up.

During 2021, total equity decreased by DKK 390m to DKK 386m due to the loss for the year.

During 2020, total equity decreased by DKK 416m to DKK 776m due primarily to the loss for the year of DKK 410m.

The parent company statement of changes in equity specifies which reserves are available for distribution. The distributable reserves amounted to DKK (707)m at 31 December 2021 (2020: DKK (172)m). At the Annual General Meeting, the Board of Directors will not propose any dividend for the financial year 2021.

§ 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

Nuuday is financed through a shareholder loan and a Revolving Credit Facility from TDC Holding A/S. The shareholder loan comprises TDC Holding A/S' financing from the European bond market (EMTN) and the market for syndicated senior secured bank loans (Senior Facility Agreement or SFA).

The next upcoming maturity was in March 2022. Nuuday's financing is given in DKK, which limits its exchange-rate risks.

Events after the balance sheet date

In connection with the refinancing in the TDC Holding group in January 2022, the loans from TDC Holding A/S were merged into one loan of DKK 9,000m with maturity in 2025 with a floating interest

§ 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.

Reconciliation of loans (DKKm)	2021	2020
Carrying amount at 1 January	9,000	9,000
Non-cash loan from TDC Holding A/S	-	-
Repayment of loan	-	-
Carrying amount at 31. December	**9,000**	**9,000**
Recognised as follows in the balance sheet:		
Non-current liabilities	7,453	9,000
Current liabilities	1,547	-
Total	**9,000**	**9,000**

Loan from TDC Holding A/S[1]	2022	2023	2025	Total
Maturity	Mar 2022	Feb 2023	Jun 2025	
Fixed/floating rate	Fixed	Fixed	Floating	
Coupon	5%	6.47%	Margin + floored Euribor[2]	
Currency	DKK	DKK	DKK	
Nominal value (DKKm)	1,547	1,573	5,880	9,000

[1] [1] Corresponding intragroup balances have been established between the parent company and Nuuday A/S on conditions similar to the parent company's external loans, however with the exception that the intragroup loans are all in DKK.

[2] The floating 2025 loans have a Euribor floor at zero and a margin of 3.0% as of 31-12-2021.

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. Nuuday handles financial risks specific to the provision of digital customer experiences and entertainment, and is supported by the Group Treasury function in relation to identifying, monitoring and managing these risks (see also the Group Treasury's financial policies for risk management in TDC Holding group's Annual Report).

Interest-rate risks

Nuuday is exposed to interest-rate risks in the euro area. This risk emerges as the interest rate on Nuuday's shareholder loan maturing in 2025 and Revolving Credit Facility (RCF) is tied to the development in the daily European reference rate, Euribor. There is a Euribor floor of 0% on Nuuday's shareholder loan and RCF.

Exchange-rate risks

Nuuday is primarily exposed to exchange-rate risks from USD, but these are hedged by TDC's Group Treasury function. These risks relate to payables from equipment and handset suppliers as well as content providers.

Nuuday has no exchange-rate risk from its shareholder loan or RCF that are issued in DKK.

Credit risks

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

Liquidity risks

Nuuday has limited short-term refinancing risk. The next debt maturity is in March 2022 where TDC Holding A/S' 2022 EMTN loan matures. This loan comprises DKK 1,547m of Nuuday's shareholder loan. Nuuday's committed Revolving Credit Facility provided by TDC Holding A/S totalled DKK 2,000m on 31 December 2021.

Undrawn credit lines

At year-end 2021, Nuuday had undrawn committed credit lines totalling DKK 2,000m.

Credit rating

Nuuday belongs to TDC Group, which is rated by three international rating agencies: S&P's, Moody's and Fitch. Nuuday is not rated separately by any of these three agencies.

4.4 | Financial income and expenses

(DKKm)	2021	2020
Interest income	6	9
Interest expenses	(449)	(405)
Net interest	**(443)**	**(396)**
Specified as follows:		
Loans from TDC Holding A/S	(355)	(354)
Lease liability	(11)	(12)
Other	(77)	(30)
Currency translation adjustments	(6)	5
Interest and currency translation adjustments	**(449)**	**(391)**
Profit/(loss) from joint ventures and associates	49	(2)
Total	**(400)**	**(393)**

4.5 | Maturity profiles of financial instruments

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.

Nuuday generally accepts that vendors sell off to a third party their receivables arising from the sales to Nuuday. Nuuday has established a supply chain financing programme where vendors can sell off their receivables from Nuuday on attractive terms, but at the bank's sole discretion. Nuuday is not directly or indirectly a party to these agreements. At 31 December, Nuuday is aware of approximately DKK 53m of trade payables that are part of such agreements.

2021

Maturity profiles of expected cash flows[1] (DKKm)	< 1 year	1-3 years	3-5 years	> 5 years	Total	Fair value	Carrying amount
Financial liabilities measured at amortised cost							
Loan from TDC Holding A/S	(1,547)	(1,573)	(5,880)	-	(9,000)	(9,000)	(9,000)
Loan from TDC Holding A/S, interest[2]	(355)	(455)	(176)	-	(986)	(231)	(231)
Lease liability	(83)	(147)	(99)	(109)	(438)	(399)	(399)
Amounts owed to group companies	(1,247)	-	-	-	(1,247)	(1,247)	(1,247)
Trade and other payables[3]	(975)	-	-	-	(975)	(975)	(975)
Total 2021	**(4,207)**	**(2,175)**	**(6,155)**	**(109)**	**(12,646)**	**(11,852)**	**(11,852)**

[1] All cash flows are undiscounted. The table reflects only the cash flow from financial liabilities.
[2] Fair value and carrying amount value consist of accrued interest on loan from TDC Holding A/S at 31 December 2021.
[3] 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.

2020

Maturity profiles of expected cash flows[1] (DKKm)	< 1 year	1-3 years	3-5 years	> 5 years	Total	Fair value	Carrying amount
Financial liabilities measured at amortised cost							
Loan from TDC Holding A/S	-	(3,120)	(5,880)	-	(9,000)	(9,000)	(9,000)
Loan from TDC Holding A/S, interest[2]	(356)	(634)	(353)	-	(1,343)	(230)	(230)
Lease liability	(83)	(135)	(123)	(130)	(471)	(426)	(426)
Amounts owed to group companies	(440)	-	-	-	(440)	(440)	(440)
Trade and other payables[3]	(902)	-	-	-	(902)	(902)	(902)
Total 2020	**(1,781)**	**(3,889)**	**(6,356)**	**(130)**	**(12,156)**	**(10,998)**	**(10,998)**

[1] All cash flows are undiscounted. The table reflects only the cash flow from financial liabilities.
[2] Fair value and carrying amount value consist of accrued interest on loan from TDC Holding A/S at 31 December 2020.
[3] 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 3.1 Intangible assets, note 3.2 Property, plant and equipment, note 3.7 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

§ Accounting policies

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.

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.

5.1 | Change in working capital

(DKKm)	2021	2020
Change in inventories	(52)	34
Change in receivables	199	1,144
Change in contract assets	(73)	(90)
Change in trade payables	914	(825)
Change in contract liabilities	(27)	(90)
Change in prepaid expenses	(53)	(60)
Change in other items, net	(95)	74
Total	**813**	**187**

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 managers.

Short-term incentive programmes (STI)
The short-term bonus programmes are closely linked to our strategy. The performance measures are focused on EBITDA, dividend capacity and Net Promoter Score.

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

The bonus percentage for members of the Executive Committee is usually 25-50%. For other managers, the bonus percentage varies within a range of 10%-33%. 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 3-year vesting period, as the goals are principally set for a 3-year period. The objectives are EBITDA, cash flow, fibre connection performance, dividend capacity and Net Promoter Score. The expenses are recognised over the 3-year 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%-36%. 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 14 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 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 the expected range of payouts are at 2x-4x the participants' deposit. The

Nuuday participants' total deposits amount to DKK 14m and the expenses for 2021 relating to the programme amounted to DKK 2m (2020: DKK 2m). At 31 December 2021 the total liabilities related to the management incentive programme amounted to DKK 18m.

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)	2021	2020
TDC Holding A/S		
Income	26	26
Expenses, lease payments and capital expenditures	(757)	(755)
Receivables	865	59
Payables	(813)	(1,052)
Loans	(9,000)	(9,000)
Joint ventures and associates		
Income	1	1
Receivables	-	9
Other related parties		
Income	90	70
Expenses and capital expenditures	(5,389)	(5,592)
Receivables	280	111
Payables	(1,059)	(24)

6.3 | Fees to auditors

Fees to auditors elected by the Annual General Meeting (DKKm)	2021	2020
Deloitte 2021 / PricewaterhouseCoopers 2020		
Statutory audit	**2**	**2**
Other assurance engagements	-	-
Tax advisory services	-	-
Other services	1	-
Total non-statutory audit services	**1**	**-**
Total	**3**	**2**

6.4 | Other financial commitments

(DKKm)	2021	2020
Lease commitments for short-term and low-value leases		
Short-term leases	10	11
Leases of low-value assets	-	-
Total	**10**	**11**
Capital and purchase commitments		
Commitments related to infrastructure, IT and administrative services from group companies	16,452	18,331
Commitments related to outsourcing agreements	9	7
Other purchase commitments	1,356	1,117

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 3.3.

6.5 | Pledges and contingencies

Pledges
Receivables from group companies with a carrying amount of DKK 865m and cash with a carrying amount of DKK 2m are pledged as security for the parent company TDC Holding A/S's 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 jointly registered for Danish VAT with the parent company TDC Holding A/S and the majority of its Danish subsidiaries and is jointly and severally liable for payment of VAT.

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

In connection with the refinancing in the TDC Holding group in January 2022, the loans from TDC Holding A/S were merged into one loan of DKK 9,000m with maturity in 2025 with a floating interest rate (Margin + floored Euribor). In addition, the Revolving Credit Facility (RCF) of DKK 2,000m provided by TDC Holding A/S was replaced by a RCF of EUR 200m provided by external banks.

There have been no other events that materially affect the assessment of this Annual Report 2021 after the balance sheet date and up to today.

6.7 | Overview of group companies at 31 December 2021

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	2021	2020
Revenue	2.1	14,488	14,608
Cost of goods sold		(9,549)	(9,336)
External expenses		(1,499)	(1,613)
Personnel expenses	2.2	(1,676)	(1,783)
Other income		58	57
Operating profit before depreciation, amortisation and special items (EBITDA)		1,822	1,933
Depreciation, amortisation and impairment losses		(1,687)	(1,867)
Special items	2.3	(127)	(123)
Operating profit/(loss) (EBIT)		8	(57)
Loss from subsidiaries	3.4	(21)	(18)
Profit/(loss) from joint ventures and associates		-	(3)
Financial income and expenses	4.3	(397)	(389)
Loss before income taxes		(410)	(467)
Income taxes	2.4	20	57
Loss for the year		**(390)**	**(410)**

Parent company statement of comprehensive income

(DKKm)	Note	2021	2020
Loss for the year		(390)	(410)
Other comprehensive income		-	-
Total comprehensive Loss		**(390)**	**(410)**

Parent company balance sheet

Assets (DKKm)	Note	2021	2020
Non-current assets			
Intangible assets	3.1	12,420	12,872
Property, plant and equipment	3.2	1,125	1,215
Lease assets	3.3	373	410
Investments in subsidiaries	3.4	678	679
Investments in associates and joint ventures		3	51
Amounts owed by associates and joint ventures		-	8
Other receivables		13	12
Total non-current assets		**14,612**	**15,247**
Current assets			
Inventories		209	157
Trade receivables	3.5	1,044	1,114
Contract assets	3.6	529	459
Receivables from group companies		660	96
Amounts owed by associates and joint ventures		-	1
Other receivables		9	24
Income tax receivables	2.4	21	58
Prepaid expenses		607	559
Cash		2	-
Total current assets		**3,081**	**2,468**
Total assets		**17,693**	**17,715**

Equity and liabilities (DKKm)	Note	2021	2020
Equity			
Share capital	4.1	0	0
Other reserves		1,093	948
Retained earnings		(707)	(172)
Total equity		**386**	**776**
Non-current liabilities			
Deferred tax liabilities	2.4	1,586	1,624
Provisions		61	44
Loans	4.2	7,453	9,000
Lease liabilities	3.3	314	343
Other payables		205	198
Total non-current liabilities		**9,619**	**11,209**
Current liabilities			
Lease liabilities	3.3	81	82
Trade payables		1,703	1,885
Contract liabilities	3.6	2,150	2,180
Payables to group companies		3,021	799
Other payables		689	754
Provisions		44	30
Total current liabilities		**7,688**	**5,730**
Total liabilities		**17,307**	**16,939**
Total equity and liabilities		**17,693**	**17,715**

Parent company statement of cash flows

(DKKm)	Note	2021	2020
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,822	1,933
Adjustment for non-cash items		48	53
Payments related to provisions		(12)	(12)
Special items		(111)	(127)
Change in working capital	5.1	621	180
Interest received		5	-
Interest paid		(436)	(276)
Income tax paid	2.4	19	(119)
Total cash flow from operating activities		**1,956**	**1,632**
Investing activities			
Investment in subsidiaries	3.4	(20)	-
Investment in property, plant and equipment		(328)	(413)
Investment in intangible assets		(727)	(908)
Investment in other non-current assets		(4)	(28)
Divestment of joint ventures and associates		97	-
Sale of other non-current assets		1	1
Change in loans to subsidiaries, joint ventures and associates		8	(6)
Total cash flow from investing activities		**(973)**	**(1,354)**

(DKKm)	Note	2021	2020
Financing activities			
Lease payments		(79)	(82)
Change in interest-bearing receivables and payables		(902)	(222)
Total cash flow from financing activities		**(981)**	**(304)**
Total cash flow		**2**	**(26)**
Cash and cash equivalents at 1 January		-	26
Cash and cash equivalents at 31 December		**2**	**-**

Parent company statement of changes in equity

(DKKm)	Share capital	Reserve for capitalised development projects	Retained earnings	Total
Equity at 1 January 2020	0	629	561	1,190
Loss for the year	-	319	(729)	(410)
Total comprehensive income/(loss)	0	319	(729)	(410)
Decrease in non-controlling interest	-	-	(4)	(4)
Total transactions with owners	-	-	(4)	(4)
Equity at 31 December 2020	**0**	**948**	**(172)**	**776**
Loss for the year	-	145	(535)	(390)
Total comprehensive income/(loss)	-	145	(535)	(390)
Total transactions with owners	-	-	-	-
Equity at 31 December 2021	**0**	**1,093**	**(707)**	**386**

Notes to parent company financial statements

1.1 | Accounting policies

The Financial statements 2021 of the parent company have been prepared in accordance with the International Financial Reporting Standards (IFRS) 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 com-pared with the policies applied in the Annual Report 2020.

Merger of Nuuday and five subsidiaries

In 2020, Nuuday A/S merged with Secu A/S, TDC Mobil Center A/S, TDC Erhvervscenter TS Kommunikation ApS, TDC Erhvervscenter Holbæk ApS and Mobilcenter Bagsværd A/S using the book-value method. The comparative figures have been restated.

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)	2021	2020
Sales of goods recognised at a point in time	1,364	1,382
Sales of services recognised over time	13,124	13,226
Total	**14,488**	**14,608**

Revenue specified by services (DKKm)	2021	2020
Landline voice	806	934
Mobility services	4,908	4,738
Internet & network	3,298	3,465
TV	3,438	3,476
Other services	2,038	1,995
Total	**14,488**	**14,608**

2.2 | Personnel expenses

(DKKm)	2021	2020
Wages and salaries (including short-term and long-term bonus)	(1,926)	(2,039)
Pensions	(175)	(195)
Social security	(36)	(33)
Total	**(2,137)**	**(2,267)**
Of which capitalised as non-current assets	461	484
Total	**(1,676)**	**(1,783)**
Average number of full-time employee equivalents[1]	3,431	3,736

[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)	2021	2020
Costs related to redundancy programmes	(103)	(119)
Other restructuring costs, etc.	(8)	-
Loss from rulings	(16)	(2)
Adjustment of purchase price re. acquisition of enterprises	-	(2)
Special items before income taxes	**(127)**	**(123)**
Income taxes related to special items	27	26
Special items related to joint ventures and associates	49	-
Total special items	**(51)**	**(97)**

2.4 | Income taxes

(DKKm)	2021 Income tax income/ (expense)	2021 Income tax payable/ (receivable)	2021 Deferred tax liabilities/ (assets)	2020 Income tax income/ (expense)	2020 Income tax payable/ (receivable)	2020 Deferred tax liabilities/ (assets)
At 1 January	-	(58)	1,624	-	68	1,674
Income taxes	29	24	(53)	45	6	(51)
Adjustment of tax for previous years	(9)	(6)	15	12	(13)	1
Tax paid	-	19	-	-	(119)	-
Total	**20**	**(21)**	**1,586**	**57**	**(58)**	**1,624**
Income taxes are specified as follows:						
Income excluding special items	(7)			31		
Special items	27			26		
Total	**20**			**57**		

Effective tax rate (%)	2021	2020
Danish corporate income tax rate	22.0	22.0
Profit from subsidiaries, joint ventures and associates	(1.5)	(1.5)
Adjustment of tax for previous years	(2.6)	3.6
Limitation on the tax deductibility of interest expenses	(19.8)	(15.4)
Other non-taxable income and non-tax-deductible expenses	(0.1)	-
Effective tax rate excluding special items	**(2.0)**	**8.7**
Special items	6.9	3.0
Effective tax rate including special items	**4.9**	**11.7**

Deferred tax (DKKm)	2021	2020
Intangible assets	64	73
Other	31	19
Current	**95**	**92**
Intangible assets	1,454	1,480
Property, plant and equipment	(5)	3
Lease assets and liabilities	(4)	(3)
Other	46	52
Non-current	**1,491**	**1,532**
Deferred tax at 31 December	**1,586**	**1,624**

3.1 | Intangible assets

	2021					2020				
(DKKm)	Goodwill	Customer relationships	Brands	Other rights, software, etc.	Total	Goodwill	Customer relationships	Brands	Other rights, software, etc.	Total
Cost at 1 January	8,815	14,351	4,162	8,683	36,011	8,815	14,351	4,162	8,229	35,557
Additions	-	-	-	727	727	-	-	-	908	908
Assets disposed of or fully amortised	-	(6)	-	(768)	(774)	-	-	-	(454)	(454)
Cost at 31 December	**8,815**	**14,345**	**4,162**	**8,642**	**35,964**	**8,815**	**14,351**	**4,162**	**8,683**	**36,011**
Amortisation and impairment losses at 1 January	(3,693)	(12,515)	(110)	(6,821)	(23,139)	(3,693)	(12,141)	(110)	(6,354)	(22,298)
Amortisation	-	(331)	-	(836)	(1,167)	-	(374)	-	(898)	(1,272)
Impairment losses for the year	-	-	-	(12)	(12)	-	-	-	(23)	(23)
Assets disposed of or fully amortised	-	6	-	768	774	-	-	-	454	454
Amortisation and impairment losses at 31 December	**(3,693)**	**(12,840)**	**(110)**	**(6,901)**	**(23,544)**	**(3,693)**	**(12,515)**	**(110)**	**(6,821)**	**(23,139)**
Carrying amount at 31 December	**5,122**	**1,505**	**4,052**	**1,741**	**12,420**	**5,122**	**1,836**	**4,052**	**1,862**	**12,872**

3.2 | Property, plant and equipment

	2021				2020			
	Network infra-structure	Equipment	Assets under construction	Total	Network infra-structure	Equipment	Assets under construction	Total
Cost at 1 January	2,454	695	58	3,207	2,361	629	47	3,037
Transfers (to)/from other items	-	-	-	-	3	2	(5)	-
Additions	276	42	23	341	333	80	16	429
Assets disposed of	(357)	(13)	-	(370)	(243)	(16)	-	(259)
Cost at 31 December	**2,373**	**724**	**81**	**3,178**	**2,454**	**695**	**58**	**3,207**
Depreciation and impairment losses at 1 January	(1,449)	(541)	(2)	(1,992)	(1,253)	(496)	(2)	(1,751)
Depreciation	(362)	(65)	-	(427)	(439)	(61)	-	(500)
Impairment losses for the year	(2)	-	(2)	(4)	-	-	-	-
Assets disposed of	357	13	-	370	243	16	-	259
Depreciation and impairment losses at 31 December	**(1,456)**	**(593)**	**(4)**	**(2,053)**	**(1,449)**	**(541)**	**(2)**	**(1,992)**
Carrying amount at 31 December	**917**	**131**	**77**	**1,125**	**1,005**	**154**	**56**	**1,215**

3.3 | Lease assets and liabilities

Lease assets (DKKm)	2021 Land and buildings	2021 Vehicles and equipment	2021 Total	2020 Land and buildings	2020 Vehicles and equipment	2020 Total
Carrying amount at 1 January	372	38	410	382	40	422
Additions	39	21	60	50	27	77
Lease reassessments	-	-	-	-	(1)	(1)
Disposals	(11)	(1)	(12)	-	-	-
Depreciation	(61)	(24)	(85)	(60)	(28)	(88)
Carrying amount at 31 December	**339**	**34**	**373**	**372**	**38**	**410**

Lease liabilities (DKKm)	2021	2020
Recognised in the balance sheet at present value:		
Current	81	82
Non-current	314	343
Total	**395**	**425**
Maturing within 1 year	81	82
Maturing between 1 and 3 years	136	128
Maturing between 3 and 5 years	88	109
Maturing after 5 years	90	106
Total	**395**	**425**

Amounts recognised in the statement of profit and loss (DKKm)	2021	2020
Expense relating to short term leases	(24)	(30)
Depreciation charge of lease assets, cf. above	(85)	(88)
Interest expense (included in financing cost)	(11)	(12)

The total cash outflow for leases in 2021 was DKK 90m (2020: DKK 94m), of which, DKK 11m (2020: DKK 12m) related to interest payments on lease liabilities.

3.4 | Investments in subsidiaries

(DKKm)	2021	2020
Cost at 1 January	732	712
Additions	20	20
Cost at 31 December	**752**	**732**
Value adjustments at 1 January	(53)	(35)
Share of profit/(loss)	(21)	(18)
Value adjustments at 31 December	**(74)**	**(53)**
Carrying amount at 31 December	**678**	**679**

Overview of subsidiaries at 31 December 2021

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)	2021	2020
Trade receivables	1,207	1,293
Expected credit losses	(163)	(179)
Trade receivables, net	**1,044**	**1,114**
Expected credit losses at 1 January	(179)	(206)
Expected credit losses recognised	(34)	(55)
Realised credit losses	33	63
Reversed expected credit losses	17	19
Expected credit losses at 31 December	**(163)**	**(179)**

3.6 | Contract assets and liabilities

(DKKm)	2021	2020
Assets recognised from costs to obtain a contract (SAC)	197	208
Assets recognised from costs to fulfil a contract	18	5
Assets recognised from costs to fulfil an internal contract	314	246
Total contract assets	**529**	**459**
Deferred subscription income	2,133	2,135
Work in progress for the account of third parties, liabilities	17	45
Total contract liabilities	**2,150**	**2,180**

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
2021						
Expected loss rate	1%	1%	4%	11%	75%	14%
Gross carrying amount	778	144	50	37	198	1,207
Expected credit losses	(7)	(2)	(2)	(3)	(149)	(163)
2020						
Expected loss rate	1%	1%	7%	29%	87%	14%
Gross carrying amount	870	148	65	26	184	1,293
Expected credit losses	(4)	(1)	(5)	(8)	(161)	(179)

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)	2021	2020
Interest income from group companies	-	-
Other interest income	5	-
Interest expenses to group companies	(391)	(365)
Other Interest expenses	(54)	(29)
Net interest	**(440)**	**(394)**
Currency translation adjustments	(6)	5
Interest and currency translation adjustments	**(446)**	**(389)**
Profit/(loss) from joint ventures and associates	49	-
Total	**(397)**	**(389)**

5.1 | Change in working capital

(DKKm)	2021	2020
Change in inventories	(55)	36
Change in receivables	166	1,198
Change in contract assets	(69)	(90)
Change in trade payables	743	(874)
Change in contract liabilities	(29)	(93)
Change in prepaid expenses	(54)	(59)
Change in other items, net	(81)	62
Total	**621**	**180**

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)	2021	2020
Income	9	16
Expenses	(108)	(191)
Receivables	17	1
Debt	(7)	(179)

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 TDC Holding A/S and of the ultimate parent company DKT Holdings ApS. The consolidated financial statements can be downloaded from *tdcgroup.com/en/investor-relations.*

6.2 | Fees to auditors elected by the Annual General Meeting

(DKKm)	2021	2020
Deloitte 2021 / PricewaterhouseCoopers 2020		
Statutory audit	**2**	**2**
Other assurance engagements	-	-
Tax advisory services	-	-
Other services	1	-
Total non-statutory audit services	**1**	**-**
Total	**3**	**2**

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 2m (2020: DKK 0m) and receivables from group enterprises with a carrying amount of DKK 660m (2020: DKK 96m) are pledged as security for the parent company TDC Holding A/S's long-term loans.

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

Nuuday A/S is jointly registered for Danish VAT with the parent company TDC Holding A/S and the majority of its Danish subsidiaries and is jointly and severally liable for payment of VAT.

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.

Supplementary information

Management statement

Today, the Board of Directors and the Executive Committee considered and approved the annual report of Nuuday A/S for 2021.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) 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 2021 of the Group and the parent company and of the results of the Group and parent company operations and cash flows for 2021.

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, 28 April 2022

Executive Committee

Jonathan Glyn James
Chief Executive Officer

Board of Directors

Michael Parton
Chairman

Anna Sofia Arhall Bergendorff

Martin Bradley

Nathan Andrew Luckey

Peter Nyegaard

Søren Abildgaard Jacobsen

Zanne Merethe Stensballe

Tobias Tolstrup

Thomas Lech Pedersen

Independent auditor's report

To the shareholder of Nuuday A/S

Our opinion

We have audited the consolidated financial statements and the parent financial statements of Nuuday A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting 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 31.12.2021, and of the results of their operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting 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 management commentary provides the information required under the Danish Financial Statements Act.

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 requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the 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 International Financial Reporting 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 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 judgment and maintain professional skepticism 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, 28 April 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33963556

Lars Siggard 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.