

TDC Holding group performance

Revenue

In the first quarter of 2021, revenue increased by 1.0% or DKK 40m to DKK 4,022m when compared with the first quarter of 2021. The development was driven by a high growth in revenue from mobility services.

Gross profit

Gross profit decreased by 1.3% or DKK 37m to DKK 2,758m in the first quarter of 2022. The decline was related to landline voice and 3rd party costs.

Operating expenses

In the first quarter of 2022, operating expenses decreased by 0.6% or DKK 7m to DKK 1,154m. The improved operating expenses were fuelled by cost optimizations in TDC NET, Nuuday and TDC Holding in e.g., support functions.

EBITDA

In the first quarter of 2022, EBITDA decreased by 1.8% or DKK 30m to DKK 1,604m. The development was triggered by declines in other services, internet & network and landline voice that were somewhat offset by improved cost savings.

Capital expenditure

Capital expenditure totalled DKK 935m in the first quarter of 2022, down by 7.6% or DKK 77m compared with the same period last year. The decrease partially reflects the end of the DOCSIS 3.1-upgrade of TDC NET's coax network. TDC Holding group's generally high investment level reflects the continued ambition to roll-out fibre to connect Denmark and support Nuuday's digitalisation.

TDC Holding group, key figures (DKKm)	Q1 2022	Q1 2021	Change in %
Income statements			
Revenue	4,022	3,982	1.0
Gross profit	2,758	2,795	(1.3)
Operational expenses	(1,154)	(1,161)	(0.6)
EBITDA	1,604	1,634	(1.8)
Profit for the period excluding special items	182	193	(5.7)
Profit for the period	154	95	62.1
Total comprehensive income	1,053	466	126.0
Capital expenditure, excluding mobile licences	(935)	(1,012)	(7.6)
Mobile licences	-	-	-
Key financial ratios			
Gross margin, %	68.6	70.2	-
EBITDA margin, %	39.9	41.0	-

Cash flow

Total cash flow increased by DKK 1,665m to DKK 1,949m.

The DKK 606m decrease in cash flow from operating activities in Q1 2022, down to DKK 428m, was driven primarily by the different timing of income tax paid (DKK 192m) and distribution of excess capital from the TDC Pension Fund in Q12021 (DKK 274m)³.

The DKK 268m decrease in cash outflow from investing activities to DKK 982m, was driven by lower payments of property, plant and equipment.

Cash flow from financing activities in Q1 2022 increased by DKK 2,003m to DKK 2,503m, driven by the proceeds from the new financing for TDC NET.

Profit for the period

Excluding special items, profit for the period decreased by DKK 11m to DKK 182m. The decreasing EBITDA and increasing net financial expenses, due primarily to development in fair value adjustments, were partly offset by lower amortisations. Including special items, profit for the period increased by DKK 59m to DKK 154m.

Comprehensive income

Total comprehensive income increased by DKK 587m to DKK 1,053m. The DKK 59m increase in profit for the period was accompanied by a positive development in defined benefit plans for Danish employees (DKK 528m after tax).

Net interest-bearing debt

Adjusted net interest-bearing debt¹ increased by DKK 716m to DKK 22,067m. The increase was due primarily to the negative net cash flow from operating and investing activities of DKK 554m.

Cash flow and net interest-bearing debt (DKKm)	Q1 2022	Q1 2021	Change in %
Cash flow from operating activities	428	1,034	(58.6)
Investment in property, plant and equipment	(691)	(952)	(27.4)
Investment in intangible assets	(291)	(299)	(2.7)
Lease repayments	(66)	(65)	1.5
Equity free cash flow	(620)	(282)	119.9
Total cash flow from operating activities	428	1,034	(58.6)
Total cash flow from investing activities	(982)	(1,250)	(21.4)
Total cash flow from financing activities	2,503	500	-
Total cash flow	1,949	284	-
Adjusted net interest-bearing debt (NIBD) ¹	(22,067)	(21,277)	3.7
Net interest-bearing debt (NIBD)	(28,093)	(26,866)	4.6
Adjusted NIBD/EBITDA ²	x 3.7	3.6	-

1. Excluding the impact from IFRS 16 and spectrum licence liabilities.

2. Calculated without spectrum licence liabilities as well as the additional lease liabilities due to the adoption of IFRS 16 and the resulting EBITDA effect. The EBITDA effect of IFRS 16 amounts to DKK 417m for the last twelve months. Including spectrum licence liabilities and IFRS 16 the NIBD/EBITDA ratio amounts to 4.4 at 31 March 2022.

³TDC Pension Fund is expected to distribute DKK 867m (after tax) to TDC Holding in Q2 2022.

TDC NET highlights Q1 2022

- **Revenue** stabilisation (-0.2% YoY) as lower revenue from legacy products was offset by increase in revenue from high-speed broadband and mobility services
- TDC NET's **EBITDA** totalled DKK 1,162m, up by 0.7% compared with the 2021 level, mainly due to improvement in operating expenses by 3.1% YoY despite higher electricity prices
- **Capital expenses** of DKK 781m in Q1 (11.3% YoY) as a result of continued investment in IT and fibre
 - TDC NET rolled out 20k **fibre homes passed** in Q1, which is more than last year (17k) due to a mild winter
- Danish Technological Institute has awarded TDC NET again as the **best mobile network in Denmark 7th time in a row** and remains the only company in the country with a nationwide and fully operational 5G network
- TDC NET has entered a **new secured infrastructure financing** of DKK -25bn to stand-alone finance TDC NET as part of the separation of TDC Group
- In Q1, TDC NET connected to the **first solar park** as part of the power purchasing agreement. During 2022 more solar parks will be activated so more than 60% of TDC NETs annual electricity consumption will be covered by solar energy

TDC NET¹ performance

Revenue

In the first quarter of 2022, TDC NET's revenue stabilised with a development of -0.2% or DKK -3m to DKK 1,678m compared with the same period in 2021. This was driven mainly by a decrease in revenue from legacy products offset by increased revenue from high-speed broadband as a result of net adds on fibre and coax technologies and higher ARPU as well as higher revenue from mobility services.

Gross profit

TDC NET's gross profit decreased by 0.4% or DKK 6m compared with Q1 2021 and accumulated to DKK 1,606m in Q1 2022. The decline was driven by the decrease in revenues stemming from legacy products and a slightly lower gross profit margin driven by other services. Thus, TDC NET's gross profit margin decreased from 95.9% in Q1 2021 to 95.7% in Q1 2022.

Operating expenses

In Q1 2022, operating expenses decreased by 3.1% or DKK 14m totalled DKK 444m. The improvement was mainly driven by optimisations within support functions partly in relation to the final separation of Group Functions to TDC NET.

EBITDA

EBITDA increased by 0.7% or DKK 8m accumulating to DKK 1,162m in Q1 2022. This increase was driven by the improvement in operating expenses and stable gross profit. The resulting EBITDA margin improved by 0.6 percentage points due to the improved operating expenses.

Capital expenditure

In Q1 2022, capital expenditure totalled DKK 781m, an increase of 11.3% or DKK 79m compared with the same period last year. The high investment level continued in Q1 within both IT applications, security, and fibre rollout. On fibre TDC NET rolled out 20k fibre homes passed compared to 17k last year due to better the weather conditions in 2022. The fibre rollout is expected to return to a similar pace to previous quarters in Q2.

¹ All figures for TDC NET reported in this Financial Report are consolidated figures for TDC NET Holding. On 3 February 2022, TDC Holding contributed its shares in TDC NET into its newly established wholly-owned subsidiary, TDC NET Holding, whereby TDC NET Holding became the direct parent company of TDC NET. The TDC NET group, i.e. TDC NET Holding, TDC NET and its subsidiaries together form a ring-fenced security group for purposes of the senior secured financing borrowed by TDC NET.

TDC NET, key figures (DKKm)	Q1 2022	Q1 2021	Change in %
Income statements			
Revenue	1,678	1,681	(0.2)
Hereof external revenue	346	352	(1.7)
Gross profit	1,606	1,612	(0.4)
Operational expenses	(444)	(458)	(3.1)
EBITDA	1,162	1,154	0.7
Capital expenditure			
Capital expenditure, excluding mobile licences	(781)	(702)	11.3
Mobile licences	-	-	-
Key financial ratios			
Gross margin, %	95.7	95.9	-
EBITDA margin, %	69.2	68.6	-

Nuuday highlights Q1 2022

- **Nuuday service revenue grew by 2% Q1 YoY** as mobility services and high-speed broadband revenue increased, offsetting declining revenue from mature services.
- **Gross profit decreased by 4% Q1 YoY** partly driven by increase 3rd party costs and the ongoing migration from DSL to fibre.
- Nuuday decreased its operating expenses in Q1 YoY with 2%.
- **EBITDA decreased by 6% in Q1 YoY** driven by the gross profit margin pressure as well as investments in our customer experience and IT transformation.
- In Q1 Nuuday started investing in a significant IT transformation, replacing our complex IT systems and re-engineering our commercial and operational activities, leading **capex to increase by 1% Q1 YoY**.
- **In Q1 our mobile RGU base grew in both consumer and business segment.** In consumer the increase was driven by Telmore and Eesy, which both continues to gain a strong market position.
- In Q1 2022 Nuuday continued to have **strong sales on third party fibre networks** across all brands, supporting the strong footprint in the market.

Nuuday performance

Revenue

In Q1 2022, Nuuday's revenue increased by 1.3% or DKK 46m to DKK 3,685m. This increase was driven by strong performance in the key customer segments mobility services and high-speed broadband through RGU growth in both the consumer and business segments, leading to i.e. mobility service revenue increase of 6% YoY. Furthermore, TV revenue continued the good signs of commercial stabilisation that were reported in the second half of 2021 and was kept flat in Q1 YoY.

Gross profit

Nuuday's gross profit decreased by 3.5% or DKK 44m YoY to DKK 1,202m in Q1 2022. The ongoing migration of customers from DSL to fibre as well as lower RGU bases on mature services and higher interconnect SMS cost were the main drivers of the decreased gross profit. However, compared with Q4 2021 and supporting the commercial stabilisation, Nuuday realised flat gross profit in Q1.

Operating expenses

Nuuday's operating expenses in Q1 totalled DKK 780m, down by DKK 17m or 2.1% from Q1 2021. This was driven by reductions in spending across opex categories.

EBITDA

Nuuday recorded an EBITDA decline of 6% or DKK 27m to DKK 422m in Q1. The savings in operating expenses positively impacted the EBITDA growth YoY. However, the loss in gross profit more than offset these savings.

Capital expenditure

In 2022 Nuuday entered the next phases of a significant transformation with the bold ambition to become one of the most digital and advanced telcos in Europe. Capex thus grew by 1% in Q1 YoY due to investments in replacing complex IT systems and re-engineering our commercial and operational activities.

Nuuday, key figures (DKKm)	Q1 2022	Q1 2021	Change in %
Income statements			
Revenue	3,685	3,639	1.3
Hereof service revenue	3,332	3,279	1.6
Gross profit	1,202	1,246	(3.5)
Operational expenses	(780)	(797)	(2.1)
EBITDA	422	449	(6.0)
Capital expenditure			
Capital expenditure, excluding mobile licences	(302)	(299)	1.0
Key financial ratios			
Gross margin, %	32.6	34.2	-
EBITDA margin, %	11.5	12.3	-

Consolidated financial statements

Income statement(DKKm)	Note	Q1 2022	Q1 2021	Change in %
Revenue	3	4,022	3,982	1.0
Cost of sales		(1,264)	(1,187)	6.5
Gross profit		2,758	2,795	(1.3)
External expenses		(504)	(476)	5.9
Personnel expenses		(705)	(730)	(3.4)
Other income		55	45	22.2
Operating profit before depreciation, amortisation and special items (EBITDA)	2	1,604	1,634	(1.8)
Depreciation, amortisation and impairment losses	4	(993)	(1,084)	(8.4)
Operating profit excluding special items (EBIT excluding special items)		611	550	11.1
Special items	5	(36)	(115)	(68.7)
Operating profit (EBIT)		575	435	32.2
Financial income and expenses	6	(330)	(252)	31.0
Profit before income taxes		245	183	33.9
Income taxes		(91)	(88)	3.4
Profit for the period		154	95	62.1
Profit attributable to:				
Owners of the parent company		154	95	62.1

Statement of comprehensive income (DKKm)	Note	Q1 2022	Q1 2021
Profit/(loss) for the period		154	95
Items that may subsequently be reclassified to the income statement:			
Change in fair value adjustments of cash flow hedges transferred to financial expenses		11	11
Items that cannot subsequently be reclassified to the income statement:			
Remeasurement of defined benefit pension plans		1,137	462
Income tax relating to remeasurement of defined benefit pension plans		(249)	(102)
Other comprehensive income		899	371
Total comprehensive income		1,053	466

Balance sheet

Assets (DKKm)	Note	31 March 2022	31 December 2021	31 March 2021
Non-current assets				
Intangible assets		24,555	24,652	24,307
Property, plant and equipment		16,956	16,870	16,137
Lease assets		3,139	3,195	3,367
Joint ventures, associates and other investments		8	8	56
Pension assets	7	11,697	10,562	8,154
Receivables		43	43	200
Prepaid expenses		32	18	27
Total non-current assets		56,430	55,348	52,248
Current assets				
Inventories		271	252	256
Receivables		1,725	1,859	1,781
Derivative financial instruments		47	88	76
Prepaid expenses		650	539	692
Cash		2,767	811	717
Total current assets		5,460	3,549	3,522
Total assets		61,890	58,897	55,770

Equity and liabilities (DKKm)	Note	31 March 2022	31 December 2021	31 March 2021
Equity				
Share capital		812	812	812
Reserve for exchange-rate adjustments		-	-	-
Reserve for cash flow hedges		(40)	(51)	(85)
Retained earnings		17,508	16,466	14,993
Total equity		18,280	17,227	15,720
Non-current liabilities				
Deferred tax liabilities		4,247	3,996	3,396
Provisions		416	415	406
Loans	8	22,575	19,624	19,138
Lease liabilities		3,630	3,657	3,788
Other non-current liabilities		385	383	387
Total non-current liabilities		31,253	28,075	27,115
Current liabilities				
Loans	8	4,209	4,481	4,333
Lease liabilities		472	475	487
Trade and other payables		7,307	8,289	7,835
Income tax payable		112	104	115
Derivative financial instruments		70	50	94
Provisions		187	196	71
Total current liabilities		12,357	13,595	12,935
Total liabilities		43,610	41,670	40,050
Total equity and liabilities		61,890	58,897	55,770

Statements of cash flow (DKKm)	Q1 2022	Q1 2021	Change in %
EBITDA	1,604	1,634	(1.8)
Adjustment for non-cash items	33	41	(19.5)
Pension contributions	(1)	273	(100.4)
Payments related to provisions	(4)	(5)	(20.0)
Special items	(65)	(58)	12.1
Change in working capital	(343)	(276)	24.3
Interest paid, net	(713)	(684)	4.2
Income tax paid/received	(83)	109	(176.1)
Total cash flow from operating activities	428	1,034	(58.6)
Investment in property, plant and equipment	(691)	(952)	(27.4)
Investment in intangible assets	(291)	(299)	(2.7)
Investment in other non-current assets	-	(1)	-
Sale of other non-current assets	-	2	-
Total cash flow from investing activities	(982)	(1,250)	(21.4)
Proceeds from long-term loans	20,794	-	-
Repayment of long-term loans	(17,864)	-	-
Lease repayments	(66)	(65)	1.5
Costs relating to long-term loans	(70)	-	-
Change in short-term bank loans	(291)	565	(151.5)
Total cash flow from financing activities	2,503	500	-
Total cash flow	1,949	284	-
Cash and cash equivalents (beginning of period)	811	434	86.9
Effect of exchange-rate changes on cash and cash equivalents	7	(1)	-
Cash and cash equivalents (end of period)	2,767	717	-

Statement of changes in equity(DKKm)	Equity attributable to owners of the parent company			
	Share capital	Reserve for cash flow hedges	Retained earnings	Total
Equity at 1 January 2021	812	(96)	14,538	15,254
Profit/(loss) for the period			95	95
Change in fair value adjustments of cash flow hedges transferred to financial expenses		11		11
Remeasurement effects of defined benefit pension plans			462	462
Income tax related to remeasurement effects of defined benefit pension plans			(102)	(102)
Total comprehensive income	-	11	455	466
Distributed dividends				
Total transactions with shareholders	-	-	-	-
Equity at 31 March 2021	812	(85)	14,993	15,720
Equity at 1 January 2022	812	(51)	16,466	17,227
Profit for the period			154	154
Change in fair value adjustments of cash flow hedges transferred to financial expenses		11		11
Remeasurement effects related to defined benefit pension plans			1,137	1,137
Income tax related to remeasurement effects from defined benefit pension plans			(249)	(249)
Total comprehensive income	-	11	1,042	1,053
Distributed dividends				
Total transactions with shareholders	-	-	-	-
Equity at 31 March 2022	812	(40)	17,508	18,280

1 | Accounting policies

TDC Holding's (TDCH) Interim Financial Report for Q1 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting and the requirements in the Danish Financial Statements Act (reporting class D).

The consolidated financial statements are based on the historical cost convention, except that the following assets and liabilities are measured at fair value: derivatives, financial instruments held for sale, and financial instruments held to collect and sell.

Critical accounting estimates and judgements

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 material to the preparation of the consolidated financial statements are shown in note 1.2 of the consolidated financial statements for 2021, cf. TDCH's Annual Report 2021.

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

2 | Segment reporting

Activities (DKKm)	Nuuday		TDC NET ¹		Group functions	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
External revenue	3,676	3,627	346	352	-	3
Revenue across segments	9	12	1,332	1,329	-	-
Total revenue	3,685	3,639	1,678	1,681	-	3
Cost of sales	(2,483)	(2,393)	(72)	(69)	-	-
Gross profit	1,202	1,246	1,606	1,612	-	3
Operating expenses	(796)	(811)	(516)	(515)	(95)	(203)
Other income and expenses	16	14	72	57	232	321
EBITDA	422	449	1,162	1,154	137	121
			Eliminations		Total	
			Q1 2022	Q1 2021	Q1 2022	Q1 2021
External revenue			-	-	4,022	3,982
Revenue across segments			(1,341)	(1,341)	-	-
Total revenue			(1,341)	(1,341)	4,022	3,982
Cost of sales			1,291	1,275	(1,264)	(1,187)
Gross profit			(50)	(66)	2,758	2,795
Operating expenses			198	323	(1,209)	(1,206)
Other income and expenses			(265)	(347)	55	45
EBITDA			(117)	(90)	1,604	1,634

¹All figures for TDC NET reported in this Financial Report are consolidated figures for TDC NET Holding. On 3 February 2022, TDC Holding contributed its shares in TDC NET into its newly established wholly-owned subsidiary, TDC NET Holding, whereby TDC NET Holding became the direct parent company of TDC NET. The TDC NET group, i.e. TDC NET Holding, TDC NET and its subsidiaries together form a ring-fenced security group for purposes of the senior secured financing borrowed by TDC NET.,

2 | Segment reporting (continued)

Reconciliation of profit before depreciation, amortisation and special items (EBITDA) (DKKm)	Q1 2022	Q1 2021
EBITDA from reportable segments	1,604	1,634
Unallocated:		
Depreciation, amortisation and impairment losses	(993)	(1,084)
Special items	(36)	(115)
Financial income and expenses	(330)	(252)
Consolidated profit before income taxes	245	183

3 | Revenue

	Nuuday							
	Consumer		Business		Other		Nuuday	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
External revenue specified by services (DKKm)								
Landline voice	82	96	110	117	1	-	193	213
Mobility services	794	760	288	292	173	129	1,255	1,181
Internet & network	597	605	264	271	1	-	862	876
TV	866	865	5	5	13	11	884	881
Other services	195	161	284	326	3	(11)	482	476
External revenue, total	2,534	2,487	951	1,011	191	129	3,676	3,627
	TDC NET		Group functions		Eliminations		Total	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Landline voice	24	29	-	-	-	-	217	242
Mobility services	17	22	-	-	-	-	1,272	1,203
Internet & network	220	225	-	-	-	-	1,082	1,101
TV	-	-	-	-	-	-	884	881
Other services	85	76	-	3	-	-	567	555
External revenue, total	346	352	-	3	-	-	4,022	3,982

4 | Depreciation, amortisation and impairment losses

(DKK)m	Q1 2022	Q1 2021
Amortisation of intangible assets	(383)	(485)
Depreciation on property, plant and equipment	(516)	(505)
Depreciation of lease assets	(93)	(97)
Impairment losses	(8)	(5)
Capitalised as tangible or intangible assets	7	8
Total	(993)	(1,084)

The decrease in amortisation from Q1 2021 to Q1 2022 is due primarily to lower software amortisation in 2022.

5 | Special items

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 as described above are disclosed on the face of the income statement. Items of a similar nature from non-consolidated enterprises are recognised in profit from joint ventures and associates.

Special items (DKKm)	Q1 2022	Q1 2021
Costs related to redundancy programmes	(34)	(69)
Other restructuring costs, etc.	(2)	(1)
Distribution of excess capital to members of TDC Pension Fund	-	(44)
Costs related to acquisition of enterprises	-	(1)
Special items before income taxes	(36)	(115)
Income taxes related to special items	8	17
Total special items	(28)	(98)

6 | Financial income and expenses

Financial income and expenses (DKKm)	Q1 2022	Q1 2021	Change in %
Interest income	5	12	(58.3)
Interest expenses	(277)	(319)	(13.2)
Net interest	(272)	(307)	(11.4)
Currency translation adjustments	7	(173)	(104.0)
Fair value adjustments	(90)	222	(140.5)
Interest, currency translation adjustments and fair value adjustments	(355)	(258)	37.6
Profit/(loss) from joint ventures and associates	-	(1)	-
Interest on pension assets	25	7	-
Total	(330)	(252)	31.0

6 | Financial income and expenses (continued)

Specifications (DKKm)	Q1 2022				Q1 2021			
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Senior Facility Agreement	(42)	(8)	(24)	(74)	(109)	8	1	(100)
Term Loans	(49)	9	-	(40)				
Euro Medium Term Notes	(88)	(1)	(34)	(123)	(98)	3	11	(84)
Lease liabilities	(47)			(47)	(49)			(49)
Other	(40)	(1)	(30)	(71)	(38)	(2)	15	(25)
Total	(266)	(1)	(88)	(355)	(294)	9	27	(258)

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 355m in Q1 2022. The increase of DKK 97m compared with Q1 2021 was driven primarily by lower interest expenses that were more than offset by an unfavourable development in fair value adjustments:

- Interest: Following the refinancing in TDC Holding group, the EUR 1.9bn Senior Facility Agreement was repaid and the EMTN of EUR 0.5bn matured in Q1 2022, whereas TDC NET entered into a committed long-term banking facility of EUR 3.3bn. This resulted in a lower interest due to lower interest on the new facility.
- Fair value adjustments: The repayment of the EUR 1.9bn Senior Facility Agreement as well as closing of existing revolving credit facilities resulted in a loss in Q1 2022. Furthermore, the negative market value development of derivatives relating to EMTN of GBP 0.5bn resulted in a loss in Q1 2022 compared with a gain in Q1 2021.

7 | Pension assets and pension obligations

Defined benefit plan (DKKm)	Q1 2022	Q1 2021
Pension (costs)/income		
Service cost	(18)	(18)
Administrative expenses	(3)	(2)
Personnel expenses (included in EBITDA)	(21)	(20)
Interest on pension assets	25	7
Pension (costs)/income	4	(13)
Redundancy programmes recognised in special items	(7)	(7)
Members' part of distribution of excess capital	-	(44)
Total pension (costs)/income recognised in the income statement	(3)	(64)

The pension fund operates defined benefit plans via a separate legal entity supervised by the Danish Financial Supervisory Authority (FSA). In accordance with existing legislation, Articles of Association and the pension regulations, TDCH is required to make contributions to meet the capital adequacy requirements. Since 1990, no new members have joined the pension fund plans, and the pension fund is prevented from admitting new members in the future due to the Articles of Association.

With effect from 2019, the TDC Pension Fund can under certain circumstances distribute “excess capital” annually as described and defined in the fund’s articles of association and pension regulations. Regarding the financial year 2021, TDC Pension Fund is expected to distribute DKK 1,250m in Q2 2022, of which TDCH will receive DKK 1,156m before tax, and the members of the pension fund will receive DKK 94m (will be recognized as special items).

Assets and obligations (DKKm)	31 March 2022	31 December 2021	31 March 2021
Specification of pension assets			
Fair value of plan assets	33,963	34,379	31,623
Defined benefit obligation	(22,266)	(23,817)	(23,469)
Pension assets recognised in the balance sheet	11,697	10,562	8,154
Change in pension assets			
Pension assets recognised at 1 January	10,562	8,028	8,028
Pension (costs)/income	(3)	(68)	(20)
Remeasurement effects	1,137	2,907	462
Distribution of excess capital	-	(318)	(318)
TDC's contribution	1	13	2
Pension assets recognised in the balance sheet	11,697	10,562	8,154
Assumptions used to determine defined benefit obligations (%)			
Discount rate	1.96	0.96	0.82
General price/wage inflation	2.63	2.13	1.53
Assumptions used to determine pension (costs)/income (%)			
Discount rate	0.96	0.35	0.35
General price/wage inflation	2.13	1.19	1.19

The pension obligation is calculated by discounting the expected future pension payments.

The remeasurement effects in Q1 2022 (a net gain of DKK 1,137m) cover primarily a gain related to the benefit obligation (DKK 1,374m) resulting from the increasing discount rate (from 0.96% to 1.96%) partly offset by an increasing inflation rate (from 2.13% to 2.63%). The gain was partly offset by a loss related to the plan assets (DKK 237m) as the actual return was lower than expected.

8 | Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and Term loans	2023	2024	2027	Total
Maturity	Feb 23	Feb 24	Feb 27	
Fixed/Floating rate	Fixed	Floating	Floating	
Coupon	6.875%	Margin+floored Euribor ¹	Margin+floored Euribor ¹	
Currency	GBP	EUR	EUR	
Type	EMTN Bond	Term loan	Term loan	
Nominal value (DKKm)	3,744	11,157	9,669	24,570
Nominal value (currency)	425	1,500	1,300	
– of which nominal value swapped to EUR or DKK (currency) ²		-		
Nominal value of debt incl. currency hedging in DKKm	3,719	11,157	9,669	24,545
– of which nominal value swapped to or with floating interest rate (EURm)	-	1,500	1,300	2,800
– of which nominal value swapped to or with fixed interest rate (EURm)	500	-	-	500

¹ The Term loan have a Euribor floor at zero and margins of 1.50% per 31-03-2022.

² EUR exposures are not considered a significant risk due to the fixed EUR/DKK exchange rate policy.

Net interest-bearing debt (DKKm)	31 March 2022	31 December 2021	31 March 2021
EMTN loans incl. short-term part	3,738	7,466	7,429
Term Loans	20,788	-	-
Senior Facility Agreement incl. short-term part	-	14,105	14,101
Bank loans	279	570	570
Debt regarding leasing incl. short-term part	4,102	4,132	4,275
Spectrum licence liabilities	1,979	1,964	1,371
Short-term bank loans	-	-	-
Interest-bearing payables	2	2	2
Derivatives	(25)	(33)	(4)
Interest-bearing receivables and investments	(3)	(3)	(161)
Cash	(2,767)	(811)	(717)
Net interest-bearing debt	28,093	27,392	26,866
Hereof impact of IFRS 16	(4,047)	(4,077)	(4,218)
Hereof spectrum licence liabilities	(1,979)	(1,964)	(1,371)
Net interest-bearing debt excl. impact of IFRS 16 and spectrum licence liabilities	22,067	21,351	21,277

Net interest-bearing debt excluding the impact from IFRS 16 and spectrum licence liabilities increased by DKK 716m to DKK 22,067m. The increase was due primarily to the negative net cash flow from operating and investing activities of DKK 554m.

9 | Events after the balance sheet date

There have been no events that materially affect the assessment of this Interim Financial Report January – March 2022 after the balance sheet date and up to today.

Corporate matters

Risk factors

TDCH group's Annual Report 2021 describes certain risks that could materially and adversely affect TDCH group's business, financial condition, results of operations and/or cash flows.

Forward-looking statements

This report may include statements about TDCH group's expectations, beliefs, plans, objectives, assumptions, 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 TDCH group's results include: the competitive environment and the industry in which TDCH operates; contractual obligations in TDCH group's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDCH group'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 any 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 TDCH group cannot predict. In addition, TDCH group 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.

Management statement

Management statement

Today, the Board of Directors and the Executive Committee considered and approved the Interim Financial Statements of TDC Holding group for Q1 2022.

The Financial Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

In our opinion, the Financial Report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2022 as well as the results of operations and cash flows for Q1 2022. Furthermore, in our opinion, the management's review provides a fair review of the developments in the Group's activities and financial position and describes the significant risks and uncertainties that may affect the Group.

Copenhagen, 6 May 2022

Executive Committee

Nathan Andrew Luckey

Group Chief Executive Officer and President

Board of Directors

Martin Bradley
Chairman

Peter Tind Larsen
Vice Chairman

Arthur Rakowski

Ulrik Pallisø Bornø
Vice Chairman

Jørgen Høholt
Vice Chairman

Nathan Andrew Luckey

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