

DKT Holdings ApS

Interim financial report January – March 2021

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Management review

The business

All core activities relate to TDC. TDC is the incumbent operator and a provider of integrated communications and entertainment solutions in Denmark with a leading market position across broadband, pay-TV, mobile and landline voice services based on end-user subscriptions to consumer, business and wholesale customers and the multi-play segment with a focus on premium digital services. TDC also offer integrated solutions to business customers.

The consolidated financial statements

This interim financial report includes the consolidated financial statements for DKT Holdings ApS (DKTH). The operating activities of the DKTH Group relate to activities in TDC Group.

The acquisition of TDC has resulted in a number of accounting adjustments to DKTH's financial statements, including purchase price allocation adjustments which have increased consolidated non-cash expenses and contributed to the consolidated net loss.

The analysis set out below is focusing on the activities in DKT, DKTF and DKTH for Q1 2021. For a separate analysis of the development of TDC's activities, please see the Interim Financial Report for TDC for 1 January to 31 March 2021 included as an appendix to this report.

Group performance

EBITDA

DKTH group revenue, cost of sales, external expenses, personnel expenses and other income, i.e. EBITDA (Operating profit before depreciation, amortisation and special items), largely corresponds to TDC Group's similar items for 1 January to 31 March 2021. EBITDA for DKTH group amounted to DKK 1,632m. Hereof DKK 1,634m stems from TDC.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses are all related to the TDC Group and amounted to DKK 1,342m. Hereof DKK 258m was amortisation of assets recognised in connection with the purchase price allocation performed in connection with the acquisition of TDC. This included primarily amortisation of customer relationships and brands.

Special items

All special items, representing a net expense of DKK 115m before tax, related to the TDC Group.

Financial income and expenses

Of the total financial income and expenses, representing a net expense of DKK 809m, DKK 600m related to DKT, DKTF and DKTH. These financial expenses related primarily to interest expenses on senior notes and shareholder loans. All other financial income and expenses related to the TDC Group.

DKT Holdings Group, key figures (DKKm)

	Q1 2021	Q1 2020	Change in %
Income statements			
Revenue	3,982	4,126	(3.5)
Gross profit	2,795	2,976	(6.1)
Operational expenses	(1,163)	(1,314)	(11.5)
EBITDA	1,632	1,662	(1.8)
EBITDA excl. new lease accounting principles (IFRS 16)	1,525	1,557	(2.1)
Loss for the period from continuing operations excluding special items	(567)	(602)	(5.8)
Loss for the period	(665)	(672)	(1.0)
Capital expenditure, excluding mobile licenses	(1,012)	(1,398)	(27.6)
Mobile licenses	-	-	-
Cash flow			
Total cash flow from operating activities	1,113	868	28.2
Total cash flow from investing activities	(1,250)	(1,284)	(2.6)
Total cash flow from financing activities	500	258	93.8
Total cash flow	363	(158)	-
NIBD			
Adjusted Net interest-bearing debt (NIBD) ¹	(31,776)	(31,787)	(0.0)
Net interest-bearing debt (NIBD)	(56,506)	(56,045)	0.8
Key financial ratios			
Gross margin, %	70.2	72.1	-
EBITDA margin, %	41.0	40.3	-

¹Excluding shareholder loans, impact from IFRS 16 and spectrum licence liabilities.

Income taxes

DKTH Group income taxes related to the profit before income taxes for TDC and external expenses in DKT, DKTF and DKTH. Due to the Danish rules on limitation on the tax deductibility of interest expenses, the interest deductibility is already constrained on TDC Group level. Accordingly, the additional financial expenses in DKTF and DKTH are not tax deductible.

Loss for the period

The loss for the period of DKK 665m comprised a loss for TDC of DKK 63m and a combined loss in DKT, DKTF and DKTH of DKK 602m related primarily to the net financial expenses.

Net interest-bearing debt

In Q1 2021, adjusted net interest-bearing debt excluding the impact from IFRS 16 increased by DKK 180m. The increase was due primarily to the negative net cash flow from operating and investing activities (DKK 137m).

Consolidated financial statements

Income statement (DKKm)	Note	Q1 2021	Q1 2020	Change in %
Revenue		3,982	4,126	(3.5)
Cost of sales		(1,187)	(1,150)	3.2
Gross profit		2,795	2,976	(6.1)
External expenses		(477)	(539)	(11.5)
Personnel expenses		(730)	(824)	(11.4)
Other income		44	49	(10.2)
Operating profit before depreciation, amortisation and special items (EBITDA)		1,632	1,662	(1.8)
Depreciation, amortisation and impairment losses	2	(1,342)	(1,598)	(16.0)
Operating profit excluding special items (EBIT excluding special items)		290	64	-
Special items	3	(115)	(81)	42.0
Operating profit/(loss) (EBIT)		175	(17)	-
Financial income and expenses	4	(809)	(656)	23.3
Loss before income taxes		(634)	(673)	(5.8)
Income taxes		(31)	1	-
Loss for the period		(665)	(672)	(1.0)
Loss attributable to:				
Owners of the parent company		(665)	(672)	(1.0)
Non-controlling interests		-	-	-

Balance sheet

Assets (DKKm)	Note	31 March 2021	31 Decem- ber 2020	31 March 2020
Non-current assets				
Intangible assets		35,252	35,713	37,078
Property, plant and equipment		16,844	16,658	15,560
Lease assets		3,367	3,433	4,487
Joint ventures, associates and other investments		56	56	68
Pension assets	5	8,154	8,028	8,087
Receivables		200	200	201
Prepaid expenses		27	23	31
Total non-current assets		63,900	64,111	65,512
Current assets				
Inventories		256	200	244
Receivables		1,780	2,096	2,187
Income tax receivables		-	229	-
Derivative financial instruments		88	45	325
Prepaid expenses		694	700	723
Cash		870	508	1,523
Total current assets		3,688	3,778	5,002
Total assets		67,588	67,889	70,514

Equity and liabilities (DKKm)	Note	31 March 2021	31 Decem- ber 2020	31 March 2020
Equity				
Share capital		-	-	-
Reserve for exchange-rate adjustments		-	-	6
Reserve for cash flow hedges		(7)	(8)	(11)
Retained earnings		(4,437)	(4,133)	(1,759)
Total equity		(4,444)	(4,141)	(1,764)
Non-current liabilities				
Deferred tax liabilities		3,834	3,881	4,234
Provisions		406	403	335
Loans	6	29,648	33,179	33,735
Lease liabilities		3,788	3,818	4,785
Shareholder loans		19,141	19,141	17,599
Other non-current liabilities		387	381	240
Total non-current liabilities		57,204	60,803	60,928
Current liabilities				
Loans	6	4,397	35	1,093
Lease liabilities		487	489	514
Trade and other payables		9,639	10,248	9,307
Income tax payable		140	-	116
Derivative financial instruments		94	397	237
Provisions		71	58	83
Total current liabilities		14,828	11,227	11,350
Total liabilities		72,032	72,030	72,278
Total equity and liabilities		67,588	67,889	70,514
Total liabilities excl. impact from IFRS 16		67,814	67,781	67,043

Statements of cash flow (DKKm)	Q1 2021	Q1 2020	Change in %
EBITDA	1,632	1,662	(1.8)
Adjustment for non-cash items	40	65	(38.5)
Pension contributions	273	199	37.2
Payments related to provisions	(5)	(6)	(16.7)
Special items	(58)	(59)	(1.7)
Change in working capital	(274)	(344)	(20.3)
Interest paid, net	(684)	(588)	16.3
Income tax paid	189	(61)	-
Total cash flow from operating activities	1,113	868	28.2
Investment in enterprises	-	(4)	-
Investment in property, plant and equipment	(952)	(920)	3.5
Investment in intangible assets	(299)	(356)	(16.0)
Investment in other non-current assets	(1)	-	-
Sale of other non-current assets	2	(4)	(150.0)
Total cash flow from investing activities	(1,250)	(1,284)	(2.6)
Lease repayments	(65)	(58)	12.1
Change in short-term bank loans	565	320	76.6
Capital contribution from non-controlling interests	-	(4)	-
Total cash flow from financing activities	500	258	93.8
Total cash flow	363	(158)	-
Cash and cash equivalents (beginning of period)	508	1,686	(69.9)
Effect of exchange-rate changes on cash and cash equivalents	(1)	(5)	(80.0)
Cash and cash equivalents (end of period)	870	1,523	(42.9)

Notes to consolidated financial statements

1 | Accounting policies

DKTH Group's Interim Financial Report for Q1 2021 has been prepared in accordance with International Financial Reporting Standards' (IFRS) rules on recognition and measurement and the requirements in the Danish Financial Statements Act accounting 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 and equity investments.

The accounting policies are unchanged compared with the policies applied in the Annual Report 2020.

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 in the consolidated financial statements for 2020, cf. DKTH's Annual Report 2020.

2 | Depreciation, amortisation and impairment losses

(DKKm)	Q1 2021	Q1 2020
Amortisation of intangible assets	(755)	(770)
Depreciation on property, plant and equipment	(493)	(731)
Depreciation of lease assets	(97)	(100)
Impairment losses	(5)	(3)
Capitalised as tangible or intangible assets	8	6
Total	(1,342)	(1,598)

All depreciation, amortisation and impairment losses related to the TDC Group and amounted to DKK 1,342m. Hereof DKK 258m was amortisation of assets recognised in connection with the purchase price allocation performed in connection with the acquisition of TDC. This included primarily amortisation of customer relationships and brands.

3 | Special items

Special items include significant amounts that cannot be attributed 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 acquisition of enterprises.

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

Special items (DKKm)	Q1 2021	Q1 2020
Costs related to redundancy programmes	(69)	(42)
Other restructuring costs, etc.	(1)	(2)
Distribution of "excess capital" to members of TDC Pension Fund	(44)	(35)
Adjustment of purchase price re. acquisition of enterprises	-	(2)
Costs related to acquisition of enterprises	(1)	-
Special items before income taxes	(115)	(81)
Income taxes related to special items	17	11
Total special items	(98)	(70)

4 | Financial income and expenses

Financial income and expenses (DKKm)	Q1 2021	Q1 2020	Change in %
Interest income	12	3	-
Interest expenses	(905)	(861)	5.1
Net interest	(893)	(858)	4.1
Currency translation adjustments	(294)	149	-
Fair value adjustments	372	41	-
Interest, currency translation adjustments and fair value adjustments	(815)	(668)	22.0
Profit/(loss) from joint ventures and associates	(1)	(2)	(50.0)
Interest on pension assets	7	14	(50.0)
Total	(809)	(656)	23.3

Of the total financial income and expenses, representing a net expense of DKK 809m, DKK 600m related to DKT, DKTF and DKTH. These financial expenses related primarily to interest expenses on senior notes and shareholder loans. All other financial income and expenses related to the TDC Group.

4 | Financial income and expenses (continued)

Specifications (DKKm)	Q1 2021				Q1 2020			
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Shareholder loan	(419)	-	-	(419)	(389)	-	-	(389)
Senior Notes	(189)	(9)	20	(178)	(189)	9	62	(118)
Senior Facility Agreement	(109)	8	1	(100)	(108)	15	2	(91)
Euro Medium Term Notes	(55)	(7)	21	(41)	(53)	20	38	5
Lease liabilities	(49)	-	-	(49)	(61)	-	-	(61)
Other	(41)	(2)	15	(28)	(26)	5	7	(14)
Total	(862)	(10)	57	(815)	(826)	49	109	(668)

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 815m in Q1 2021. The increase of DKK 147m compared with Q1 2020 was driven primarily by:

- A higher level of Shareholder loans in 2021 resulted in higher interest expenses. Furthermore lower interest relating to lease liabilities in Q1-2021 due to the reduced leasing liabilities in Q4 2020 following the reassessment of future need for leasing square meters for technical equipment.

5 | Pension assets and pension obligations

TDC's Danish 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, TDC 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.

For further information of the pension asset of DKK 8,154m as of 31 March 2021, see note 7 to TDC's consolidated financial statements for 1 January – 31 March 2021 included as appendix to this report.

6 | Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and Senior Facility Agreement (SFA)	2022	2023	2023	2023	2024	2025	2029	2029	Total
Maturity	Mar 22	Feb 23	Jun 23	Jun 23	Jun 24	Jun 25	Apr 29	Apr 29	
Fixed/Floating rate	Fixed	Fixed	Fixed	Fixed	Floating Margin +Floored	Floating Margin +Floored	Fixed	Fixed	
Coupon	5.000%	6.875%	7.000%	9.375%	Euribor	Euribor	8.810%	8.150%	
Currency	EUR	GBP	EUR	USD	EUR/DKK	EUR	DKK	DKK	
Type	EMTN Bond	EMTN Bond	EMTN Bond	EMTN Bond	RCF	Bank loan	SHL loan	SHL loan	
Nominal value (DKKm)	3,719	3,709	7,808	2,594	565	14,132	17,448	1,693	51,668
Nominal value (currency)	500	425	1,050	410	565	1,900	17,448	1,693	
– of which nominal value swapped to EUR or DKK (currency) ²	200	425		410					
Nominal value of debt incl. currency hedging in DKKm	3,723	3,722	7,808	2,672	565	14,132	17,448	1,693	51,763
– of which nominal value swapped to or with floating interest rate (EURm)	100	-	-	-	-	1,775			1,875
– of which nominal value swapped to or with fixed interest rate (EURm) ²	400	500	1,050	359		125	2,346	228	5,008

¹ The RCF and SFA loans have a Euribor floor at zero and margins of 2.75% and 3.00% per 31 March-2021, respectively.

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

³ The maturity of interest-rate swaps used for hedging of long-term EMTN bonds matches the maturity of the underlying EMTN bonds. Derivatives of nominal EUR 125m matures in March 2022.

Net interest-bearing debt (DKKm)	31 March 2021	31 December 2020	31 March 2020
EMTN loans incl. short-term part	7,683	7,540	7,745
Senior Facility Agreement incl. short term-part	14,101	14,107	14,144
Senior Notes	10,320	10,201	10,514
Shareholder loans	19,141	19,141	17,599
Lease liabilities incl. short-term part	4,275	4,307	5,299
Other long-term loans incl. short-term part	1,371	1,361	1,424
Bank loans	570	5	1,001
Interest-bearing payables	2	2	2
Derivatives	74	352	3
Interest-bearing receivables and investments	(161)	(161)	(163)
Cash	(870)	(508)	(1,523)
Net interest-bearing debt	56,506	56,347	56,045
Hereof shareholder loans	(19,141)	(19,141)	(17,599)
Hereof impact from IFRS 16	(4,218)	(4,249)	(5,235)
Hereof impact from spectrum licence liabilities	(1,371)	(1,361)	(1,424)
Net interest-bearing debt excl. shareholder loans, impact from IFRS 16 and spectrum licence liabilities	31,776	31,596	31,787

The increase in net interest-bearing debt during Q1 2020 was due primarily to the negative net cash flow from operating and investing activities (DKK 137m).

7 | Events after the balance sheet date

There have been no events that materially affect the assessment of this Interim financial report January – March 2021 after the balance sheet date and up to today.

Corporate matters

Risk factors

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

In addition, the outbreak of COVID-19 impacts DKTH Group's operations. People's safety is our first priority and we have implemented the necessary measures, including strengthened workplace safety procedures.

As COVID-19 has had a significant impact on many global financial markets, general uncertainty has increased. Travel restrictions results in negative impact on the roaming business and the overall decline in the economy may lead to a negative impact on revenues as well as increased credit losses, or even bankruptcies, leading to financial loss.

Forward-looking statements

This report may include statements about DKTH 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 DKTH Group's results include: the competitive environment and the industry in which DKTH operates; contractual obligations in DKTH Group's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including DKTH 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 DKTH Group cannot predict. In addition, DKTH 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 DKTH Group for Q1 2021.

The Financial report has been prepared in accordance with International Financial Reporting Standards' (IFRS) rules on recognition and measurement.

In our opinion, the Financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2021 as well as the results of operations and cash flows for Q1 2021. 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 2021

Executive Committee

Nathan Andrew Luckey

Board of Directors

Martin Bradley
Chairman

Jørgen Høholt

Peter Tind Larsen

Ulrik Pallisø Bornø

Arthur Rakowski

Nathan Andrew Luckey

About DKTH

DKT Holdings ApS

c/o TDC A/S, Teglholmegade 1, DK-2450 Copenhagen SV

CVR No. 39 18 68 29

DKT Holdings ApS (DKTH) was established 22 December 2017 with the purpose of running an investing business through its 100% owned subsidiaries, DKT Finance ApS (DKTF) and DK Telekommunikation ApS (DKT). DKTH is owned by a consortium comprising:

- DKTUK Limited (50%), managed by Macquarie Infrastructure and Real Assets Europe Limited
- Arbejdsmarkedets Tillægspension (ATP) (16.7%)
- PFA Ophelia InvestCo I 2018 K/S (16.7%), managed by PFA Asset Management A/S
- PKA Ophelia Holding K/S (16.7%), managed by AIP Management P/S.

For more information, please contact Henrik Hjortshøj-Nielsen, Head of TDC Investor Relations, on +45 2129 8991 or investorrelations@tdc.dk.

Appendix:

TDC Group

Interim financial report January – March 2021

Group performance in Q1 2021

Q1 highlights

- Improved or stable commercial performance across all main products in TDC Group as well as continued cost savings resulted in small decline in EBITDA in Q1 (-1.8% YoY)
- TDC Group's operating expenses improved by 11.5% YoY in Q1, driven by cost reductions across TDC Group, primarily in Nuuday (13.7%)
- Capex decreased by 27.6% YoY, driven by reduced costs following the completion of last year's mobile network 5G-swap as well as lower activity in fibre rollout due to COVID-19

Revenue

In the first quarter of 2021, TDC Group's revenue decreased by 3.5% or DKK 144m to DKK 3,982m when compared with the first quarter of 2020. The decline was driven mainly by the mature services and legacy technologies in internet & network, landline voice and TV.

Gross profit

TDC Group's gross profit decreased by 6.1% or DKK 181m to DKK 2,795m in the first quarter of 2021. The decline was driven primarily by other services, the legacy technologies in internet & network and the continued decline in landline voice.

Operating expenses

In the first quarter of 2021, operating expenses decreased by 11.5% or DKK 151m to DKK

1,161m. The improved operating expenses were fuelled by cost savings across TDC Group, primarily in Nuuday.

EBITDA

In the first quarter of 2021, EBITDA decreased by 1.8% or DKK 30m to DKK 1,634m. 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 1,012m in the first quarter of 2021, down by 27.6% or DKK 386m compared with the same period last year. This trend resulted mainly from decreased investments following the completion of our mobile network 5G-swap.

TDC Group key figures (DKKm)	Q1 2021	Q1 2020	Change in %
Income statements			
Revenue	3,982	4,126	(3.5)
Gross profit	2,795	2,976	(6.1)
Operating expenses	(1,161)	(1,312)	(11.5)
EBITDA	1,634	1,664	(1.8)
Profit/(loss) for the period from continuing operations excluding special items	193	91	112.1
Profit for the period	95	21	-
Total comprehensive income	466	695	(32.9)
Capital expenditure, excluding mobile licences	(1,012)	(1,398)	(27.6)
Mobile licences	-	-	-
Key financial ratios			
Gross margin, %	70.2	72.1	-
EBITDA margin, %	41.0	40.3	-

Cash flow

Total cash flow increased by DKK 432m to DKK 284m.

The DKK 156m increase in cash flow from operating activities in Q1 2021, up to DKK 1,034m, was driven primarily by the different timing of income tax paid (DKK 170m) and a larger distribution of excess capital from the TDC Pension Fund compared with 2020 (DKK 74m before tax). The increase in cash flow was partly offset by an impact from the different timing of net interest paid (DKK 99m).

The DKK 34m slight decrease in cash outflow from investing activities, to DKK 1,250m, was driven by lower capex (DKK 386m), and was almost offset by cash flow adjustments to capex due to the different timing of payments compared with 2020.

Cash flow from financing activities in Q1 2021 increased by DKK 242m to DKK 500m, driven mainly by an increase in short-term bank loans.

Profit for the period

Excluding special items, profit for the period increased by 112.1% or DKK 102m to DKK 193m. Profit for the period (including special items) increased by DKK 74m to DKK 95m. The increases were both driven largely by reduced depreciation³.

3. See also note 4 to the Consolidated Financial Statements.

Comprehensive income

Total comprehensive income decreased by DKK 229m to DKK 466m. The DKK 74m increase in profit for the period was more than offset by a negative development in defined benefit plans for Danish employees (DKK 318m after tax).

Net interest-bearing debt

Adjusted Net interest-bearing debt¹ increased by DKK 275m in Q1 2021, to DKK 21,277m. The increase was due primarily to the negative net cash flow from operating and investing activities of DKK 216m.

Cash flow and net interest-bearing debt (DKKm)

	Q1 2021	Q1 2020	Change in %
Cash flow from operating activities	1,034	878	17.8
Investment in property, plant and equipment	(952)	(920)	3.5
Investment in intangible assets	(299)	(356)	(16.0)
Lease repayments	(65)	(58)	12.1
Coupon payments on hybrid capital	-	-	-
Equity free cash flow	(282)	(456)	(38.2)
Total cash flow from operating activities	1,034	878	17.8
Total cash flow from investing activities	(1,250)	(1,284)	(2.6)
Total cash flow from financing activities	500	258	93.8
Total cash flow from continuing operations	284	(148)	-
Total cash flow from discontinued operations	0	0	-
Total cash flow	284	(148)	-
Adjusted Net interest-bearing debt (NIBD) ¹	(21,277)	(21,058)	1.0
Net interest-bearing debt (NIBD)	(26,866)	(27,717)	(3.1)
Adjusted NIBD/EBITDA ²	3.6	3.5	-

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 427m for the last twelve months. Including spectrum licence liabilities and IFRS 16 the NIBD/EBITDA ratio amounts to 4.2 at 31 March 2021.

TDC NET highlights Q1 2021

- TDC NET's **EBITDA** totaled DKK 1,154m, increasing by 72m from Q4 2020 to Q1, however a decrease of 1.4% compared to the same period last year
 - YoY **revenue** declined by 5.2%, driven by fewer customer installations due to COVID-19 and continued decline on legacy products
 - **Gross profit** decreased by 2.5% YoY, as the GP margin improved due mainly to growing revenues in mobility services and lower revenues from low margin products
 - **Operating expenses** decreased by 5.2% YoY in Q1, as costs related to the separation of TDC decreased as part of our focus on optimising our organisation
- TDC NET's **capex** decreased by 26.3% YoY in Q1, driven by the YoY effect of the 5G swap as well as lower activity in fibre rollout due to COVID-19 and weather conditions - 17k homes were passed with fibre in Q1. The fibre rollout is regaining the pace and homes passed with fibre are expected to be back on a similar level to previous quarters in Q2
- **Best mobile network**
 - TDC NET committed to invest DKK 795m in the latest **spectrum auction**, which will give us a strong foundation to further develop Denmark's best mobile network for consumers, businesses and institutions throughout the country. TDC NET was the only company in the auction to acquire spectrum on all five frequency bands
 - TDC NET was awarded **best mobile network in Denmark** by Teknologisk Institut (Danish Technological Institute) for the 6th consecutive year. In addition, in the latest tests done by Tutela, TDC NET had the **best mobile network in the Nordics**
 - In Q1 TDC NET **successfully completed a 5G pilot** together with Grundfos - highlighting the **value of our 5G network** for industry and manufacturing. In addition, Innovation Hub connected a mobile robot to 5G for the first time in Europe
- **Fastest fixed connections**
 - In the first quarter of the year TDC NET saw a continued strong performance in high-speed broadband with positive **net adds of 20k** (fibre 10k & coax 10k) and TDC NET also launched the **fastest private fibre connection** in Denmark –with speeds of up to 2,500 megabits per second

TDC NET performance in Q1 2021

Revenue

In the first quarter of 2021, TDC NET's revenue decreased by 5.2% or DKK 92m to DKK 1,681m compared with the same period in 2020. This was driven mainly by a decrease in revenue on customer installations due to COVID-19 restrictions. In addition, revenue in internet & network decreased due to customer losses on copper, which were partly offset by net adds on high-speed broadband fibre and coax technologies. Furthermore, Q1 also saw the continued decline on legacy products, landline voice and TV. The decline was partly offset by higher revenues in mobility services compared with Q1 2020.

Gross profit

TDC NET's gross profit decreased by 2.5% or DKK 41m compared with Q1 2020 and accumulated to DKK 1,612m in Q1 2021. The decline was driven by the decrease in revenues, which was partly offset by an improved gross profit margin due to rising revenues in mobility services and lower revenues from low-margin products. Thus, TDC NET's gross profit margin increased from 93.2% in Q1 2020 to 95.9% in Q1 2021.

Operating expenses

In Q1 2021, operating expenses decreased by 5.2% or DKK 25m to a level of DKK 458m. The improvement was driven mainly by lower external expenses and personnel expenses. The decline in external expenses resulted largely from YoY effects of lower costs related to the separation of TDC. Personnel expenses decreased YoY driven by the optimisation of our network with fewer fault rates in Q1 2021.

EBITDA

EBITDA decreased by 1.4% or DKK 16m accumulating to 1,154m in Q1 2021. This decline was driven by the decrease in revenue, which was partly offset by the higher gross profit margin and lower operating expenses. The resulting EBITDA margin improved by 2.6% percentage points.

Capital expenditure

In Q1 2021, capital expenditure totalled DKK 702m, a decrease of 26.3% or DKK 251m compared with the same period last year. The decrease was due mainly to the YoY effect of finalising the 5G swap in 2020. In addition, COVID-19 restrictions, combined with poor weather conditions, decelerated the fibre rollout in Q1 2021, as 17k homes were passed with fibre. The fibre rollout is expected to return to a similar pace to previous quarters in Q2.

TDC NET key figures (DKKm)

	Q1 2021	Q1 2020	Change in %
Revenue	1,681	1,773	(5.2)
Hereof external revenue	352	366	(3.8)
Gross profit	1,612	1,653	(2.5)
Operating expenses	(458)	(483)	(5.2)
EBITDA	1,154	1,170	(1.4)
Capital expenditure, excl. mobile licences	(702)	(953)	(26.3)
Key financial ratios			
Gross margin, %	95.9	93.2	-
EBITDA margin, %	68.6	66.0	-

Nuuday highlights Q1 2020

- **EBITDA declined by 7.0% in Q1 YoY**, driven mainly by fewer RGUs in low-speed broadband and landline voice within our mature services segment.
- **Nuuday's revenue declined by 3.3% YoY in Q1** driven by the structural decline in mature services, e.g. landline voice, low-speed broadband and traditional TV packages.
- **Gross profit declined by 11.4% YoY in Q1** while showing a flat development compared to Q4 2020 declining 0.3%. The mature services, primarily low-speed broadband and landline voice were also the main driver of the YoY gross profit growth. This was partly offset by a 1.1% increase in TV gross profit YoY.
- In Q1 YoY, Nuuday reduced **operating expenses by 13.7%** driven by significant reductions in personnel cost along with savings across opex categories.
- **Capex declined by 26.2% in Q1 YoY** driven by lower costs related to customer installations and lower investments in privately owned networks and IT.
- In Q1, Nuuday maintained its position as **market leader** across all products with small changes in market shares, prompted by positive trends in YouTV and Eesy following their launch in 2H 2020.
- **Fibre and coax connections** achieved positive net adds of 9k in Consumer compared with Q4 2020, as the strategic focus of providing high-speed broadband continues to be an essential part of Nuuday's growth services.

Nuuday performance in Q1 2020

Revenue

In Q1 2021, Nuuday's revenue decreased by 3.3% or DKK 125m to DKK 3,639m. This decline was driven by the structural decline in our mature services segment, where especially loss of low-speed DSL broadband connections and landline voice RGUs negatively impacted Q1 YoY. Loss of traditional TV package RGUs was almost offset by price increases in Q1 YoY. This was partly offset by our growth services segment, where we managed to increase the customer base in both coax and fibre broadband along with Bland Selv and YouTV. Furthermore, we saw an increase in terminal sales revenue in Q1 compared with the same period last year.

Nuuday retained its position as market leader across all product categories in Q1 2021.

Gross profit

Nuuday's gross profit decreased by 11.4% or DKK 160m YoY to DKK 1,246m in Q1 2021. Declining customer bases within our mature services were the main driver of the decreased gross profit, however within our TV services, we realised a small increase in TV gross profit YoY, stemming from price increases. In mobility services, our customer base was flat in Q1 YoY, however changes in customer mix and reduced traffic in Business reduced gross profit YoY.

Operating expenses

Nuuday's operating expenses in Q1 totalled DKK 797m, down by DKK 126m or 13.7% from Q1 2020. This was driven by reductions in spending across opex categories, with the biggest savings being realised in personnel cost and personnel related cost.

EBITDA

Nuuday recorded an EBITDA decline of 7.0% or DKK 34m to DKK 449m in Q1 compared with the same period last year. 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 Q1, Nuuday's capital expenditure declined by 26.2% or DKK 107m to DKK 299m compared with the same period in 2020. The lower spending was caused largely by reduced volume-driven capex, including lower costs related to customer installations and lower investments in privately-owned networks and IT.

Nuuday key figures (DKKm)	Q1 2021	Q1 2020	Change in %
Revenue	3,639	3,764	(3.3)
Hereof external revenue	3,627	3,754	(3.4)
Gross profit	1,246	1,406	(11.4)
Operating expenses	(797)	(923)	(13.7)
EBITDA	449	483	(7.0)
Capital expenditure, excl. mobile licences	(299)	(405)	(26.2)
Key financial ratios:			
Gross margin, %	34.2	37.4	-
EBITDA margin, %	12.3	12.8	-

Consolidated financial statements

Income statement (DKKm)	Note	Q1 2021	Q1 2020	Change in %
Revenue	3	3,982	4,126	(3.5)
Cost of sales		(1,187)	(1,150)	3.2
Gross profit		2,795	2,976	(6.1)
External expenses		(476)	(538)	(11.5)
Personnel expenses		(730)	(824)	(11.4)
Other income		45	50	(10.0)
Operating profit before depreciation, amortisation and special items (EBITDA)	2	1,634	1,664	(1.8)
Depreciation, amortisation and impairment losses	4	(1,084)	(1,279)	(15.2)
Operating profit excluding special items (EBIT excluding special items)		550	385	42.9
Special items	3	(115)	(81)	42.0
Operating profit (EBIT)	5	435	304	43.1
Financial income and expenses	6	(252)	(214)	17.8
Profit before income taxes		183	90	103.3
Income taxes		(88)	(69)	27.5
Profit for the period		95	21	-
Profit attributable to:				
Owners of the parent company		95	21	-

Statement of comprehensive income (DKKm)	Note	Q1 2021	Q1 2020
Profit for the period		95	21
Items that may subsequently be reclassified to the income statement:			
Exchange-rate adjustments of foreign enterprises		-	(15)
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		462	869
Income tax relating to remeasurement of defined benefit pension plans		(102)	(191)
Other comprehensive income		371	674
Total comprehensive income		466	695

Balance sheet

Assets (DKKm)	Note	31 March 2021	31 December 2020	31 March 2020
Non-current assets				
Intangible assets		24,307	24,498	24,827
Property, plant and equipment		16,137	15,964	14,925
Lease assets		3,367	3,433	4,487
Joint ventures, associates and other investments		56	56	68
Pension assets	7	8,154	8,028	8,087
Receivables		200	200	201
Prepaid expenses		27	23	31
Total non-current assets		52,248	52,202	52,626
Current assets				
Inventories		256	200	244
Receivables		1,781	2,096	2,192
Income tax receivables		-	174	-
Derivative financial instruments		76	45	62
Prepaid expenses		692	689	723
Cash		717	434	1,424
Total current assets		3,522	3,638	4,645
Total assets		55,770	55,840	57,271

Equity and liabilities (DKKm)	Note	31 March 2021	31 December 2020	31 March 2020
Equity				
Share capital		812	812	812
Reserve for exchange-rate adjustments		-	-	(8)
Reserve for cash flow hedges		(85)	(96)	(129)
Retained earnings		14,993	14,538	15,302
Total equity		15,720	15,254	15,977
Non-current liabilities				
Deferred tax liabilities		3,396	3,386	3,523
Provisions		406	403	335
Loans	8	19,138	22,690	22,800
Lease liabilities		3,788	3,818	4,785
Other non-current liabilities		387	381	241
Total non-current liabilities		27,115	30,678	31,684
Current liabilities				
Loans	8	4,333	35	1,093
Lease liabilities		487	489	514
Trade and other payables		7,835	9,056	7,599
Income tax payable		115	-	84
Derivative financial instruments		94	270	237
Provisions		71	58	83
Total current liabilities		12,935	9,908	9,610
Total liabilities		40,050	40,586	41,294
Total equity and liabilities		55,770	55,840	57,271
Total liabilities excl. impact from IFRS 16		35,832	36,337	36,059

Statements of cash flow (DKKm)	Q1 2021	Q1 2020	Change in %
EBITDA	1,634	1,664	(1.8)
Adjustment for non-cash items	41	67	(38.8)
Pension contributions	273	199	37.2
Payments related to provisions	(5)	(6)	(16.7)
Special items	(58)	(59)	(1.7)
Change in working capital	(276)	(341)	(19.1)
Interest paid, net	(684)	(585)	16.9
Income tax paid/received	109	(61)	-
Total cash flow from operating activities	1,034	878	17.8
Investment in enterprises	-	(4)	-
Investment in property, plant and equipment	(952)	(920)	3.5
Investment in intangible assets	(299)	(356)	(16.0)
Investment in other non-current assets	(1)	-	-
Sale of other non-current assets	2	(4)	(150.0)
Total cash flow from investing activities	(1,250)	(1,284)	(2.6)
Lease repayments	(65)	(58)	12.1
Change in short-term bank loans	565	320	76.6
Capital contribution from non-controlling interests	-	(4)	-
Total cash flow from financing activities	500	258	93.8
Total cash flow	284	(148)	-
Cash and cash equivalents (beginning of period)	434	1,577	(72.5)
Effect of exchange-rate changes on cash and cash equivalents	(1)	(5)	(80.0)
Cash and cash equivalents (end of period)	717	1,424	(49.6)

Equity attributable to owners of the parent company							
Statement of changes in equity(DKKm)	Share capital	Reserve for currency translation ad- justments	Reserve for cash flow hedges	Retained earnings	Total	Non-control- ling interests	Total
Equity at 1 January 2020	812	7	(140)	14,605	15,284	2	15,286
Profit for the period				21	21	-	21
Exchange-rate adjustments of foreign enterprises		(15)			(15)	-	(15)
Change in fair value adjustments of cash flow hedges transferred to financial expenses			11		11	-	11
Remeasurement effects of defined benefit pension plans				869	869	-	869
Income tax relating to remeasurement effects of defined benefit pension plans				(191)	(191)	-	(191)
Total comprehensive income	-	(15)	11	699	695	-	695
Distributed dividends				-	-	-	-
Decrease in non-controlling interests				(2)	(2)	(2)	(4)
Total transactions with shareholders	-	-	-	(2)	(2)	(2)	(4)
Equity at 31 March 2020	812	(8)	(129)	15,302	15,977	-	15,977
Equity at 1 January 2021	812	-	(96)	14,538	15,254	-	15,254
Profit/(loss) for the period				95	95	-	95
Change in fair value adjustments of cash flow hedges transferred to financial expenses			11		11	-	11
Remeasurement effects related to defined benefit pension plans				462	462	-	462
Income tax relating to remeasurement effects from defined benefit pension plans				(102)	(102)	-	(102)
Total comprehensive income	-	-	11	455	466	-	466
Distributed dividends				-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-
Equity at 31 March 2021	812	-	(85)	14,993	15,720	-	15,720

1 | Accounting policies

TDC's Interim Financial Report for Q1 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting and the requirements in the Danish Financial Statements Act accounting 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 2020, cf. TDC's Annual Report 2020.

The accounting policies are unchanged compared with the policies applied in the Annual Report 2020.

2 | Segment reporting

Activities (DKKm)	Nuuday		TDC NET		Group functions	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
External revenue	3,627	3,754	352	366	3	6
Revenue across segments	12	10	1,329	1,407	-	9
Total revenue	3,639	3,764	1,681	1,773	3	15
Cost of sales	(2,393)	(2,358)	(69)	(120)	-	-
Gross profit	1,246	1,406	1,612	1,653	3	15
Operating expenses	(811)	(938)	(515)	(548)	(203)	(245)
Other income and expenses	14	15	57	65	321	352
EBITDA	449	483	1,154	1,170	121	122
			Eliminations		Total	
			Q1 2021	Q1 2020	Q1 2021	Q1 2020
External revenue			-	-	3,982	4,126
Revenue across segments			(1,341)	(1,426)	-	-
Total revenue			(1,341)	(1,426)	3,982	4,126
Cost of sales			1,275	1,328	(1,187)	(1,150)
Gross profit			(66)	(98)	2,795	2,976
Operating expenses			323	369	(1,206)	(1,362)
Other income and expenses			(347)	(382)	45	50
EBITDA			(90)	(111)	1,634	1,664

2 | Segment reporting (continued)

Reconciliation of profit before depreciation, amortisation and special items (EBITDA) (DKKm)	Q1 2021	Q1 2020
EBITDA from reportable segments	1,634	1,664
Unallocated:		
Depreciation, amortisation and impairment losses	(1,084)	(1,279)
Special items	(115)	(81)
Financial income and expenses	(252)	(214)
Consolidated profit before income taxes	183	90

3 | Revenue

External revenue specified by services (DKKm)	Consumer		Nuuday				Nuuday	
			Business		Other			
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Landline voice	96	111	117	134	-	-	213	245
Mobility services	760	759	292	306	129	138	1,181	1,203
Internet & network	605	639	271	285	-	-	876	924
TV	865	892	5	7	11	10	881	909
Other services	161	183	326	287	(11)	3	476	473
External revenue, total	2,487	2,584	1,011	1,019	129	151	3,627	3,754

	TDC NET		Group functions		Eliminations		Total	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Landline voice	29	31	-	-	-	-	242	276
Mobility services	22	18	-	-	-	-	1,203	1,221
Internet & network	225	227	-	-	-	-	1,101	1,151
TV	-	6	-	-	-	-	881	915
Other services	76	84	3	6	-	-	555	563
External revenue, total	352	366	3	6	-	-	3,982	4,126

4 | Depreciation, amortisation and impairment losses

(DKKm)	Q1 2021	Q1 2020
Amortisation of intangible assets	(485)	(432)
Depreciation on property, plant and equipment	(505)	(750)
Depreciation of lease assets	(97)	(100)
Impairment losses	(5)	(3)
Capitalised as tangible or intangible assets	8	6
Total	(1,084)	(1,279)

The decrease in depreciation from Q1 2020 to Q1 2021 is due primarily to the reduced useful lives of existing mobile equipment as a result of the replacement with Ericsson equipment during 2020.

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 2021	Q1 2020
Costs related to redundancy programmes	(69)	(42)
Other restructuring costs, etc.	(1)	(2)
Distribution of "excess capital" to members of TDC Pension Fund	(44)	(35)
Adjustment of purchase price re. acquisition of enterprises	-	(2)
Costs related to acquisition of enterprises	(1)	-
Special items before income taxes	(115)	(81)
Income taxes related to special items	17	11
Total special items	(98)	(70)

6 | Financial income and expenses

Financial income and expenses (DKKm)	Q1 2021	Q1 2020	Change in %
Interest income	12	3	-
Interest expenses	(319)	(301)	6.0
Net interest	(307)	(298)	3.0
Currency translation adjustments	(173)	190	(191.1)
Fair value adjustments	222	(118)	-
Interest, currency translation adjustments and fair value adjustments	(258)	(226)	14.2
Profit/(loss) from joint ventures and associates	(1)	(2)	(50.0)
Interest on pension assets	7	14	(50.0)
Total	(252)	(214)	17.8

6 | Financial income and expenses (continued)

TDC no longer applies hedge accounting under IFRS. Consequently, currency translation adjustments and interest from derivatives are reported as fair value adjustments in the income statement. In TDC's internal reporting, currency translation adjustments and interest from derivatives are reported as such, as specified in the table below.

Specifications (DKKm)	Q1 2021				Q1 2020			
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Senior Facility Agreement	(109)	8	1	(100)	(108)	15	2	(91)
Euro Medium Term Notes	(98)	3	11	(84)	(96)	6	28	(62)
Lease liabilities	(49)	-	-	(49)	(61)	-	-	(61)
Other	(38)	(2)	15	(25)	(23)	4	7	(12)
Total	(294)	9	27	(258)	(288)	25	37	(226)

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 258m in Q1 2021. The increase of DKK 32m compared with Q1 2020 was driven primarily by:

- Lower interest relating to lease liabilities in Q1-2021 due to the reduced leasing liabilities in Q4 2020 following the reassessment of future need for leasing square meters for technical equipment.

7 | Pension assets and pension obligations

Domestic defined benefit plan (DKKm)	Q1 2021	Q1 2020
Pension (costs)/income		
Service cost	(18)	(21)
Administrative expenses	(2)	(2)
Personnel expenses (included in EBITDA)	(20)	(23)
Interest on pension assets	7	14
Pension (costs)/income	(13)	(9)
Redundancy programmes recognised in special items	(7)	(2)
Members part of distribution of "excess capital"	(44)	(35)
Total pension (costs)/income recognised in the income statement	(64)	(46)

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, TDC 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 2020, DKK 318m was distributed, of which TDC received DKK 274m before tax, and the members of the fund received DKK 44m (recognised as special items).

Assets and obligations (DKKm)	31 March 2021	31 December 2020	31 March 2020
Specification of pension assets			
Fair value of plan assets	31,623	31,981	28,089
Defined benefit obligation	(23,469)	(23,953)	(20,002)
Pension assets recognised in the balance sheet	8,154	8,028	8,087
Change in pension assets			
Pension assets recognised at 1 January	8,028	7,463	7,463
Pension (costs)/income	(20)	(56)	(11)
Remeasurement effects	462	849	869
Distribution of "excess capital"	(318)	(235)	(235)
TDC's contribution	2	7	1
Pension assets recognised in the balance sheet	8,154	8,028	8,087
Assumptions used to determine defined benefit obligations (%)			
Discount rate	0.82	0.35	1.26
General price/wage inflation	1.53	1.19	0.68
Assumptions used to determine pension (costs)/income (%)			
Discount rate	0.35	0.77	0.77
General price/wage inflation	1.19	1.30	1.30

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

The remeasurement effects in Q1 2021 (a net gain of DKK 462m) cover primarily a gain related to the benefit obligation (DKK 283m) resulting from an increasing discount rate (from 0.35% to 0.82%) partly offset by an increasing inflation rate (from 1.19% to 1.53%). Furthermore the plan assets resulted in a gain (DKK 179m) as the actual return was higher than expected.

In accordance with International Financial Reporting Standards, the expected return should be assumed to be equal to the discount rate as of the end of the previous year.

8 | Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and Senior Facility Agreement (SFA)

	2022	2023	2024	2025	Total
Maturity	Mar 22	Feb 23	Jun 24	Jun 25	
Fixed/Floating rate	Fixed	Fixed	Floating	Floating	
Coupon	5.000%	6.875%	Margin+floored Euribor ¹	Margin+floored Euribor ¹	
Currency	EUR	GBP	EUR/DKK	EUR	
Type	EMTN Bond	EMTN Bond	RCF	SFA loan	
Nominal value (DKKm)	3,719	3,709	565	14,132	22,125
Nominal value (Currency)	500	425	565	1,900	
– Of which nominal value swapped to EUR or DKK (Currency) ²	200	425	-		
Nominal value of debt incl. Currency hedging in DKKm	3,723	3,722	565	14,132	22,142
– Of which nominal value swapped to or with floating interest rate (EURm) ³	100	-	-	1,775	1,875
– Of which nominal value swapped to or with fixed interest rate (EURm) ³	400	500	-	125	1,025

¹ The RCF and SFA Loan have a Euribor floor at zero and margins of 2.75% and 3.00% per 31-03-2021, respectively.

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

³ The maturity of interest-rate swaps used for hedging long-term EMTN bonds matches the maturity of the underlying EMTN bonds. Derivatives of nominal EUR 125m matures in March 2022.

Net interest-bearing debt (DKKm)	31 March 2021	31 Dec. 2020	31 March 2020
EMTN loans incl. short-term part	7,429	7,252	7,324
Senior Facility Agreement incl. short term part	14,101	14,107	14,144
Bank loans	570	5	1,001
Debt regarding leasing incl. short-term part	4,275	4,307	5,299
Other long-term loans incl. short-term part	1,371	1,361	1,424
Interest-bearing payables	2	2	2
Derivatives	(4)	173	110
Interest-bearing receivables and investments	(161)	(161)	(163)
Cash	(717)	(434)	(1,424)
Net interest-bearing debt	26,866	26,612	27,717
Hereof impact from IFRS 16	(4,218)	(4,249)	(5,235)
Hereof spectrum licence liabilities	(1,371)	(1,361)	(1,424)
Net interest-bearing debt excl. impact from IFRS 16 and spectrum licence liabilities	21,277	21,002	21,058

Net interest-bearing debt excluding the impact from IFRS 16 and spectrum licence liabilities increased by DKK 275m to DKK 21,277m. The increase was due primarily to the negative net cash flow from operating and investing activities of DKK 216m.

9 | Events after the balance sheet date

There have been no events that materially affect the assessment of this Interim Financial Report January – March 2021 after the balance sheet date and up to today.

Corporate matters

Risk factors

TDC Group's Annual Report 2020 describes certain risks that could materially and adversely affect TDC Group's business, financial condition, results of operations and/or cash flows.

In addition, the outbreak of COVID-19 impacts TDC Group's operations. People's safety is our first priority and we have implemented the necessary measures, including strengthened workplace safety procedures.

As COVID-19 has had a significant impact on many global financial markets, general uncertainty has increased. Travel restrictions results in negative impact on the roaming business and the overall decline in the economy may lead to a negative impact on revenues as well as increased credit losses, or even bankruptcies, leading to financial loss.

Forward-looking statements

This report may include statements about TDC 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 TDC Group's results include: the competitive environment and the industry in which TDC operates; contractual obligations in TDC Group's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDC 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 TDC Group cannot predict. In addition, TDC 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 Group for Q1 2021.

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 2021 as well as the results of operations and cash flows for Q1 2021. 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 2021

Executive Committee

Henrik Clausen

Group Chief Executive Officer and President

Lasse Rudebeck Pilgaard

Senior Executive Vice President,
Group Chief Financial Officer

Jens Aaløse

Senior Executive Vice President of Stakeholder
Relations and Group Chief People Officer

Board of Directors

Michael William John Parton

Chairman

Anna Sofia Arhall

Martin Bradley

Marianne Dahl Steensen

Frank Hyldmar

Nathan Andrew Luckey

Martin Dollaris Præstegaard

Lars Jørgensen

Thomas Lech Pedersen

John Schwartzbach

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