

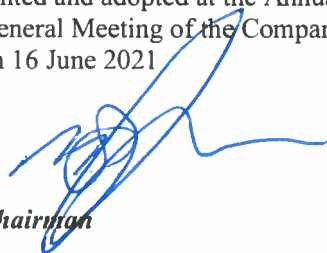
# **AT&T Global Network Services Danmark ApS**

Dronninggårds Alle 134, DK2840 Holte

**CVR-nr. 21 25 46 81**

## **Annual Report for 2020**

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 16 June 2021



**Chairman**

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## **Management's Statement on the Annual Report**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of AT&T Global Network Services Danmark ApS for the financial year 1 January – 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Holte, 16 June 2021

### **Executive Board**

Michael Springham

### **Supervisory Board**

Stuart Neil Gowling  
*Chairman*

Anibal Latuff Hernandez



Michael Springham

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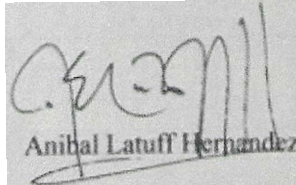
Holte, 16 June 2021

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Michael Springham

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Stuart Neil Gowling  
*Chairman*



Anibal Latuff Hernandez

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Holte, 16 June 2021

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Michael Springham

## Supervisory Board

Stuart Neil Gowling

*Chairman*



Anibal Latuff Hernandez

Michael Springham

# Independent auditor's report

## To the shareholders of AT&T Global Network Services Danmark ApS

### Opinion

We have audited the financial statements of AT&T Global Network Services Danmark ApS for the financial year 1 January – 31 December 2020, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Company'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 Company'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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed we conclude that the Management's review 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's review.

Copenhagen, 16 June 2021

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Alex Petersen  
State Authorised  
Public Accountant  
mne28604

## Company Information

### **The Company**

AT&T Global Network Services Danmark ApS  
Dronninggårds Alle 134  
DK 2840 Holte  
Denmark

Telephone: +45 70 27 50 00

Website: [www.att.com](http://www.att.com)

CVR no.: 21 25 46 81

Financial year: 1 January – 31 December

Municipality of  
reg. office: Rudersdal

### **Supervisory Board**

Stuart Neil Gowling, Chairman  
Anibal Latuff Hernandez  
Michael Springham

### **Executive Board**

Michael Springham

### **Auditors**

EY Godkendt Revisionspartnerselskab  
Dirch Passers Alle 36  
2000 Frederiksberg  
Denmark

### **Consolidated Financial Statements**

The company's ultimate parent company, which prepares consolidated financial statements, in which the company is included as a subsidiary, is AT&T Inc., Dallas, USA.

The consolidated financial statements of the ultimate parent company can be obtained at the following address:

AT&T Inc.  
208 S. Akard St.  
Dallas TX 75202.  
United States of America



## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2020	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Key figures</b>					
<b>Profit/(loss)</b>					
Revenue	124 839	121 063	124 009	151 262	147 146
Gross profit	36 302	30 985	31 139	34 311	32 696
Profit before financial income and expenses	4 620	4 331	3 958	3 448	4 264
Net financials	4 217	4 893	5 144	5 649	6 740
Net profit for the year	6 892	7 290	4 728	7 137	8 640
<b>Balance sheet</b>					
Balance sheet total	846 921	853 667	836 257	829 108	827 990
Equity	811 950	805 058	797 767	793 039	785 903
Investments in property plant and equipment	13 704	11 067	12 820	20 528	39 159
<b>Average Number of employees</b>	55	57	59	62	65
<b>Ratios</b>					
Gross margin	29%	26%	25%	23%	22%
Profit margin	4%	4%	3%	2%	3%
Return on assets	0.5%	0.5%	0.5%	0.4%	0.5%
Solvency ratio	96%	94%	95%	96%	95%
Return on equity	0.8%	0.9%	0.6%	0.9%	1.1%

## **Management's Review**

### **Main activity**

During the year the Company continued to operate under the international trading agreement (the AT&T Global Intercompany Trading Agreement "AGITA") for its international operations. Under this agreement the Company provides network, sales and marketing and general administrative support to AT&T's global enterprise business, which is operated by AT&T Corp.

The Company bears limited risk in relation to its local business and receives income from another group undertaking as specified in the agreement. The company is remunerated based on a mark-up on value-added expenses.

### **Developments in the year**

The turnover of the company for the year increased to TDKK 124 839 (2019: TDKK 121 063).

The turnover is generated from the provision of network, sales, marketing and general administrative support to an intermediate parent company through the operation of the AGITA.

Under the terms of the AGITA, the company continues to bear limited risk in relation to its local business and receives income from another group undertaking as specified in the agreement.

The company continued to support its parent company by developing its local business in line with AT&T Inc strategy.

Net profit for the year has decreased by TDKK 398 to TDKK 6 892 (2019: TDKK 7 290). The current year corporate income tax charge and deferred tax charge totals TDKK 1 945. The financial performance is in line with expectation stated in last year's financial statements.

### **Financial position**

The Company has access to sufficient working capital funds to enable the company to trade for the foreseeable future.

### **Business risks**

The telecommunication industry is dependent on the general economic environment of the country and the international markets it operates in. The operation of the AGITA limits the risks faced by the Company, however any potential decline in the commercial activities of the group would potentially have an indirect adverse influence on the Company. Details of the group's business risks are discussed in the AT&T Inc. annual report.

### **Financial risks**

The Company operates under the terms of the AGITA, which the Company entered into on 1 January 2004. This agreement limits the risks and uncertainties faced by the Company, which as a result bears no credit, price or foreign exchange risk. Risk associated with funding of the Company and the ownership of fixed assets, is managed by the Company.

## **Management's Review**

### **Impact on the environment**

The business does not cause any damage to the environment.

### **The Expected Development**

The company will continue to support its intermediate parent company by developing its local business in line with AT&T Inc. strategy.

The profit before tax for 2021 is expected to be at the same level as for 2020.

### **Impact of COVID-19**

In March 2020, an outbreak of COVID-19 was declared by the World Health Organisation to be a pandemic.

There was no significant impact of the COVID-19 pandemic on the Company's ability to operate, on customer demand or customers' ability to pay for services provided. The Company has adopted working practices in order to ensure the safety of its employees.

The continued participation in the AGITA arrangement, as outlined in these financial statements, means that the Company's going concern assumption is not threatened.

### **Subsequent events**

There were no subsequent events of note that would have a significant impact on these financial statements.

# Accounting Policies

## Basis of preparation

The Annual Report of AT&T Global Network Services Danmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The applied accounting policies remain unchanged compared to previous years.

## Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

## Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

## **Accounting Policies**

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

### **Omission of a cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the ultimate parent company AT&T Inc.

## **Profit and loss account**

### **Revenue**

Revenue represents the income received from another group undertaking in accordance with the AGITA. Amounts invoiced to third party customers are accounted for as due to that other group undertaking under the terms of the AGITA because this Company does not bear the risks and may have a limited reward associated with these invoices.

The Company has chosen IAS 18 as interpretation for revenue recognition. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year.

### **Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

### **Administrative expenses**

Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, etc.

### **Financial income and expenses**

Financial income and expenses comprise interest as well as realised and unrealised exchange rate adjustments.

### **Tax on profit/loss for the year**

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and the Danish WarnerMedia group companies are jointly taxed. The Danish income tax charge is allocated between profit making and loss-making Danish entities in proportion to their taxable income.

## Accounting Policies

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

### Balance sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation, based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

#### Property, plant and equipment (continued)

Plant and machinery, comprising:

Network equipment and customer premises equipment	5-9 years
Tools and testing equipment	12 years

The residual value and useful life of assets are reviewed at the end of each reporting period.

#### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

## **Accounting Policies**

### **Prepayments and deferred income**

Prepayments include expenses incurred in respect of subsequent financial years.

### **Equity**

#### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

#### **Current tax receivables and liabilities**

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Accounting Policies

### Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

## Financial ratios

The financial ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Finance Society:

<i>Gross margin</i>	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<i>Profit margin</i>	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
<i>Return on assets</i>	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
<i>Solvency ratio</i>	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
<i>Return on equity</i>	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$



## Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Revenue		124 839 113	121 063 093
Cost of sales	1	(88 537 008)	(90 077 962)
Gross profit		<b>36 302 105</b>	<b>30 985 131</b>
Distribution expenses	1	(25 777 935)	(17 741 284)
Administrative expenses	1	(5 904 629)	(8 912 910)
<b>Profit before financial income and expenses</b>		<b>4 619 541</b>	<b>4 330 937</b>
Financial income	2	4 775 732	5 098 929
Financial expenses	3	(558 958)	(206 360)
<b>Profit before tax</b>		<b>8 836 315</b>	<b>9 223 506</b>
Tax on profit for the year		(1 944 516)	(1 933 093)
<b>Net profit for the year</b>		<b>6 891 799</b>	<b>7 290 413</b>

## Balance Sheet 31 December

Assets	Note	2020 DKK	2019 DKK
Plant and machinery		40 783 110	46 937 835
<b>Property, plant and equipment</b>	4	<b>40 783 110</b>	<b>46 937 835</b>
Trade receivables		59 150 146	62 509 511
Receivables from group enterprises	9	732 215 647	734 709 395
Other receivables		258 478	258 478
Tax receivable		-	518 503
Deferred tax asset	5	4 262 187	3 143 860
Prepayments		957 740	1 446 484
<b>Receivables</b>		<b>796 844 198</b>	<b>802 586 231</b>
<b>Cash at bank and in hand</b>		<b>9 293 320</b>	<b>4 142 819</b>
Current assets		<b>806 137 518</b>	<b>806 729 050</b>
<b>Assets</b>		<b>846 920 628</b>	<b>853 666 885</b>
<b>Liabilities and equity</b>			
Share capital		129 000	129 000
Retained earnings		811 820 647	804 928 848
<b>Equity</b>		<b>811 949 647</b>	<b>805 057 848</b>
Deferred income – long term		-	-
Other payables	6	4 892 161	4 895 671
<b>Long-term debt</b>		<b>4 892 161</b>	<b>4 895 671</b>
Trade payables		8 750 616	7 468 615
Payables to group enterprises	9	1 530 324	6 782 434
Tax payable		1 830 459	-
Other payables		17 955 976	11 578 645
Bank overdraft		-	17 454 850
Deferred income		11 445	428 822
<b>Short-term debt</b>		<b>30 078 820</b>	<b>43 713 366</b>
<b>Debt</b>		<b>34 970 981</b>	<b>48 609 037</b>
<b>Liabilities and equity</b>		<b>846 920 628</b>	<b>853 666 885</b>

## **Other Notes**

Contingent assets, liabilities and other financial obligations	7
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## Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity at 1 January 2020	129 000	804 928 848	805 057 848
Net profit for the year	-	6 891 799	6 891 799
<b>Equity at 31 December 2020</b>	<b><u>129 000</u></b>	<b><u>811 820 647</u></b>	<b><u>811 949 647</u></b>
Equity at 1 January 2019	129 000	797 638 435	797 767 435
Net profit for the year	-	7 290 413	7 290 413
<b>Equity at 31 December 2019</b>	<b><u>129 000</u></b>	<b><u>804 928 848</u></b>	<b><u>805 057 848</u></b>

## Notes to the Annual Report

	2020 DKK	2019 DKK
<b>1 Staff costs</b>		
Wages and salaries	60 809 675	59 469 021
Pensions	5 761 523	5 348 668
Other social security expenses	1 370 656	545 810
Other employee expenses	405 700	879 264
	<u>68 347 554</u>	<u>66 242 763</u>
Average number of employees	<u>55</u>	<u>57</u>
<p>Remuneration to the Executive Board has not been disclosed in accordance with section 98B (3) of the Danish Financial Statements Act.</p> <p>Wages and salaries, pensions and other social security expenses are split on the following financial statement lines:</p>		
Cost of Sales	38 266 942	45 939 710
Distribution expenses	25 777 935	17 651 976
Administrative expenses	4 302 677	2 651 077
	<u>68 347 554</u>	<u>66 242 763</u>
<b>2 Financial income</b>		
Interest received from group enterprises	4 775 732	5 098 929
	<u>4 775 732</u>	<u>5 098 929</u>
<b>3 Financial expenses</b>		
Exchange adjustments	531 845	156 451
Bank interest on overdrawn balances - net	27 113	49 909
	<u>558 958</u>	<u>206 360</u>

## Notes to the Annual Report

### 4 Property, plant and equipment

	2020 DKK Plant and machinery
Cost at 1 January 2020	195 586 556
Additions for the year	13 704 151
Disposals for the year	(6 898 661)
Cost at 31 December 2020	<u>202 392 046</u>
Impairment losses and depreciation at 1 January 2020	148 648 721
Depreciation for the year	17 709 450
Reversal of impairment and depreciation of sold assets	(4 749 235)
Impairment losses and depreciation at 31 December 2020	<u>161 608 936</u>
Carrying amount at 31 December 2020	<u>40 783 110</u>

### 5 Deferred tax asset

Balance 1 January 2020	3 143 860
Movement in tax asset in the year	1 118 327
Balance 31 December 2020	<u>4 262 187</u>

The tax asset primarily relates to temporary difference of property, plant and equipment, and provisions.

Deferred tax asset consists primarily of temporary differences and is expected to be utilized by future positive earnings in the coming years.

Deferred tax has been calculated based on a tax percentage of 22%.

### 6 Other payables long term

Relates to holiday pay accrual in accordance with the new Danish Holiday Act. Amounts fall as follows:

Between 2 – 5 years	497 911
After 5 years	4 394 250
	<u>4 892 161</u>

## Notes to the Annual Report

### 7 Operating lease commitments

The company has leasing contracts and tenancy agreements for which the total of future minimum payments is as follows:

	2020 TDKK
<b>Payment due:</b>	
Not later than one year	4 876
Later than one year and not later than five years	14 177
	<b>19 053</b>

### 8 Contingent liabilities

The Company is jointly taxed with the Danish WarnerMedia group companies. As affiliate, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation.

### 9 Related parties

#### *Controlling interest*

AT&T Global Network Holding  
LLC  
c/o Corporation Trust Company  
Corporation Trust Center  
1209 Orange Street, Wilmington  
DE 19801  
United States of America

#### *Basis*

Controlling shareholder

AT&T Inc.  
208 S. Akard St.  
Dallas TX 75202  
United States of America

Ultimate parent company

#### *Transactions*

	2020 TDKK	2019 TDKK
Purchase of assets	5 892	5 110
Purchase of goods	151	22
Recharge of costs	-	1 050
Sale of services	124 839	121 063
Sale of assets	137	16
Interest income	4 776	5 099
Receivables	292	7 562
Loan receivable	731 923	727 147
Payables	1 530	6 782

## Notes to the Annual Report

The Company has received TDKK 124 839 in revenue from group undertakings. The transaction has been effected at arm's length.

Loan receivable from AT&T Corp. According to the loan agreement the loan bears interest of 12-month CIBOR plus 1% (2019: CIBOR plus 1/8%). The loan is due on 31 December 2023 or with 14 days' notice.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

	2020 DKK	2019 DKK
<b>10 Distribution of profit</b>		
Retained earnings	6 891 799	7 290 413
	<u>6 891 799</u>	<u>7 290 413</u>