

Tilts Communications A/S

Ørestads Boulevard 45
2300 København S
CVR No. 17260642

Annual report 2023

The Annual General Meeting adopted the annual report on 14.06.2024

Brian Zack Christensen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	8
Balance sheet at 31.12.2023	9
Statement of changes in equity for 2023	11
Notes	12
Accounting policies	14

Entity details

Entity

Tilts Communications A/S
Ørestads Boulevard 45
2300 København S

Business Registration No.: 17260642
Registered office: København
Financial year: 01.01.2023 - 31.12.2023
Phone number: 82337000
Fax: 82337049
URL: www.telia.dk

Board of Directors

Hannu-Matti Mäkinen
Jan Andreas Christian Ekström
Claes Johan Ingemar Nycander

Executive Board

Hannu-Matti Mäkinen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Tilts Communications A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.06.2024

Executive Board

Hannu-Matti Mäkinen

Board of Directors

Hannu-Matti Mäkinen

Jan Andreas Christian Ekström

Claes Johan Ingemar Nycander

Independent auditor's report

To the shareholder of Tilts Communications A/S

Opinion

We have audited the financial statements of Tilts Communications A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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.

Copenhagen, 14.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Hartmann Olesen

State Authorised Public Accountant

Identification No (MNE) mne34143

Management commentary

Primary activities

The purpose of the company is to invest in, install, establish, and maintain telecommunications systems in various countries.

Development in activities and finances

Results for 2023 show a profit before tax of EUR 12,005 thousand which is considered satisfactory.

Profit/loss for the year in relation to expected developments

Results in 2023 is in line with managements expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR'000	2022 EUR '000
Other external expenses		(8)	(6)
Gross profit/loss		(8)	(6)
Income from investments in associates		11,788	13,122
Income from financial assets		0	12
Other financial income		225	0
Profit/loss before tax		12,005	13,128
Tax on profit/loss for the year		0	2
Profit/loss for the year		12,005	13,130
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		1,800	13,100
Retained earnings		10,205	30
Proposed distribution of profit and loss		12,005	13,130

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Investments in associates		113,121	113,121
Financial assets	1	113,121	113,121
Fixed assets		113,121	113,121
Receivables from group enterprises	2	1,995	3,090
Other receivables		1	0
Receivables		1,996	3,090
Current assets		1,996	3,090
Assets		115,117	116,211

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Contributed capital	3	102,808	102,808
Retained earnings		10,505	300
Proposed dividend		1,800	13,100
Equity		115,113	116,208
Trade payables		4	3
Current liabilities other than provisions		4	3
Liabilities other than provisions		4	3
Equity and liabilities		115,117	116,211
Employees	4		
Contingent liabilities	5		

Statement of changes in equity for 2023

	Contributed capital EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	102,808	300	13,100	116,208
Ordinary dividend paid	0	0	(13,100)	(13,100)
Profit/loss for the year	0	10,205	1,800	12,005
Equity end of year	102,808	10,505	1,800	115,113

Notes

1 Financial assets

	Investments in associates EUR'000
Cost beginning of year	113,121
Cost end of year	113,121
Carrying amount end of year	113,121

Investments in associates	Registered in	Corporate form	Equity interest %	Equity EUR'000	Profit/loss EUR'000
TET Group (previously Lattelecom)	Riga, Lithuania	LLC	49.00	257,351	15,155

2 Receivables from group enterprises

Cash comprises a group cash pool arrangement between the Group's main bank connections and Telia AB. The cash is available for daily operations according to the Group's instructions.

3 Share capital

	Number	Recorded par value EUR'000
Ordinary shares	76,424,100	102,808
	76,424,100	102,808

No changes the last 5 years.

4 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Telia Company Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. The presentation currency of the annual report is Euro.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in associates

Income from investments in associates comprises dividends etc received from the individual associates in the financial year.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with with Telia Company Danmark A/S and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in associates**

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.