Nuuday
Annual Report
2022

nuuday

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In brief

The Essentials

Nuuday at a glance

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

3,515
Employees excl. transformation FTEs

5.8m
Customer relations (RGUs) at Nuuday

Our customer relations

1.8m
Business, incl. mobile partners

4.1m
Consumer

Revenue (DKKbn)	14.7
EBITDA* (DKKbn)	1.8
CAPEX* **(DKKbn)**	1.1

Our brands

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

* Underlying EBITDA/ CAPEX, excl. transformation costs

Letter from the CEO

Delivering the new Nuuday

The Nuuday team looks back on 2022 with substantial pride as a year when we rapidly accelerated our transformation.

On arriving in June 2021, I set out the ambition to fundamentally transform Nuuday into a best-in-class telco on a par with key European peers. Specifically, we want to be the preferred provider for Danish consumers and businesses, delivering the best customer experiences and in the most digital way. In 2022, we took the first major steps to deliver on that promise, as we laid the foundations for the new Nuuday.

Technology – a new modern IT stack
We have begun replacing our legacy technology systems, some of which are up to 40 years old and no longer suitable for the modern telco market. Not only have they contributed to an excessive cost base, but they have also inhibited our ability to design the very best customer experiences and shift our interactions with our customers to the digital world.

After a rigorous RFP process, in June we signed a contract with Netcracker to replace our complex legacy systems with a new modern IT stack. Our strategy is radical; to replace our entire BSS and OSS stacks with a 'best of suite' (i.e. an end-to-end) 'greenfield' cloud-based IT stack. Given the age of our existing systems, we rejected the more typical telco IT transformation – 'best of breed' – which replaces certain components and had been tried multiple times at TDC without success.

Our chosen approach will accelerate implementation, provide easy access to product development shared with major telcos worldwide, and radically lower costs inside and outside IT while considerably enhancing the stability and security of our technology.

Together with Netcracker, we have made excellent progress. We will launch in H2 2023 with our consumer business, and we have already successfully completed the key work for phase 1 in accordance with our timelines by the end of 2022. This includes simplifying our product portfolio and completing the blueprinting and design phases.

Improving our customer experience
In advance of the new technology platform, we have made very significant progress in transforming the

Letter from the CEO

performance of the Nuuday business – both concerning sales but critically also in raising the quality of our customer experience, which is central to the promise we made after my arrival in mid-2021.

Material improvements in our customer experience followed in 2022, thanks to a wide-ranging programme of improvements across our processes, online resources, customer journeys and work on stabilising and streamlining our legacy technology stack.

For example:

- The overall volume of customer calls to YouSee fell by 11% in 2022, once again reflecting improvements in the design of our customer journeys.
- Introducing the Genesys call handling – or CXM – platform during 2022 across our key businesses led to a material improvement in our ability to handle call traffic efficiently, in line with customer expectations.
- We dramatically improved the precision of fibre delivery – the percentage of customers who received their fibre installation on the date originally promised – from a 'worst in class' 20% at the beginning of 2022 to a respectable 70% by the end of the year. In parallel, we also halved our average delivery time thanks to improved cooperation with our network operator partners.
- Overall, our brand Net Promoter Score (bNPS) improved across all the Nuuday brands by 6 points during the year, including a rise of more than 15 points for YouSee – our leading consumer brand.

Meanwhile, we have been investing steadily to improve the quality and value propositions offered by our product portfolio to match the best that European telco peers can offer.

YouSee launched YouSee Play – our new TV & streaming offering that allows customers to combine traditional flow TV channels with streaming services at affordable price points – and, for the first time, customers can opt not to have a set-top box. We have been pleased by the consumer response to YouSee Play, which has helped generate a sales uplift of 40%, and by the positive reaction of housing associations to the product. This integration of streaming allowed us to merge YouTV – our previous OTT TV offering – into YouSee's overall entertainment proposition at the end of 2022.

TDC Erhverv also invested significantly in reshaping its proposition, by improving and repositioning its offerings for the SMB segment during Q3. We also invested materially to strengthen our security solutions, including our 24/7 Security Operations Center, which has resulted in a significant influx of new customers who prioritise security – especially given the higher risks facing Danish public and private organisations from early 2022 onwards.

Accelerating our business transformation programme

In 2022, we saw a shift in pace and direction from the business, as we aim to upgrade from a 'legacy' telecoms provider with poor systems and customer experiences into a 'best in class' digital service provider on a par with the best in Europe.

None of this would be possible without high levels of motivation and enthusiasm for the change among our colleagues. This is an area we have invested in heavily, and I am delighted with the extent to which our Nuuday colleagues have embraced both the need for the transformation and our strategy for delivering it.

As a result, we saw significant gains in job satisfaction over 2022, with our internal eNPS and eSAT scores jumping 7 points and 2 points, respectively – Nuuday now outperforms the average achieved by larger Danish businesses and is on a par with the highest performers in key categories. Excitement about being part of the largest transformation in Danish telecoms history is a key motivator for the wider business – as it is for me and my management team.

This enthusiasm is also reflected in the efforts we have made to support a genuine transformation among our people. As part of accelerating the shift from a legacy to a digital challenger mindset, we have developed an important and challenging training programme to enhance the 'cognitive diversity' of our population and embrace approaches that differ from those they might have chosen historically. This has been an important element of our successful transformation during 2022.

We also continued to make steady progress with our sustainability agenda. Our strategy includes a focus on online education for children and improving the sustainability of our product offerings, while ensuring we secure our Ecovadis platinum rating – among the global top 1% of companies for corporate sustainability performance.

Our work on transforming our products, customer experience, technology and work practices is steadily improving our financial performance and is central for our long-term financial ambitions.

In 2022, Nuuday performed in line with its financial guidance. Service revenue grew slightly by 0.5% YoY, as growth in mobile services and high-speed broadband, driven by both customer growth and price adjustments, offset the decline in legacy services such as PSTN and TV. Gross profit declined by 2.9% YoY, to DKK 4.847bn, due to increasing energy prices, increasing costs from switching to fibre, and increasing third-party content costs.

With Nuuday entering the next stages of its transformation programme, we began reporting transformation costs[1] separately from Q2. For the full year, underlying EBITDA (excl. transformation

Letter from the CEO

costs) dropped by 3.1% but we experienced a positive trend through the year as our customer base stabilised and we began to realise efficiency gains; Q4 EBITDA grew by 14.3% compared with EBITDA in Q4 2021.

From a broader perspective, we collaborated with network operators and regulators to ensure that the Danish telecoms landscape, particularly in fixed services, operates with consumers' interests in mind.

The evolution of the Danish market has created a patchwork of multiple infrastructure operators, in many cases effective monopolies, but with a light touch approach to regulation of quality, and multiple different technical approaches. Particularly in a market of Denmark's scale, this causes undue complexity, higher costs and weaker incentives to innovate, which ultimately impacts Danish consumers and businesses. We are working to encourage a shift to a more 'European' model that allows service providers such as Nuuday to create low-cost, standard offerings across Denmark while also incentivising innovation – notably in the B2B market.

2023 outlook

2023 will be a crucial year for Nuuday's transformation as we launch our consumer business on the Netcracker platform, starting with our mobile business in Q3 2023. Together with our highly dedicated and talented employees, I enter 2023 full of confidence that we will maintain our strong transformation pace from 2022 and will take important steps in 2023 towards delivering the new Nuuday.

Jon James
CEO of Nuuday

[1] Transformation costs exclusively comprise costs that will cease on completion of the transformation, and that are directly related to Nuuday's comprehensive business transformation, e.g. direct IT costs, external expenses and personnel costs for resources working on the transformation, as well as extra costs from running parallel systems during the transformation. Transformation costs are fully funded, i.e. costs related to Nuuday's transformation are covered by Nuuday's current cash balance.

Key highlights of 2022

Strengthened entertainment universe

We added SkyShowtime, Disney+ and more streaming services to Telmore Play and YouSee, making us the only provider of all streaming channels under one roof

Live on all major utility networks

YouSee, TDC Erhverv and Hiper continued to launch broadband and TV offerings on new utility fibre networks, notably the Energi Fyn, Fibia and Thy-Mors fibre networks. Nuuday now has a truly nationwide fibre footprint

Partnered with Netcracker to build new IT stack

We signed a contract with Netcracker to replace our complex legacy systems with a new modern IT stack and to become a best-in-class digital service provider

Repositioned TDC Erhverv in the SMB segment

TDC Erhverv repositioned itself in the SMB market with integrated telecommunications and IT security solutions featuring increased convenience and cybercrime prevention

Successfully launched YouSee Play

YouSee launched YouSee Play as our new TV & streaming service offering customers maximum flexibility and choice at attractive price levels

2022 • 2023

Relief and support for refugees

Nuuday offered free telephony to and from Ukraine as well as making multiple donations. YouSee also spearheaded an initiative to donate 20,000 free SIM cards to Ukrainian refugees arriving in Denmark

New CFO – completes Nuuday's leadership team

Henrik Christiansen joined Nuuday as new CFO on 1 August, completing the leadership team that will execute on Nuuday's transformation. In parallel, eesy and Relatel appointed new CEOs

Growth in mobile & high-speed broadband – key strategic areas

Nuuday significantly outperformed previous years, with a mobile subscriber base that grew each quarter, and consumer broadband returning to growth in Q4 for the first time since Q1 2016

Best network for the 7th consecutive year

Nuuday's mobile voice customers have access to Denmark's best network for the 7th consecutive year – now with 5G access for customers with eesy and TDC Erhverv one+

Key milestone passed ahead of time

At the turn of 2022/2023, Hiper passed a key milestone six months ahead of time and now provides a best-in-class network and service for more than 100,000 Danish households

Financial overview

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

	2022	2021	2020	2019
Key financial ratios (%)				
Service revenue growth	0.5	(1.0)	(6.2)	(1.1)
Gross margin	33.0	34.1	36.0	37.7
EBITDA margin	11.6	12.4	13.1	13.0
EBIT margin	0.6	(0.1)	(0.5)	1.0
Equity ratio	37.5	2.2	4.4	6.2
Retail RGUs ('000)				
Mobile subscriptions[3]	2,847	2,805	2,726	2,761
TV	949	985	1,037	1,177
Broadband[4]	1,036	1,049	1,091	1,170
Landline voice[5]	324	395	466	470
Employees				
FTEs (end-of-year)	3,615	3,686	3,985	4,515
FTEs Consumer	1,939	2,033	2,197	2,552
FTEs Business	964	971	1,056	1,193
FTEs Other	712	682	732	770

1 Nuuday A/S was established on 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, which had accounting effect from 1 January 2019. Prior to the demerger, Nuuday A/S had no activities, and the comparative figures for 2018 have not been restated.
2 Excluding transformation costs.
3 Comparative figures have been restated to include Nuuday-owned brand RGUs previously recognised as wholesale customers in Nuuday Mobile Partners and exclude Telmore debt collection customers. In addition, following the demerger of TDC A/S into Nuuday and TDC NET, comparative figures have been adjusted to include TDC NET employees in the RGUs that were previously excluded.
4 Comparative figures have been adjusted to include BTO fibre.
5 Following internal migration of customers and alignment of accounting methods in Q2 2020, the level of landline voice RGUs has increased. The migration had no impact on revenue or the result.

Business and strategy

Our business model

Nuuday is Denmark's leading telecoms provider, with a strong and diverse portfolio of brands and products. We are engaged in almost six million customer relations 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 consumer broadband, TV, mobile voice, as well as B2B services

5.8m

customer relations (RGUs) in total

Consumer brands

TELMORE

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

HIPER

Broadband
Pure-play internet challenger delivering high-speed broadband with 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 providing easy, value-for-money mobile connectivity on Denmark's best network

BLOCKBUSTER®

An OTT TVOD streaming service
The preferred digital movie rental platform for movie lovers, with market-leading breadth and depth of choice.
(On 7 March 2023, we announced that Blockbuster was beeing acquired by SF Anytime. The transfer of ownership will take place over a 6-month period ending 31 August 2023).

Business brands

TDC Erhverv

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

NetDesign

An advanced network, unified communications & digital collaboration, and cyber security
Leading provider of advanced integrated B2B solutions and security operation centre services

Relatel

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

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

Denmark's best mobile network

Our unique partnership with TDC NET gives us access to the best-in-class 5G mobile network, assessed as the best coverage and quality network for the 7th consecutive year

Our network partner:

tdc net

Leading high-speed broadband coverage

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

Selection of our partners:

tdc net, Ewii, Fibia, Thy-Mors Energi

Superior entertainment portfolio

With the best and most relevant entertainment catalogue, and through strong partnerships with both domestic and interna-tional content providers, we offer our customers access to a world of entertainment from both streaming services as well as broadcasters

Selection of partners:

TV2, HBO max, Netflix, Disney+

Best-in-class business solutions

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

Selection of partners:

Cisco Partner

Gold Microsoft Partner

Delivering on our strategy

Nuuday's clear ambition is to be a European best-in-class telco and the preferred service provider for Danish households and businesses. To reach this goal, Nuuday set out a new strategic direction in 2021 that is guiding Nuuday's far-reaching transformation.
In 2022, Nuuday made substantial progress across all its three strategic pillars, demonstrating its ability to deliver tangible results on a well-defined strategy.

Best choice

The best choice for Danish consumers and businesses

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

Strategic focus areas

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

Best experience

Deliver the best customer experience

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

Strategic focus areas

- Systematically eliminate pain points
- Create smooth and seamless customer journeys
- Provide excellent value for converged house-holds and businesses

Most digital

Digital transformation through radical simplification

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

Strategic focus areas

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

Best choice

2022: Expanding our best-in-class range

In 2022, we launched various initiatives supporting our aspiration to be the Best Choice for Danish consumers and businesses. We further expanded our high-speed broadband footprint by entering into new partnerships with utilities across the country. We further improved our 5G experience in collaboration with TDC NET, and once again received top external recognition from Teknologisk Institut for our efforts – by winning Denmark's best mobile network award for the 7th consecutive year. Within entertainment, YouSee Play, a fully flexible entertainment service, went live, combining traditional TV channels with innovative streaming services. We also strengthened our content by adding Disney+, SkyShowtime and Nordisk Film+ to the streaming selection universe at both YouSee and Telmore Play.

At TDC Erhverv, we are determined to remain the Best Choice for Danish businesses – also long term. In 2022, we continued pushing innovation forward by initiating a new drone project in collaboration with Falck. Aiming to save lives through faster and more efficient transportation of blood samples and medicine, it is a prime example of how 5G technology can benefit everyone in the future

– John Henriksen, Head of TDC Erhverv

Highlight initiatives

To meet the increasing demand for flexible entertainment solutions, we launched YouSee Play, a new entertainment universe combining TV channels and streaming services, at attractive price levels – with no fixed, basic package requirement

Hiper, our high-speed broadband challenger brand, was awarded "best value for money" by Loyalty Group for the 3rd consecutive year

We increased our focus on supporting small and medium-sized businesses, based on their day-to-day operating needs. For example, InternetFilter is now an integral part of TDC Erhverv's broadband portfolio, reflecting how security solutions are becoming even more crucial to businesses, irrespective of industry and size

While expanding our collaboration with Fibia, we went live on Energi Fyn and Thy-Mors Energi utility fibre networks – and now offer high-speed fibre connections to an additional 250,000 households, while delivering across all major fibre networks

Denmark's best mobile network

For the 7th consecutive year, we were delighted to offer Denmark's best mobile network to our customers, creating unparalleled quality for our customers across 5G-coverage and speed dimensions

Best experience

2022: Ongoing innovation brings tangible improvements
During the year, we demonstrated tangible improvements across our key customer experience parameters. This progress resulted from various initiatives spanning from tools and processes to ways of working. For instance, by completely revamping its service organisation, Hiper significantly reduced waiting times and improved its tNPS by 30 points. TDC Erhverv introduced a new online portal for end users and further streamlined its customer communication, resulting in 43,000 fewer incoming calls. In terms of fibre delivery, better internal processes at Nuuday combined with more efficient external collaborations halved delivery times and raised precision rates from a less than satisfactory 20% to a decent 70%. New initiatives and improvements such as these helped improve Nuuday's overall bNPS by 6 points during 2022.

We continue to deliver tangible progress on our ambition to deliver the best experiences across our products and services This year, we saw significant improvements in our tNPS scores reflecting how we strive to deliver great experiences in every customer interaction. In addition, strengthened collaboration with utility partners has enhanced our fibre journeys, and we also saw a drastic decline in incoming calls as a result of our data-driven efforts to systematically eliminate pain points

- Michael Stinner, Head of CX & Transformation

Highlight initiatives

GENESYS

Omni-channel support enables us to handle enquiries more efficiently while delivering a better customer experience. In 2022, we successfully onboarded Genesys, a global leader in the CX platform space – a partnership that generated tangible progress on our key service parameters and helped drive our NPS to the highest level in many years

In 2022, eesy added MobilePay as a payment option, mirroring how customer preferences are becoming more seamless, and demonstrating how we constantly aim to improve every step of our customers' digital journeys. Building on an already leading platform, this helped sustain eesy's remarkable bNPS of 60+, a top ranking among its European peers

Hiper, eesy and Relatel, some of our digital challenger brands, are all Trustpilot category leaders with impressive 4.6–4.7 scores – a testament to the digital-enabled efforts our frontline employees put into serving our customers every day

Trustpilot

We are delighted to be recognised for offering the best customer experience, which boosted our customer loyalty and recommendations. Our high-speed broadband brand, Hiper, was awarded the title of "Most recommended brand" by Loyalty Group with a higher Net Promoter Score than its peers

Most digital

2022: Landmark partnership and successful project launch

Our digital transformation embraces all our brands, departments and products, and we are constantly implementing value-adding digital initiatives across these areas. Nonetheless, our IT transformation programme is the overarching IT project that will truly enable us to become a European best-in-class telco and the service provider preferred by both Danish households and businesses. We are therefore thrilled to have entered a new partnership with Netcracker that equips us to utilise its state-of-the-art, cloud-native portfolio and professional services to replace our complex legacy systems with a new modern IT stack while we re-engineer our commercial and operational processes. This truly transformative partnership will help us become a lean and digital service provider. We had already finalised our blueprinting phase just six months after launching the project and are now on track to deliver the new Nuuday!

100

IT legacy systems are being replaced with an out-of-the-box solution as part of our digital transformation

40

years is the age of our oldest operating IT system, reflecting the massive potential for IT efficiency gains

29%

of products have already been simplified as part of our product simplification campaign

Highlight initiatives

Our landmark strategic partnership with Netcracker, a global leader in Gartner's magic quadrant with a proven track record of successful transformative Telco projects, is the pivotal element of our transformation journey

We constantly seek to digitalise every customer interaction, and concrete initiatives in 2022 included creating online portals, implementing digital payment solutions and integrating transparency in our onboarding process. As a result, we received 11% fewer incoming calls and significantly increased our digital sales share

We are continuously digitalising all areas of our operations, and in 2022, implemented Adobe's leading marketing software solutions. We are pleased to see that our marketing ROI has already improved alongside better, tailored customer interactions

Nuuday's business transformation relies heavily on IT, and in 2022, we entered into a landmark strategic partnership with Netcracker. Its proven track record of successful, on-time IT transformation programmes for leading European telcos based on out-of-the-box solutions inspired confidence during the selection process. Our joint efforts in the project organisation have clearly shown that we have embarked on a transformation journey with the ideal partner. We are on track – and we are positive that Nuuday will become the most digital telco in Denmark

- Monika Gullin, CTO

Performance

Nuuday's performance

- **In 2022, we stabilised or grew our key strategic areas, following several years of declining customer volumes.**
- **Mobile voice RGUs grew steadily each quarter, totalling net adds of 42,000 throughout 2022, while we successfully increased broadband RGUs in Q4 2022, for the first time in seven years.**
- **Revenue increased slightly by 0.1% with a 0.5% increase in service revenue, driven by strong performances in mobility services and high-speed broadband.**
- **Underlying EBITDA (excluding transformation costs[1]) declined by 3.1%, driven mainly by gross profit margin pressure and increasing third-party costs against the background of stabilisation in our core business.**
- **Underlying capital expenditure dropped slightly by 1.1% but, when including transformation costs related to Nuuday's technology transformation, capital expenditure rose by 14.4%, as we began the significant investment in building the new Nuuday.**

Our financial performance reflects the phase we have reached in our transformation; we are clearly focused on investing in our customer experience and comprehensive business transformation.

The benefits of our efforts are already visible in improved customer numbers, stable service revenue and improvements in operating expenditure in our underlying business.

At the same time, we are investing materially to drive the business transformation; overall, we will invest more than DKK 1bn to complete our transformation. This will, over time, produce a sustainable, efficient and profitable business that delivers innovative products and excellent customer experiences in a truly digital manner.

Service revenue

The company's success in stabilising its customer base was reflected in slightly growing service revenue, up 0.5% to DKK 13,275m. This rise in service revenue was driven by a continued strong performance in the mobile segment, offset by declines in legacy products and a modest decline in broadband – though with an increase in our high-speed broadband base. Service revenue in the mobile segment grew by 3.6%, driven by increasing ARPU at Telmore, and eesy's growing customer base, along with increased A2P SMS prices and international roaming activity at Mobile Partners.

Gross profit

Gross profit decreased by 2.9%, or DKK 146m, to DKK 4,847m. The decline was driven by costs related to customers migrating from legacy products (such as DSL) to future-proof high-speed products, increased energy costs and continued increase in third-party network and content costs.

Revenue (DKKm) **14,674**

Service revenue (DKKm) **13,275**

Gross profit (DKKm) **4,847**

Underlying Opex (DKKm) **3,081**

Underlying EBITDA (DKKm) **1,766**

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

Operating expenses

Nuuday's underlying operating expenses (excluding transformation costs) declined by 2.8%, or DKK 89m, to DKK 3,081m. This decrease reflected the early benefits of our transformation, notably the impact of improved customer experiences on reducing our call ratio.

EBITDA

Underlying EBITDA (excluding transformation costs) declined by 3.1%, or DKK 57m, to DKK 1,766m. Including transformation costs, EBITDA declined by 6.3%, or DKK 114m, to DKK 1,709m. Despite positive developments in service revenue, and falling operating expenses, EBITDA was negatively influenced by the decline in gross profit margins, primarily from third-party costs.

Capital expenditure

Capital expenditure excluding transformation costs decreased by 1.1%, or DKK 13m, to DKK 1,136m. This decline was driven mainly by lower capitalised wages as we reduced investment in our legacy IT systems prior to the Netcracker launch. This was partly offset by an increase in volume-driven capex related to customer installations.

Capital expenditure including transformation costs increased by 14.4%, or 165m, to DKK 1,314m. The increase was driven primarily by higher IT investments related to the transformation programme.

Loss for the period

After amortisation, interest expenses, etc., the loss (excluding special items) amounted to DKK 138m. Despite transformation costs of DKK 57m in 2022, this was an improvement of DKK 204m YoY. Including special items, the loss improved by DKK 200m to DKK 190m. The improved results were driven largely by reduced amortisation.

Cash flow

Total cash flow increased by DKK 396m from DKK 2m in 2021 to DKK 398m in 2022. The positive development was caused primarily by the transfer of Nuuday's share of TDC Holding's cash pool (DKK 865m) to its own bank accounts with effect from 1 January 2022. This was partly offset by the negative development in cash flow from investing activities (DKK 346m).

Cash flow from operating activities declined by DKK 1,187m to DKK 959m, driven primarily by net working capital (DKK 1,225m) that related mainly to the implementation of adjusted intra-group payment terms in 2021 in connection with the refinancing of Group debt. EBITDA also contributed negatively to the development (DKK 114m), which was partly offset by lower net interest paid (DKK 136m) related to refinancing.

The DKK 346m increase in cash outflow from investing activities to DKK 1,316m, was due primarily to higher investments (DKK 194m), divestment of Cloudeon in 2021 (DKK 97m) as well as acquisition of activities from TDC Holding (DKK 51m).

Cash flow from financing activities increased by DKK 1,929m to DKK 755m. The above-mentioned change in net working capital was used to reduce amounts owed to Group companies (DKK 1,095m), while Nuuday's share of TDC Holding's cash pool was transferred to Nuuday (DKK 865m).

2022 guidance follow-up

EBITDA performance in 2022 was in line with our guidance; namely that EBITDA would be somewhat lower in 2022 compared with 2021, driven by significant investments in customer experiences as well as the continued migration of customers to fibre infrastructure. Cash generation was, as guided, materially lower in 2022 than in 2021 driven by the development in net working capital combined with the IT transformation.

2023 guidance

We expect a flat development in service revenue in 2023, which will be a year with significantly higher investments in our business transformation, as well as continued migration of customers to fibre infrastructures. Consequently, we expect that both EBITDA including and excluding transformation costs will be somewhat below the level in 2022.

Underlying Capex (DKKm) **1,136**

Loss excluding special items (DKKm) **138**

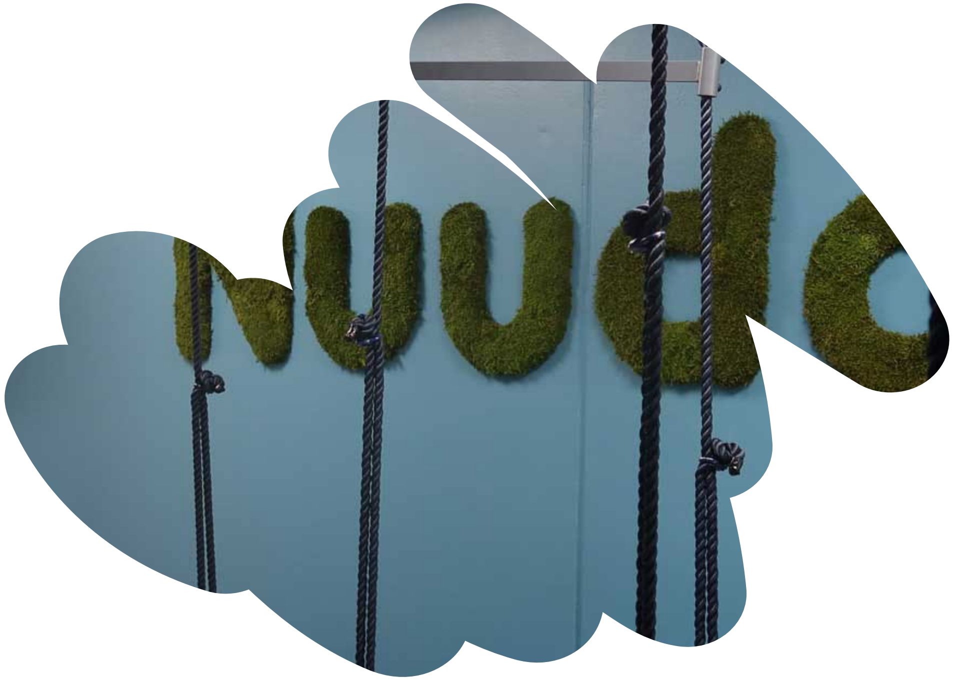
Cash flow from operating activities (DKKm) **959**

Employees excluding transformation FTEs (EoY) **3,515**

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 Executive Leadership Team). The Board of Directors is responsible for the overall direction of the company and for appointing a competent Executive Leadership Team. The Executive Leadership Team is responsible for the day-to-day management of the company. The responsibilities and duties between the Board of Directors and the Executive Leadership Team are clearly outlined and described in the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Executive Leadership Team.

The Board of Directors

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

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

The employee-elected board members are 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' 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 was 66.67% male and 33.33% female on 31 December 2022, and thus the Board of Directors has achieved its objective that among board members elected by the General Meeting, both genders shall be represented by at least 33% by the end of 2023.

Board committees

The Board of Directors has established a Compensation & 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 a separate whistleblower scheme. Our employees and partners now have access to swiftly and confidentially – and if required, anonymously – submit reports of violations or potential violations via a special independent and autonomous channel to an independent, autonomous whistleblower unit.

Risk management

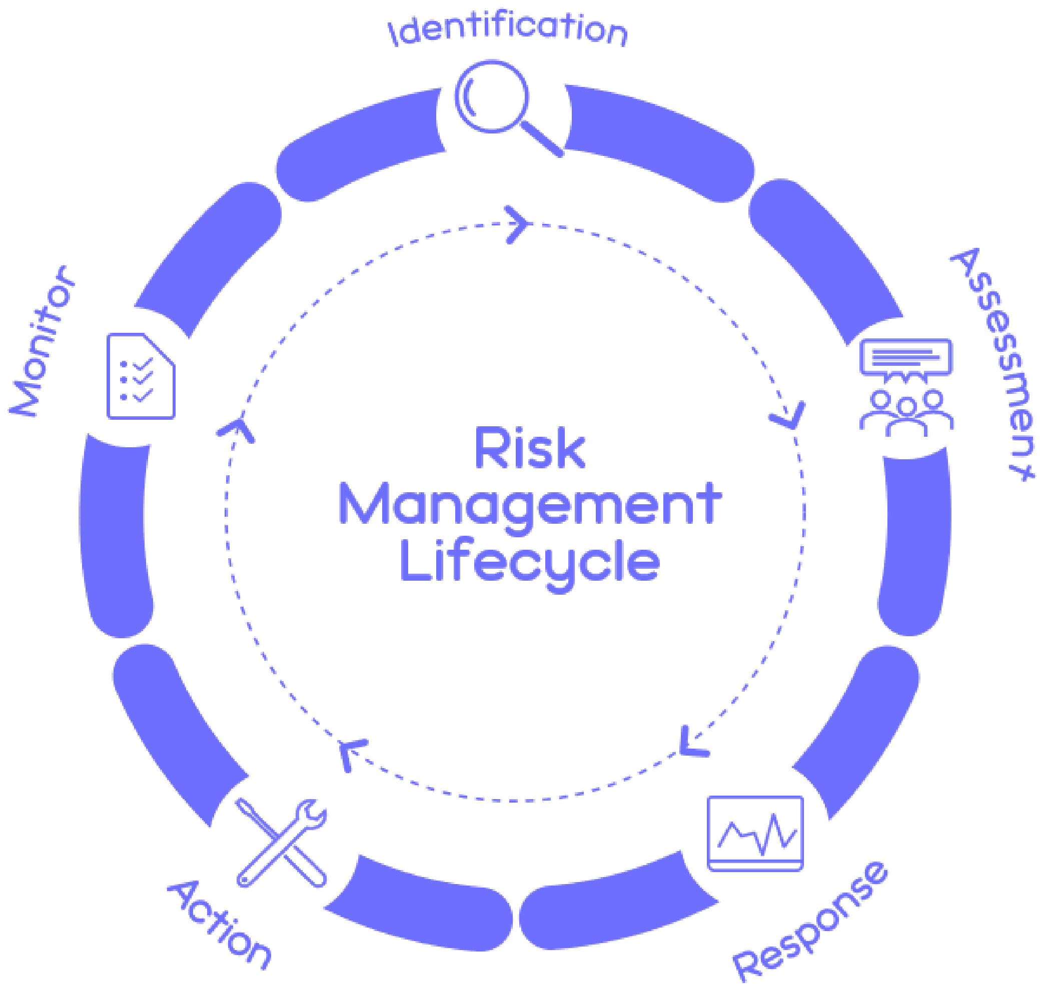
Risk management governance

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

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

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

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



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

Risk appetite

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

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

Risk management lifecycle

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

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

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

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

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

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

Documentation

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

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

Integrated risk management & reporting

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

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

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

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

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

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

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

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

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

Risk & trend	Risk domain	Details & impact	Mitigation initiatives
New or current competitors taking market share Stable	Commercial	Denmark has a competitive telecommunications landscape. Increased competition and continuing price pressure affect Nuuday's ability to establish sustainable pricing in B2C and B2B markets.	• Improve customer experience through fully digital customer journeys • Retain best network status • Continue to provide high-quality services and improve NPS • New attractive product releases
Forced price increases from suppliers Stable	Commercial	Nuuday relies on a number of suppliers for support in delivering products and services. Increases in prices from key suppliers can erode profit margins and negatively affect Nuuday brands' competitiveness.	• Improving contractual terms • Reduce costs on major expenses (i.e. move to own IP core)
Consumer savings – "downspin" Increasing	Commercial	We are seeing inflation, pressure on salaries, with a trend of people generally spending less money. Consequently, people are choosing to save on, for example, mobile phone subscriptions by choosing cheaper packages, thus lowering the Average Revenue Per Unit. This could potentially spread into TV and broadband segments.	• Monitoring market tendencies • Continue to strengthen areas of differentiation (network quality and 5G) • Offer highly competitive and attractive propositions across all consumer brands • Address the entirety of the consumer and business mobile market
Entertainment content: price increases and taxation Increasing	Commercial	Content producers continue to raise their prices for entertainment, which particularly affects the YouSee & Telmore brands. On TV, increasing price pressure from streaming providers coupled with increasing content costs (especially related to premium sports) could further accelerate existing downward trends, with customers 'shaving' or 'cutting' the cord on their TV subscriptions. Additionally, the Government has suggested to submit a proposal to the Danish parliament to add a value-added tax on copyrighted material. This would have a heavy impact on the viability of existing business models.	• Optimise products and pricing to ensure that TV packages remain relevant for as many customers as possible • Invest in developing attractive next-generation entertainment products to cater for the rapidly growing combi-viewer segment that values both streaming and TV channel content • Pursue a full household strategy and incentivise purchasing multiple services and products

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

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

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

Sustainability highlights

In recognition of our sustainability efforts, the leading rating agency EcoVadis awarded us a platinum rating for the second consecutive year, placing us as a global top 1% performer on sustainability.

Revised sustainability strategy
In 2022, we decided to revise our sustainability strategy to reflect the status of Nuuday as an independent service provider separate from the former TDC Group.

Based on a comprehensive materiality assessment and in close collaboration with the Nuuday Board of Directors, we now have a robust sustainability framework – aligned with the UN Sustainability Goals – to guide our efforts in this domain going forward.

Key activities
Directly translating the revised strategy into actions, Nuuday joined JAC (the Joint Alliance for CSR), which is the leading association of telecom operators aiming to verify, assess and develop sustainability implementation by industry suppliers.

We also set out to pursue avenues for more sustainable products and reduce the use of single-use materials in our value chain. Concrete examples in this area in 2022 were the launch of a new take-back programme to ensure circulation of used devises, and our new DOCSIS 4.0 modems that are made of recycled plastic.

In 2022, 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.

This will continue as a major theme in 2023, when we plan to hit our first hard milestone on our climate change agenda to reduce Scope 1 & 2 CO2 emissions by 50% on our way to become Scope 1 & 2 net-zero by 2028.

On our social agenda, we continued to support initiatives that strengthen children's digital skills and digital life in general, extending our partnership with Børns Vilkår on digital conduct and technical assistance to operate Børnetelefonen (Children's Helpline) that was able to effectuate 60,450 counselling conversations with children and youngsters in 2022.

Again in 2022, Nuuday hosted Girls' Day in Science, where a group of young women came to visit us for a talk about careers, education and jobs within IT. We also proudly took part in the Coding Class initiative, introducing pupils to computer programming and problem solving together with YouSee.

Sustainability framework

Strategic focus areas

Combating climate change
Eliminate Scope 1 & 2 emissions by 2028, and achieve cnet zero across the entire value chain (Scope 3) by 2030

13 CLIMATE ACTION

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

4 QUALITY EDUCATION

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Foundation

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

5 GENDER EQUALITY

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

8 DECENT WORK AND ECONOMIC GROWTH

Together with the Center for Digital Pædagogik and Story House Egmont, we produced a special issue of Donald Duck "Anders And & Co – Online med Anders" educating children about digital life and using the internet safely. The magazine was handed out in YouSee's 40 stores free of charge and made available online.

Internally at Nuuday, our key focus for the year was to further develop our programme on inclusive leadership and cognitive diversity, which is at the very core of our programme on diversity, equity, inclusion and belonging (DEIB). Fostering this more inclusive culture where colleagues thrive and feel they belong is a key to obtaining an improved and sustainable business performance.

In fact, 400 Nuuday leaders have received comprehensive training in this area during 2022. We also saw very high scores in our annual MyVoice survey on inclusion benchmarks, with the employees' score for feeling "able to be themselves" at work reaching 90/100, and "feeling valued" scoring 84/100.

Responding to external factors
Although not part of our strategic agenda – but rather reacting to the outbreak of the tragic war of aggression in Ukraine – we spent considerable resources on responding diligently to the situation.

Initially, our key focus was on providing physical security for our own contract agents in Ukraine and their families as well as providing free telephony traffic to and from Ukraine in support of Ukrainians living in Denmark and Danes stationed in Ukraine.

During the first months of the invasion, several initiatives were undertaken by Nuuday brands. YouSee offered devices to refugees in Denmark and clothing to refugees at the Polish border, while Relatel equipped buses from Ukraine with Wi-Fi, and TDC Erhverv set up equipment at schools converted into refugee centres. In light of the Ukraine refugee situation, Nuuday relaunched TidsBanken – a concept supporting voluntary charity work. TidsBanken allows employees who are regularly active in voluntary charity work to spend one day on charity work compensated by Nuuday.

As the war entered its next phases and Ukrainian refugees began arriving in Denmark, Nuuday formed a joint industry initiative with the other Danish mobile service providers to offer 20,000 SIM cards free of charge, allowing Ukrainian refugees arriving in Denmark to contact friends and family and establish themselves in their new surroundings.

For a full account of Nuuday's activities and achievements throughout 2022 within the areas of sustainability, see Nuuday's 2022 Sustainability Report at Nuuday.com/sustainability.

Nuuday's Sustainability Report addresses the reporting requirements under sections 99a, 99b and 99d of the Danish Financial Statements Act. It also serves as Nuuday's Communication on Progress to the UN Global Compact, of which Nuuday is a proud member.

Board of Directors

Michael Parton
Chair of the Board

Appointed (until): 2022 (2023)
Nationality: British
Year of birth: 1954
Non-independent

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

Education:
Chartered Management Accountant

Sofia Arhall Bergendorff
Vice chair

Appointed (until): 2022 (2023)
Nationality: Swedish
Year of birth: 1969
Independent

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

Education:
MBA, INSEAD, France & Singapore

Peter Nyegaard
Board member

Appointed (until): 2022 (2023)
Nationality: Danish
Year of birth: 1963
Independent

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

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

Other Board positions:
Danmarks Skibskredit A/S (vice chair), Moment Group A/S, Delete Group Oy, Ørens A/S

Søren Abildgaard
Board member

Appointed (until): 2022 (2023)
Nationality: Danish
Year of birth: 1968
Independent

Board function
Shareholder elected

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

Joe Boorman
Board member

Appointed: 2022 (2023)
Nationality: British
Year of birth: 1972
Independent

Board function
Shareholder elected
Member of the Audit Committee

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

Board of Directors

Susana Leith-Smith
Board member

Appointed: 2022 (2023)
Nationality: Portuguese
Year of birth: 1977
Non-independent

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

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

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

Thomas Lech Pedersen
Board member

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

Board function
Employee elected

Education:
AU, Human Resources, Academy Aarhus, Denmark

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

Tobias Tolstrup
Board member

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

Board function
Employee elected

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

Zanne Stensballe
Board member

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

Board function
Employee elected
Member of the Health & Safety Committee

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

Executive Management

Jon James
Chief Executive Officer

Year of birth:
1969

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

Henrik Christiansen
Chief Financial Officer

Year of birth:
1967

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

Monica Gullin
Chief Technology Officer

Year of birth:
1968

Education:
MSc in Electrical Engineering, KTH Stockholm, Sweden

Maj Britt Andersen
Chief Human Resources Officer

Year of birth:
1967

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

Executive Management

Michael Stinner
Head of CX & Operations

Year of birth:
1974

Education:
Business Administration and IT, IHK Cologne, Germany

Christian Morgan
Head of YouSee

Year of birth:
1984

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

John Henriksen
Head of TDC Erhverv

Year of birth:
1969

Education:
IT Technology, Tietgen Business College, Denmark

Jens Grønlund
Head of NuuBrands

Year of birth:
1984

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

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Financial statements

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Notes to consolidated financial statements

Consolidated income statement

(DKKm)	Note	2022	2021
Revenue	2.1	14,674	14,657
Cost of sales	2.2	(9,827)	(9,664)
Gross profit		4,847	4,993
External expenses	2.3	(1,372)	(1,426)
Personnel expenses	2.4	(1,829)	(1,800)
Other income	2.1	63	56
Operating profit before depreciation, amortisation and special items (EBITDA)		1,709	1,823
Depreciation, amortisation and impairment losses	2.5	(1,550)	(1,712)
Special items	2.6	(66)	(124)
Operating loss (EBIT)		93	(13)
Financial income and expenses	4.4	(320)	(400)
Loss before income taxes		(227)	(413)
Income taxes	2.7	37	23
Loss for the year		**(190)**	**(390)**
Attributable to:			
Shareholders of Nuuday A/S		(190)	(390)
Loss for the year		**(190)**	**(390)**

Consolidated statement of comprehensive income

(DKKm)	Note	2022	2021
Loss for the year		(190)	(390)
Other comprehensive income/(loss)		-	-
Total comprehensive loss		**(190)**	**(390)**

Consolidated balance sheet

Assets (DKKm)	Note	2022	2021
Non-current assets			
Intangible assets	3.1	12,764	12,916
Property, plant and equipment	3.2	1,144	1,140
Lease assets	3.3	327	378
Joint ventures, associates and other investments		3	3
Other receivables		12	13
Prepaid expenses	3.6	7	-
Total non-current assets		**14,257**	**14,450**
Current assets			
Inventories		245	210
Trade receivables	3.4	1,132	1,046
Other receivables		8	10
Contract assets	3.5	676	562
Amounts owed by group companies		-	865
Income tax receivable	2.7	2	24
Derivative financial instruments		97	-
Prepaid expenses	3.6	629	607
Cash		402	2
Total current assets		**3,191**	**3,326**
Total assets		**17,448**	**17,776**

Equity and liabilities (DKKm)	Note	2022	2021
Equity			
Share capital	4.1	0	0
Retained earnings		6,543	386
Total equity		**6,543**	**386**
Non-current liabilities			
Deferred tax liabilities	2.7	1,554	1,587
Provisions	3.7	49	61
Lease liabilities	3.3	274	317
Loans from group companies	4.2,4.5	-	7,453
Other payables		228	219
Total non-current liabilities		**2,105**	**9,637**
Current liabilities			
Loans from group companies	4.2,4.5	2,873	1,547
Lease liabilities	3.3	83	82
Trade payables		1,691	1,603
Other payables		830	832
Contract liabilities	3.5	2,196	2,167
Amounts owed to group companies		1,090	1,478
Derivative financial instruments		11	-
Provisions	3.7	26	44
Total current liabilities		**8,800**	**7,753**
Total liabilities		**10,905**	**17,390**
Total equity and liabilities		**17,448**	**17,776**

Consolidated statement of cash flows

(DKKm)	Note	2022	2021
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,709	1,823
Adjustment for non-cash items		18	49
Payments related to provisions	3.7	(7)	(12)
Special items	2.6	(76)	(114)
Change in working capital	5.1	(412)	813
Interest received		13	5
Interest paid		(312)	(440)
Income tax received	2.7	26	22
Total cash flow from operating activities		**959**	**2,146**
Investing activities			
Investment in enterprises	5.2	(51)	-
Investment in property, plant and equipment	3.2	(375)	(339)
Investment in intangible assets	3.1	(891)	(733)
Investment in other non-current assets		(1)	(4)
Divestment of joint ventures and associates		-	97
Sale of other non-current assets		2	1
Change in loans to joint ventures and associates		-	8
Total cash flow from investing activities		**(1,316)**	**(970)**

(DKKm)	Note	2022	2021
Financing activities			
Lease payments		(75)	(79)
Change in interest-bearing receivables and payables		865	(1,095)
Costs relating to long-term loans		(35)	-
Total cash flow from financing activities		**755**	**(1,174)**
Total cash flow		**398**	**2**
Cash and cash equivalents at 1 January		2	-
Effect of exchange-rate changes on cash and cash equivalents		2	-
Cash and cash equivalents at 31 December		**402**	**2**

Consolidated statement of changes in equity

(DKKm)	Share capital	Retained earnings	Total
Equity at 1 January 2021	0	776	776
Loss for the year	-	(390)	(390)
Total comprehensive income	-	(390)	(390)
Total transactions with shareholders	-	-	-
Equity at 31 December 2021	**0**	**386**	**386**
Loss for the year	-	(190)	(190)
Total comprehensive income	-	(190)	(190)
Contributions of equity		6,347	6,347
Total transactions with shareholders	-	6,347	6,347
Equity at 31 December 2022	**0**	**6,543**	**6,543**

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 2022 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 subsequently measured at fair value through the income statement. Trade receivables are measured at their transaction price.

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

The accounting policies are unchanged compared with the policies applied in the Annual Report 2021.

Consolidation policies

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

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

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

1.2 | Critical accounting estimates and judgements

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

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

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

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

1.3 | New accounting standards

Nuuday Group has adopted the new standards, amendments to standards and interpretations that are effective for the financial year 2022. None of the changes have affected recognition or measurement in the financial statements nor are they expected to have any future impact.

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

Section 2

Profit for the year

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

In this section

2.1 | Revenue

(DKKm)	2022	2021
Sales of goods recognised at a point in time	1,394	1,364
Sales of services recognised over time	13,280	13,293
Total	**14,674**	**14,657**

Revenue specified by services (DKKm)	2022	2021
Landline voice	746	806
Mobile services	5,085	4,907
Internet & network	3,460	3,474
TV	3,452	3,438
Other services	1,931	2,032
Total	**14,674**	**14,657**

Critical accounting estimates and judgements

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

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

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

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

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

2.1 | Revenue (continued)

§ Accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

Other income

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

2.2 | Cost of sales

(DKKm)	2022	2021
Mobile services	(3,510)	(3,331)
Landline voice	(368)	(422)
Internet & network	(1,780)	(1,681)
TV	(2,427)	(2,457)
Other services	(1,742)	(1,773)
Total	**(9,827)**	**(9,664)**

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)	2022	2021
Marketing and advertising	(203)	(207)
Subscriber acquisition and retention, cf. note 3.5	(172)	(163)
Properties	(121)	(110)
IT	(402)	(339)
Temps and personnel-related expenses	(77)	(59)
Other	(397)	(548)
Total	**(1,372)**	**(1,426)**

§ 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)	2022	2021
Wages and salaries (including short-term and long-term bonuses)	(2,075)	(2,050)
Pensions (defined contribution plans)	(180)	(178)
Social security	(42)	(38)
Total	**(2,297)**	**(2,266)**
Of which capitalised as non-current assets	468	466
Total personnel expenses recognised in the income statement	**(1,829)**	**(1,800)**

Remuneration for the Executive Committee[1] and the Board of Directors (DKKm)	2022	2021
Base salary (incl. benefits)	7.2	6.6
Cash bonus	3.9	3.1
Pensions	1.2	0.9
Long-term incentive programme	1.3	0.4
Management incentive programme	0.9	0.5
	14.5	11.5
Redundancy compensation	4.0	7.3
Key management in total	18.5	18.8
Fee to the Board of Directors	7.5	0.5
Total	**26.0**	**19.3**

[1] During 2022, the remuneration to the Executive Committee (excluding redundancy compensation) comprised 1.5 members on average (2021: 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 3,668 (2021: 3,749).

Incentive programmes
See note 6.1.

2.5 | Depreciation, amortisation and impairment losses

(DKKm)	2022	2021
Amortisation of intangible assets, cf. note 3.1	(1,079)	(1,186)
Depreciation of property, plant and equipment, cf. note 3.2	(381)	(434)
Depreciation of lease assets, cf. note 3.3	(85)	(85)
Impairment losses, cf. notes 3.1 and 3.2	(15)	(16)
Of which capitalised as tangible and intangible assets	10	9
Total	**(1,550)**	**(1,712)**

2.6 | Special items

(DKKm)	2022	2021
Costs related to redundancy programmes	(49)	(103)
Other restructuring costs, etc.	(17)	(5)
Loss from rulings	-	(16)
Special items before income taxes	**(66)**	**(124)**
Income taxes related to special items	14	27
Special items related to joint ventures and associates	-	49
Total special items	**(52)**	**(48)**

Cash flow from special items (DKKm)	2022	2021
Redundancy programmes	(66)	(91)
Rulings	-	(15)
Other	(10)	(8)
Total	**(76)**	**(114)**

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)	2022 Income tax income/ (expense)	2022 Income tax payable/ (receivable)	2022 Deferred tax liabilities/ (assets)	2021 Income tax income/ (expense)	2021 Income tax payable/ (receivable)	2021 Deferred tax liabilities/ (assets)
At 1 January		(24)	1,587		(61)	1,625
Income taxes for the year	22	1	(23)	34	23	(57)
Adjustment of tax for previous years	15	(5)	(10)	(11)	(8)	19
Income tax paid		26			22	
Total	**37**	**(2)**	**1,554**	**23**	**(24)**	**1,587**
Shown in the balance sheet as:						
Tax payable/deferred tax liabilities		-	1,554		-	1,587
Tax receivable/deferred tax assets		(2)	-		(24)	-
Total		**(2)**	**1,554**		**(24)**	**1,587**
Income taxes are specified as follows:						
Income excluding special items	23			(4)		
Special items	14			27		
Total	**37**			**23**		

2.7 | Income taxes (continued)

Deferred tax (DKKm)	2022 Deferred tax assets	2022 Deferred tax liabilities	2022 Total[1]	2021
Intangible assets	-	42	42	64
Other	-	41	41	31
Current	**-**	**83**	**83**	**95**
Intangible assets	-	1,456	1,456	1,473
Property, plant and equipment	(27)	-	(27)	(10)
Lease assets and liabilities	(6)	-	(6)	(4)
Tax value of tax-loss carryforwards	(12)	-	(12)	(12)
Other	-	60	60	45
Non-current	**(45)**	**1,516**	**1,471**	**1,492**
Deferred tax at 31 December	**(45)**	**1,599**	**1,554**	**1,587**

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

Effective tax rate (DKKm)	2022 DKKm	2022 %	2021 DKKm	2021 %
Danish corporate income tax rate	35	22.0	75	22.0
Limitation on the tax deductibility of interest expenses	(33)	(20.8)	(67)	(19.6)
Other non-taxable income and non-deductible expenses	6	3.9	(1)	(0.2)
Adjustment of tax for previous years	15	9.1	(11)	(3.3)
Effective tax excluding special items	**23**	**14.2**	**(4)**	**(1.1)**
Special items	14	2.1	27	6.7
Effective tax including special items	**37**	**16.3**	**23**	**5.6**

Comments

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

Comments

The increasing effective tax rate (excluding special items) was due primarily to an 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

	2022					2021				
(DKKm)	Goodwill	Customer relationships	Brands	Other rights, software, etc.	Total	Goodwill	Customer relationships	Brands	Other rights, software, etc.	Total
Cost at 1 January	9,255	14,328	4,175	8,670	36,428	9,255	14,334	4,175	8,705	36,469
Additions	-	-	-	891	891	-	-	-	733	733
Additions related to acquisition of activities	-	-	-	51	51	-	-	-	-	-
Assets disposed of or fully amortised	-	(47)	-	(412)	(459)	-	(6)	-	(768)	(774)
Cost at 31 December	**9,255**	**14,281**	**4,175**	**9,200**	**36,911**	**9,255**	**14,328**	**4,175**	**8,670**	**36,428**
Amortisation and impairment losses at 1 January	(3,693)	(12,783)	(123)	(6,913)	(23,512)	(3,693)	(12,448)	(119)	(6,828)	(23,088)
Amortisation	-	(245)	-	(834)	(1,079)	-	(341)	(4)	(841)	(1,186)
Impairment losses for the year	-	-	-	(14)	(14)	-	-	-	(12)	(12)
Assets disposed of or fully amortised	-	47	-	411	458	-	6	-	768	774
Amortisation and impairment losses at 31 December	**(3,693)**	**(12,981)**	**(123)**	**(7,350)**	**(24,147)**	**(3,693)**	**(12,783)**	**(123)**	**(6,913)**	**(23,512)**
Carrying amount at 31 December	**5,562**	**1,300**	**4,052**	**1,850**	**12,764**	**5,562**	**1,545**	**4,052**	**1,757**	**12,916**

Comments

In 2022, impairment losses of intangible assets, etc. totalled DKK 14m, (2021: DKK 12m) of all related to termination of various software projects.

Assets with indefinite useful lives other than goodwill related to the TDC brand were unchanged at DKK 4,052m compared with 2021.

The carrying amount of software amounted to DKK 1,728m (2021: DKK 1,606m), of which DKK 87m related to software in process. The addition of internally developed software totalled DKK 454m (2021: DKK 445m).

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.

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 2022 and at 1 October 2021, 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.

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.

Sensitivity analyses have been performed to assess the probability that any likely changes in cash flow or discount rate will result in an impairment loss. One of the key swing factors behind the projection is the EBITDA level in the planning period. A sensitivity analysis indicates that EBITDA may be approximately 10% lower in each year in the planning period before a write-down would have to be recognised. If the

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 2022 (DKKm)	3,603	1,030	895
Carrying amount of goodwill at 31 December 2021 (DKKm)	3,603	1,030	895
Market-based growth rate applied at 1 October 2022 to extrapolated projected future cash flows for the period following 2030	2.3%	2.3%	2.3%
Market-based growth rate applied at 1 October 2021 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 2022	11.7%	11.7%	11.7%
Applied pre-tax discount rate at 1 October 2021	7.6%	7.6%	7.6%

[1] Representing 99% of the total carrying amount in 2022.

3.1 | Intangible assets (continued)

Weighted average cost of capital (WACC) applied as the discounting factor in the calculations increases/decreases by 1.0% and all other things being equal, the value in use would decrease/increase by DKK 1.7bn and 2.3bn, respectively and would not cause the carrying amount of goodwill to exceed the recoverable value. Under the same assumptions, a 1.0% decrease/increase in the market-based growth rate would the value in use decrease/increase by DKK 1.1bn and 1.5bn, respectively. All the above-mentioned changes in key assumptions would not cause the carrying amount to exceed the recoverable value.

If the key assumptions change more than indicated in the above analyses the recoverable value may decrease at a level, where an impairment loss occurs. With the present relation between WACC and growth rate the WACC can increase to approximately 12.9% pre-tax with a growth rate at 2.5% before the carrying amount of goodwill will exceed the recoverable value.

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

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 declining customer base, but offset by ARPU stabilisation in line with general price development
- A minor decline in broadband gross profit due to decreasing RGUs on particularly DSL, as customers migrate to high-speed technologies (e.g. fibre and coax). The decline will be 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 pressure on the number of RGUs from market trends. Focus on future-proof technology in TV such as "Bland selv TV", will somewhat stabilise the RGU trend in terminal period and generate higher ARPU
- Savings throughout the first half of the planning period driven by initiatives generated in an extensive saving program with reductions in external and personnel expenses. Inflationary increase in cost assumed from halfway in the planning period.

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 increased footprint in the no-frills market from Eesy. Furthermore, increasing ARPUs are expected in line with the general price development to further improve the mobility gross profit development
- Increasing broadband gross profit driven by Hiper's increased footprint in the high-speed technology market
- Savings throughout the first half of the planning period driven by initiatives generated in an extensive saving program with reductions in external and personnel expenses. Inflationary increase in cost assumed from halfway in the planning period

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 declining EBITDA early in the planning period, offset by a stabilization of EBITDA and subsequent increasing EBITDA 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 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
- Savings throughout the first half of the planning period driven by initiatives generated in an extensive saving program with reductions in external and personnel expenses. Inflationary increase in cost assumed from halfway in the planning period

3.1 | Intangible assets (continued)

§ 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 20%) corresponding to the expected pattern of consumption of the expected future economic benefits.

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

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

The main amortisation periods are as follows:

Software	3-5 years

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

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

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)	2022 Network infra-structure	2022 Equipment	2022 Assets under construction	2022 Total	2021 Network infra-structure	2021 Equipment	2021 Assets under construction	2021 Total
Cost at 1 January	2,400	725	86	3,211	2,471	698	58	3,227
Transfers (to)/from other items	12	-	(12)	-	-	-	-	-
Transfers from leased assets	-	-	-	-	6	-	-	6
Additions	288	46	51	385	280	42	28	350
Assets disposed of	(538)	-	-	(538)	(357)	(15)	-	(372)
Cost at 31 December	**2,162**	**771**	**125**	**3,058**	**2,400**	**725**	**86**	**3,211**
Depreciation and impairment losses at 1 January	(1,474)	(593)	(4)	(2,071)	(1,456)	(543)	(2)	(2,001)
Transfers from leased assets	-	-	-	-	(4)	-	-	(4)
Depreciation	(319)	(62)	-	(381)	(369)	(65)	-	(434)
Impairment losses for the year	-	-	-	-	(2)	-	(2)	(4)
Assets disposed of	538	-	-	538	357	15	-	372
Depreciation and impairment losses at 31 December	**(1,255)**	**(655)**	**(4)**	**(1,914)**	**(1,474)**	**(593)**	**(4)**	**(2,071)**
Carrying amount at 31 December	**907**	**116**	**121**	**1,144**	**926**	**132**	**82**	**1,140**

Cash flow (DKKm)	2022	2021
Additions, cf. table above	(385)	(350)
Non-cash additions regarding decommissioning obligations	-	2
Capitalised depreciations cf. note 2.5	10	9
Cash flow from investment in property, plant and equipment	**(375)**	**(339)**

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)	2022 Land and buildings	2022 Network infrastructure	2022 Vehicles and equipment	2022 Total	2021 Land and buildings	2021 Network infrastructure	2021 Vehicles and equipment	2021 Total
Carrying amount at 1 January	344	0	34	378	372	2	38	412
Additions	12	-	26	38	44	-	21	65
Transfer to property, plant and equipment	-	-	-	-	-	(2)	-	(2)
Disposals	-	-	(4)	(4)	(11)	-	(1)	(12)
Depreciation	(61)	-	(24)	(85)	(61)	-	(24)	(85)
Carrying amount at 31 December	**295**	**0**	**32**	**327**	**344**	**0**	**34**	**378**

Amounts recognised in the income statement (DKKm)	2022	2021
Expense relating to short-term leases	(29)	(24)
Depreciation charge of lease assets, cf. above	(85)	(85)
Interest expense (included in financing costs)	(10)	(11)

Comments

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

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

Lease liabilities (DKKm)	2022	2021
Recognised in the balance sheet at present value:		
External lease liabilities	15	4
Lease liabilities due to group companies	342	395
Total	**357**	**399**
Of which presented as current	(83)	(82)
Total non-current	**274**	317
Maturing between 1 and 3 years	141	138
Maturing between 3 and 5 years	63	89
Maturing between 5 and 10 years	70	90
Total non-current	**274**	**317**

Reconciliation of lease liabilities (DKKm)	2022	2021
Carrying amount at 1 January	399	426
Lease payments	(75)	(79)
New lease contracts	39	65
Other non-cash movements	(6)	(13)
Carrying amount at 31 December	**357**	**399**

3.3 | Lease assets and liabilities (continued)

Comments

The total cash outflow for leases in 2022 totalled DKK 85m (2021: DKK 90m). The amount is excl. short-term leases and leases of low-value assets.

§ Accounting policies

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

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

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

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

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

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

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

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

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

Lease assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the lease asset is depreciated over the underlying asset's useful life cf. note 3.2.

Impairment tests on lease assets are performed 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)	2022	2021
Trade receivables	1,226	1,213
Expected credit losses	(94)	(167)
Trade receivables, net	**1,132**	**1,046**
Expected credit losses at 1 January	(167)	(181)
Expected credit loss recognised	(51)	(35)
Realised credit losses	99	33
Reversed expected credit losses	25	16
Expected credit losses at 31 December	**(94)**	**(167)**

Comments

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

As at 1 January 2021, trade receivables from contracts with customers amounted to DKK 1,117m (net of loss allowance of DKK 181m).

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
2022						
Expected loss rate	2%	1%	3%	17%	77%	8%
Gross carrying amount	897	151	62	23	93	1,226
Expected credit losses	(15)	(1)	(2)	(4)	(72)	(94)
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)

Critical accounting estimates

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

3.4 | Trade receivables (continued)

§ Accounting policies

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

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

3.5 | Contract assets and liabilities

(DKKm)	2022	2021	1 January 2021
Assets recognised from costs to obtain a contract (SAC)	248	204	212
Assets recognised from costs to fulfil a contract	55	23	14
Assets recognised from costs to fulfil contracts with Group companies	373	335	263
Total contract assets	**676**	**562**	**489**
Deferred subscription income	2,191	2,150	2,149
Work in progress for the account of third parties, liabilities	5	17	45
Total contract liabilities	**2,196**	**2,167**	**2,194**

Comments

Of the deferred subscription income, DKK 30m (2021: DKK 38m) will be recognised as income after more than one year.

Revenue recognised in 2022 that was included in deferred subscription income at the beginning of the period amounted to DKK 2,108m (2021: DKK 2,102m).

Costs recognised in 2022 that were included in assets recognised from costs to obtain a contract (SAC) at the beginning of the period amounted to DKK 123m (2021: DKK 132m). Assets to fulfil a contract at the beginning of the period DKK 86m (2021 DKK 61m) were recognised as costs in 2022.

Of the assets recognised from costs to obtain a contract (SAC), DKK 108m (2021 DKK 82m) and DKK 314m (2021: DKK 269m) 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

Total prepaid expenses amounted to DKK 636m (2021: DKK 607m) of which DKK 269m (2021: DKK 280m) related to group companies.

3.7 | Provisions

(DKKm)	2022 Restructuring obligations	2022 Other provisions	2022 Total	2021
Provisions at 1 January	50	55	105	80
Provisions made	54		54	135
Provisions used (payments)	(72)	(1)	(73)	(102)
Reversal of unused provisio	-	(11)	(11)	(8)
Provisions at 31 December	**32**	**43**	**75**	**105**
Of which recognised through special items in the income statement	**30**	**2**	**32**	**53**
Recognised as follows in the balance sheet:				
Non-current liabilities	6	43	49	61
Current liabilities	26	-	26	44
Total	**32**	**43**	**75**	**105**

Specification of how payments regarding provisions are recognised in the statements of cash flow (DKKm)	2022	2021
Payments related to provisions	(7)	(12)
Cash flow related to special items	(66)	(90)
Total	**(73)**	**(102)**

Comments

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

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

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

§ Accounting policies

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

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

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

Section 4

Capital structure and financing costs

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

In this section

4.1 | Equity

Comments

The total authorised number of shares is 400,200 with a par value of DKK 1 per share (increased 100 in 2022 compared to 2021). All issued shares are fully paid up.

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

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

The parent company statement of changes in equity specifies which reserves are available for distribution. The distributable reserves amounted to DKK 5,208m at 31 December 2022 (2021: DKK (707)m). At the Annual General Meeting, the Board of Directors will not propose any dividend for the financial year 2022.

§ 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

At year-end 2022 Nuuday was financed by a shareholder loan from TDC Holding A/S and a Revolving Credit Facility provided by external banks. In December 2022 the shareholder loan was reduced from DKK 9 bn to DKK 2.9bn by converting the residual to equity.

In November 2022, Nuuday signed a new term loan facility, where proceeds will be used to redeem the loan (including accrued interest) from TDC Holding A/S.

Events after the balance sheet date
On 3 February 2023, Nuuday issued a
EUR 500m term loan, In connection with the DKT Finance refinancing in February 2023, Nuuday redeemed it's loan from TDC Holding A/S. Together with the revolving credit facility the new term loan completes the long term funding of Nuuday.

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

Loan from TDC Holding A/S	2030
Maturity	Dec 2030
Fixed/floating rate	Fixed
Coupon	4%
Currency	DKK
Nominal value (DKKm)	2,873

Additionally, Nuuday has entered into EUR 450m notional interest rate swaps to hedge future debt issuance.
As of 31-12 2022 there were no drawings on Revolving Credit Facilities (RCF). Undrawn RCFs amount to EUR 13m, maturing July 2026.

Reconciliation of loans (DKKm)	2022	2021
Carrying amount at 1 January	9,000	9,000
Conversion of loan from TDC Holding A/S to share capital	(6,127)	-
Carrying amount at 31. December	**2,873**	**9,000**
Recognised as follows in the balance sheet:		
Non-current liabilities	-	7,453
Current liabilities	2,873	1,547
Total	**2,873**	**9,000**

§ Accounting policies

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

Other financial liabilities are measured at amortised cost.

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

Nuuday does not apply hedge accounting.

4.3 | Financial risks

Comments

Nuuday is exposed to financial market and credit risks when buying and selling goods and services denominated in foreign currencies as well as due to the cash flow from investing in the business and financing activities. 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 Revolving Credit Facility (RCF) is tied to the development in the daily European reference rate, Euribor. The new term loan facility, which ensures Nuuday's long term funding, has been hedged before drawing the loan proceeds. Therefore, Nuuday has mitigated the main interest rate risk in the funding structure.

Exchange-rate risks
Nuuday is primarily exposed to exchange-rate risks from USD, but these are hedged by TDCH'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 the new term loan facility as they are issued in DKK and EUR respectively.

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 TDCH's Group Treasury function.

Liquidity risks
Nuuday has no short-term refinancing risk as the new term loan facility is running for five years.

Undrawn credit lines
At year-end 2022, Nuuday had undrawn committed credit lines totalling DKK 1,004m.

Credit rating
In relation to the 2022 financing, Nuuday has been rated by the three global rating agencies Moody's, Fitch and S&P. All ratings are listed in the below table.

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

4.4 | Financial income and expenses

(DKKm)	2022	2021
Interest income	13	6
Interest expenses	(417)	(449)
Net interest	**(404)**	**(443)**
Specified as follows:		
Loans from TDC Holding A/S	(360)	(355)
Lease liability	(10)	(11)
Other	(34)	(77)
Currency translation adjustments	(1)	(6)
Fair Value adjustments[1]	85	-
Interest and currency translation adjustments	**(320)**	**(449)**
Profit/(loss) from joint ventures and associates	-	49
Total	**(320)**	**(400)**

[1] Nuuday has partly hedged its future debt issuances to fixed interest rates (nominal EUR 450m), and as market interest rates have increased this has resulted in a gain in 2022.

4.5 | Maturity profiles of financial instruments

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

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

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

4.5 | Maturity profiles of financial instruments (continued)

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[3]	(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[4]	(975)	-	-	-	(975)	(975)	(975)
Total	**(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] Both assets and liabilities measured at fair value through profit or loss are disclosed in the above table because some of the derivatives are used for hedging financial liabilities measured at amortised cost, see table.
[3] Fair value and carrying amount value consist of accrued interest on loan from TDC Holding A/S at 31 December
[4] As not all trade and other payables recognised in the balance sheet are financial instruments (e.g. unbilled payables do not constitute a financial liability), the amount differs from the amount disclosed in the balance sheet.

Section 5

Cash flow

This section provides information on Nuuday's cash flow. More information on development in the cash flow items is included in note 2.6 Special items, note 3.1 Intangible assets, note 3.2 Property, plant and equipment, note 3.3 Lease assets and liabilities, 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)	2022	2021
Change in inventories	(35)	(52)
Change in receivables	(85)	199
Change in contract assets	(114)	(73)
Change in trade payables	(187)	914
Change in contract liabilities	29	(27)
Change in prepaid expenses	5	(53)
Change in other items, net	(25)	(95)
Total	**(412)**	**813**

5.2 | Investment in enterprises

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

The acquisition had no significant impact on the income statement for 2022.

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 2 or 3-year vesting period, as the goals are principally set for a 2 or 3-year period. The objectives are EBITDA, cash flow, fibre connection performance, dividend capacity and Net Promoter Score. The expenses are recognised over the vesting period.

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

The LTI percentage usually varies within a range of 12%-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 15 managers are participating the MIP programme. Under the MIP, the participants are required to place a deposit to TDC Holding A/S to qualify for a return. The payback amounts are based on the development in certain financial performance measures of the TDC Holding group as well as certain business and Health & Safety KPIs over the period until 2023. The investment programme covers the time period 2019-2023. The participants have 40% of the deposits at risk of being lost in downside scenarios and the expected range of payouts are at 2x-4x the participants' deposit. The

Nuuday participants' total deposits amount to DKK 13m and the expenses for 2022 relating to the programme amounted to DKK 11m (2021: DKK 2m). At 31 December 2022 the total liabilities related to the management incentive programme amounted to DKK 30m (2021: 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)	2022	2021
TDC Holding A/S		
Income	2	26
Expenses, lease payments and capital expenditures	(560)	(757)
Receivables	-	865
Payables	(423)	(813)
Loans	(2,873)	(9,000)
Joint ventures and associates		
Income	-	1
Other related parties		
Income	98	90
Expenses and capital expenditures	(5,393)	(5,389)
Receivables	269	280
Payables	(1,008)	(1,059)

6.3 | Fees to auditors

Fees to auditors elected by the Annual General Meeting (DKKm)	2022	2021
Statutory audit	**3**	**2**
Other assurance engagements	1	-
Tax advisory services	-	-
Other services	5	1
Total non-statutory audit services	**6**	**1**
Total	**9**	**3**

6.4 | Other financial commitments

(DKKm)	2022	2021
Lease commitments for short-term and low-value leases		
Short-term leases	13	10
Leases of low-value assets	-	-
Total	**13**	**10**
Capital and purchase commitments		
Commitments related to infrastructure, IT and administrative services from group companies	13,365	16,452
Commitments related to outsourcing agreements	200	9
Investments in intangible assets	398	-
Other purchase commitments	954	1,356

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
Cash with a carrying amount of DKK 402m are pledged as security for long-term loans.

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

Until 31 December 2022, Nuuday A/S was 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 DKT Finance refinancing in February 2023, Nuuday redeemed it's shareholder loan from TDC Holding A/S. Together with the revolving credit facility the new term loan completes the long term funding of Nuuday.

There have been no other events that materially affect the assessment of this Annual Report 2022 after the balance sheet date and up to today.

6.7 | Overview of group companies at 31 December 2022

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	2022	2021
Revenue	2.1	14,447	14,488
Cost of goods sold		(9,647)	(9,549)
External expenses		(1,446)	(1,499)
Personnel expenses	2.2	(1,694)	(1,676)
Other income		65	58
Operating profit before depreciation, amortisation and special items (EBITDA)		1,725	1,822
Depreciation, amortisation and impairment losses		(1,527)	(1,687)
Special items	2.3	(66)	(127)
Operating profit/(loss) (EBIT)		132	8
Loss from subsidiaries	3.4	(33)	(21)
Financial income and expenses	4.3	(317)	(397)
Loss before income taxes		(218)	(410)
Income taxes	2.4	28	20
Loss for the year		**(190)**	**(390)**

Parent company statement of comprehensive income

(DKKm)	Note	2022	2021
Loss for the year		(190)	(390)
Other comprehensive income		-	-
Total comprehensive Loss		**(190)**	**(390)**

Parent company balance sheet

Assets (DKKm)	Note	2022	2021
Non-current assets			
Intangible assets	3.1	12,274	12,420
Property, plant and equipment	3.2	1,121	1,125
Lease assets	3.3	324	373
Investments in subsidiaries	3.4	645	678
Investments in associates and joint ventures		3	3
Other receivables		11	13
Prepaid expenses		8	-
Total non-current assets		**14,386**	**14,612**
Current assets			
Inventories		244	209
Trade receivables	3.5	1,129	1,044
Contract assets	3.6	616	529
Receivables from group companies		74	660
Other receivables		8	9
Income tax receivables	2.4	-	21
Derivatives financial instruments		97	-
Prepaid expenses		629	607
Cash		402	2
Total current assets		**3,199**	**3,081**
Total assets		**17,585**	**17,693**

Equity and liabilities (DKKm)	Note	2022	2021
Equity			
Share capital	4.1	0	0
Other reserves		1,335	1,093
Retained earnings		5,208	(707)
Total equity		**6,543**	**386**
Non-current liabilities			
Deferred tax liabilities	2.4	1,553	1,586
Provisions		48	61
Loans	4.2	-	7,453
Lease liabilities	3.3	272	314
Other payables		214	205
Total non-current liabilities		**2,087**	**9,619**
Current liabilities			
Loans group companies		2,873	1,547
Lease liabilities	3.3	81	81
Trade payables		1,664	1,703
Contract liabilities	3.6	2,173	2,150
Payables to group companies		1,305	1,474
Income tax payable		5	-
Other payables		817	689
Derivatives financial instruments		11	-
Provisions		26	44
Total current liabilities		**8,955**	**7,688**
Total liabilities		**11,042**	**17,307**
Total equity and liabilities		**17,585**	**17,693**

Parent company statement of cash flows

(DKKm)	Note	2022	2021
Operating activities			
Operating profit before depreciation, amortisation and special items (EBITDA)		1,725	1,822
Adjustment for non-cash items		16	48
Payments related to provisions		(7)	(12)
Special items		(76)	(111)
Change in working capital	5.1	(440)	621
Interest received		13	5
Interest paid		(308)	(436)
Income tax paid	2.4	21	19
Total cash flow from operating activities		**944**	**1,956**
Investing activities			
Investment in subsidiaries	3.4	-	(20)
Investment in activities		(51)	-
Investment in property, plant and equipment		(361)	(328)
Investment in intangible assets		(883)	(727)
Investment in other non-current assets		-	(4)
Divestment of joint ventures and associates		-	97
Sale of other non-current assets		2	1
Change in loans to subsidiaries, joint ventures and associates		-	8
Total cash flow from investing activities		**(1,293)**	**(973)**

(DKKm)	Note	2022	2021
Financing activities			
Lease payments		(74)	(79)
Cost related to long-term loans		(35)	-
Change in interest-bearing receivables and payables		856	(902)
Total cash flow from financing activities		**747**	**(981)**
Total cash flow		**398**	**2**
Cash and cash equivalents at 1 January		2	-
Effect of exchange-rate changes on cash and cash equivalents		2	-
Cash and cash equivalents at 31 December		**402**	**2**

Parent company statement of changes in equity

(DKKm)	Share capital	Reserve for capitalised development projects	Retained earnings	Total
Equity at 1 January 2021	0	948	(172)	776
Loss for the year	-	145	(535)	(390)
Total comprehensive income/(loss)	0	145	(535)	(390)
Total transactions with owners	-	-	-	-
Equity at 31 December 2021	**0**	**1,093**	**(707)**	**386**
Loss for the year	-	242	(432)	(190)
Total comprehensive income/(loss)	-	242	(432)	(190)
Contributions of equity	0	-	6,347	6,347
Total transactions with owners	0	-	6,347	6,347
Equity at 31 December 2022	**0**	**1,335**	**5,208**	**6,543**

Notes to parent company financial statements

1.1 | Accounting policies

The Financial statements 2022 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 compared with the policies applied in the Annual Report 2021.

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)	2022	2021
Sales of goods recognised at a point in time	1,394	1,364
Sales of services recognised over time	13,053	13,124
Total	**14,447**	**14,488**

Revenue specified by services (DKKm)	2022	2021
Landline voice	746	806
Mobility services	5,085	4,908
Internet & network	3,232	3,298
TV	3,452	3,438
Other services	1,932	2,038
Total	**14,447**	**14,488**

2.2 | Personnel expenses

(DKKm)	2022	2021
Wages and salaries (including short-term and long-term bonus)	(1,934)	(1,926)
Pensions	(180)	(175)
Social security	(42)	(36)
Total	**(2,156)**	**(2,137)**
Of which capitalised as non-current assets	462	461
Total	**(1,694)**	**(1,676)**
Average number of full-time employee equivalents[1]	3,321	3,431

[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)	2022	2021
Costs related to redundancy programmes	(49)	(103)
Other restructuring costs, etc.	(15)	(8)
Loss from rulings	(2)	(16)
Special items before income taxes	**(66)**	**(127)**
Income taxes related to special items	14	27
Special items related to joint ventures and associates	-	49
Total special items	**(52)**	**(51)**

2.4 | Income taxes

	2022			2021		
(DKKm)	Income tax income/ (expense)	Income tax payable/ (receivable)	Deferred tax liabilities/ (assets)	Income tax income/ (expense)	Income tax payable/ (receivable)	Deferred tax liabilities/ (assets)
At 1 January		(21)	1,586		(58)	1,624
Income taxes	13	8	(21)	29	24	(53)
Adjustment of tax for previous years	15	(3)	(12)	(9)	(6)	15
Tax paid		21			19	
Total	**28**	**5**	**1,553**	**20**	**(21)**	**1,586**
Income taxes are specified as follows:						
Income excluding special items	14			(7)		
Special items	14			27		
Total	**28**			**20**		

Effective tax rate (%)	2022	2021
Danish corporate income tax rate	22.0	22.0
Profit from subsidiaries, joint ventures and associates	(4.6)	(1.5)
Adjustment of tax for previous years	9.7	(2.6)
Limitation on the tax deductibility of interest expenses	(22.0)	(19.8)
Other	4.1	(0.1)
Effective tax rate excluding special items	**9.2**	**(2.0)**
Special items	3.6	6.9
Effective tax rate including special items	**12.8**	**4.9**

Deferred tax (DKKm)	2022	2021
Intangible assets	42	64
Other	41	31
Current	**83**	**95**
Intangible assets	1,441	1,454
Property, plant and equipment	(25)	(5)
Lease assets and liabilities	(6)	(4)
Other	60	46
Non-current	**1,470**	**1,491**
Deferred tax at 31 December	**1,553**	**1,586**

3.1 | Intangible assets

(DKKm)	2022 Goodwill	2022 Customer relationships	2022 Brands	2022 Other rights, software, etc.	2022 Total	2021 Goodwill	2021 Customer relationships	2021 Brands	2021 Other rights, software, etc.	2021 Total
Cost at 1 January	8,815	14,345	4,162	8,642	35,964	8,815	14,351	4,162	8,683	36,011
Additions	-	-	-	883	883	-	-	-	727	727
Additions related to acquisition of activities	-	-	-	51	51	-	-	-	-	-
Assets disposed of or fully amortised	-	(146)	-	(411)	(557)	-	(6)	-	(768)	(774)
Cost at 31 December	**8,815**	**14,199**	**4,162**	**9,165**	**36,341**	**8,815**	**14,345**	**4,162**	**8,642**	**35,964**
Amortisation and impairment losses at 1 January	(3,693)	(12,840)	(110)	(6,901)	(23,544)	(3,693)	(12,515)	(110)	(6,821)	(23,139)
Amortisation	-	(237)	-	(829)	(1,066)	-	(331)	-	(836)	(1,167)
Impairment losses for the year	-	-	-	(14)	(14)	-	-	-	(12)	(12)
Assets disposed of or fully amortised	-	146	-	411	557	-	6	-	768	774
Amortisation and impairment losses at 31 December	**(3,693)**	**(12,931)**	**(110)**	**(7,333)**	**(24,067)**	**(3,693)**	**(12,840)**	**(110)**	**(6,901)**	**(23,544)**
Carrying amount at 31 December	**5,122**	**1,268**	**4,052**	**1,832**	**12,274**	**5,122**	**1,505**	**4,052**	**1,741**	**12,420**

3.2 | Property, plant and equipment

	2022				2021			
	Network infra-structure	Equipment	Assets under construction	Total	Network infra-structure	Equipment	Assets under construction	Total
Cost at 1 January	2,373	724	81	3,178	2,454	695	58	3,207
Additions	287	45	37	369	276	42	23	341
Assets disposed of	(538)	-	-	(538)	(357)	(13)	-	(370)
Cost at 31 December	**2,122**	**769**	**118**	**3,009**	**2,373**	**724**	**81**	**3,178**
Depreciation and impairment losses at 1 January	(1,456)	(593)	(4)	(2,053)	(1,449)	(541)	(2)	(1,992)
Depreciation	(312)	(61)	-	(373)	(362)	(65)	-	(427)
Impairment losses for the year	-	-	-	-	(2)	-	(2)	(4)
Assets disposed of	538	-	-	538	357	13	-	370
Depreciation and impairment losses at 31 December	**(1,230)**	**(654)**	**(4)**	**(1,888)**	**(1,456)**	**(593)**	**(4)**	**(2,053)**
Carrying amount at 31 December	**892**	**115**	**114**	**1,121**	**917**	**131**	**77**	**1,125**

3.3 | Lease assets and liabilities

Lease assets (DKKm)	2022 Land and buildings	2022 Vehicles and equipment	2022 Total	2021 Land and buildings	2021 Vehicles and equipment	2021 Total
Carrying amount at 1 January	339	34	373	372	38	410
Additions	12	26	38	39	21	60
Disposals	-	(4)	(4)	(11)	(1)	(12)
Depreciation	(59)	(24)	(83)	(61)	(24)	(85)
Carrying amount at 31 December	**292**	**32**	**324**	**339**	**34**	**373**

Lease liabilities (DKKm)	2022	2021
Recognised in the balance sheet at present value:		
Current	81	81
Non-current	272	314
Total	**353**	**395**
Maturing within 1 year	81	81
Maturing between 1 and 3 years	139	136
Maturing between 3 and 5 years	63	88
Maturing after 5 years	70	90
Total	**353**	**395**

Amounts recognised in the statement of profit and loss (DKKm)	2022	2021
Expense relating to short term leases	(29)	(24)
Depreciation charge of lease assets, cf. above	(83)	(85)
Interest expense (included in financing cost)	(10)	(11)

The total cash outflow for leases in 2022 was DKK 84m (2021: DKK 90m), of which, DKK 10m (2021: DKK 11m) related to interest payments on lease liabilities.

3.4 | Investments in subsidiaries

(DKKm)	2022	2021
Cost at 1 January	752	732
Additions	-	20
Cost at 31 December	**752**	**752**
Value adjustments at 1 January	(74)	(53)
Share of profit/(loss)	(33)	(21)
Value adjustments at 31 December	**(107)**	**(74)**
Carrying amount at 31 December	**645**	**678**

Overview of subsidiaries at 31 December 2022

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)	2022	2021
Trade receivables	1,218	1,207
Expected credit losses	(89)	(163)
Trade receivables, net	**1,129**	**1,044**
Expected credit losses at 1 January	(163)	(179)
Expected credit losses recognised	(50)	(34)
Realised credit losses	99	33
Reversed expected credit losses	25	17
Expected credit losses at 31 December	**(89)**	**(163)**

3.6 | Contract assets and liabilities

(DKKm)	2022	2021
Assets recognised from costs to obtain a contract (SAC)	226	197
Assets recognised from costs to fulfil a contract	41	18
Assets recognised from costs to fulfil an internal contract	349	314
Total contract assets	**616**	**529**
Deferred subscription income	2,168	2,133
Work in progress for the account of third parties, liabilities	5	17
Total contract liabilities	**2,173**	**2,150**

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
2022						
Expected loss rate	2%	1%	2%	18%	76%	7%
Gross carrying amount	895	151	61	22	89	1,218
Expected credit losses	(15)	(1)	(1)	(4)	(68)	(89)
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)

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)	2022	2021
Interest income from group companies	-	-
Other interest income	13	5
Interest expenses to group companies	(360)	(391)
Other Interest expenses	(54)	(54)
Net interest	**(401)**	**(440)**
Currency translation adjustments	(1)	(6)
Fair value adjustments	85	-
Interest and currency translation adjustments	**(317)**	**(446)**
Profit/(loss) from joint ventures and associates	-	49
Total	**(317)**	**(397)**

5.1 | Change in working capital

(DKKm)	2022	2021
Change in inventories	(35)	(55)
Change in receivables	(142)	166
Change in contract assets	(87)	(69)
Change in trade payables	(181)	743
Change in contract liabilities	22	(29)
Change in prepaid expenses	6	(54)
Change in other items, net	(23)	(81)
Total	**(440)**	**621**

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)	2022	2021
Income	14	9
Expenses	(113)	(108)
Receivables	75	17
Debt	(219)	(7)

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

Fees to auditors elected by the Annual General Meeting (DKKm)	2022	2021
Statutory audit	**3**	**2**
Other assurance engagements	1	-
Tax advisory services	-	-
Other services	5	1
Total non-statutory audit services	**6**	**1**
Total	**9**	**3**

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 402m are pledged as security for long-term loans.

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

6.5 | Events after the balance sheet date

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

Statements

Management statement

Today, the Board of Directors and the Executive Committee considered and approved the annual report of Nuuday A/S for 2022.

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 2022 of the Group and the parent company and of the results of the Group and parent company operations and cash flows for 2022.

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, 31 March 2023

Executive Committee

Jonathan Glyn James
Chief Executive Officer

Henrik Christiansen
Chief Financial Officer

Board of Directors

Michael Parton
Chair

Anna Sofia Arhall Bergendorff
Vice chair

Søren Abildgaard Jacobsen

Peter Nyegaard

Susana Leith-Smith

Joe Boorman

Zanne Merethe Stensballe

Thomas Lech Pedersen

Tobias Tolstrup

Independent auditor's report

To the shareholder of Nuuday A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nuuday A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022, and of the results of their operations and cash flows for the financial year 01.01.2022 - 31.12.2022 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 consolidated financial statements and the parent financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 31 March 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33963556

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

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

Forward-looking statements

Forward-looking statements

This report may include statements about Nuuday's expectations, beliefs, plans, objectives, assumptions or future events or performance that are not historical facts and may be forward-looking. These statements are often, but not always, formulated using words or phrases such as "are likely to result", "are expected to", "will continue", "believe", "is anticipated", "estimated", "intends", "expects", "plans", "seeks", "projection" and "outlook" or similar expressions or negatives thereof. These statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause actual results, performance or achievements or industry results to differ materially from those expressed or implied by such forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this financial report. Key factors that may have a direct bearing on Nuuday's results include: the competitive environment and the industry in which Nuuday operates; contractual obligations in Nuuday's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks, including Nuuday's responses to change and new technologies; introduction of and demand for new services and products; developments in demand, product mix and prices in the mobile and multimedia services market; research regarding the impact of mobile phones on health; changes in applicable legislation, including but not limited to tax and telecommunications legislation and anti-terror measures; decisions made by the Danish Business Authority; the possibility of being awarded licences; increased interest rates; the status of important intellectual property rights; exchange-rate fluctuations; global and local economic conditions; investments in and divestment of domestic and foreign companies; and supplier relationships.

As the risk factors referred to in this report could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Report, undue reliance is not to be placed on any of these forward-looking statements. New factors will emerge in the future that Nuuday cannot predict. In addition, Nuuday cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.