

MIT TELE I/S

Holmbladsgade 139
2300 København S
CVR No. 25813286

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.04.2021

Thomas Peter Kjærsgaard
Chairman of the General Meeting

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Entity details

Entity

MIT TELE I/S

Holmbladsgade 139

2300 København S

CVR No.: 25813286

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Phone number: +4533698700

Board of Directors

Thomas Peter Kjærsgaard, Chairman

Ole Stenkil

Jens Fredrik Nissen

Bank

Danske Bank

Holmens Kanal 2-12

1092 København C

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors have today considered and approved the annual report of MIT TELE I/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 30.04.2021

Board of Directors

Thomas Peter Kjærsgaard
Chairman

Ole Stenkil

Jens Fredrik Nissen

Independent auditor's report

To the shareholders of MIT TELE I/S

Opinion

We have audited the financial statements of MIT TELE I/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 under the Danish Financial Statements Act.

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, 30.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Christian Sanderhage

State Authorised Public Accountant

Identification No (MNE) mne23347

Henrik Hartmann Olesen

State Authorised Public Accountant

Identification No (MNE) mne34143

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	157,199	227,126	285,613	332,514	372,797
Gross profit/loss	65,768	79,024	110,541	97,214	103,349
Operating profit/loss	65,768	78,923	107,575	94,247	100,264
Net financials	95	29	50	65	60
Profit/loss for the year	65,863	78,952	107,625	94,312	100,324
Total assets	118,034	144,166	171,810	129,310	128,434
Equity	105,994	119,082	147,755	94,312	100,325
Ratios					
Gross margin (%)	41.84	34.79	38.70	29.24	27.72
EBIT margin (%)	41.84	34.75	37.66	28.34	26.90
Net margin (%)	41.90	34.76	37.68	28.36	26.91
Return on equity (%)	58.53	59.18	88.92	96.91	112.6
Equity ratio (%)	89.80	82.60	86.00	72.93	78.11

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The partnership's primary activities are to carry on business on the market for mobile and fixed-line telephony, internet, broadband, and television as well as other related activities.

Development in activities and finances

Results for 2020 shows a profit before tax of DKK 65.863 thousand which is considered satisfactory.

As a result of organisational structures and activity a new agreement of cost allocation between the owners and the company has been made. The profit of the year is affected by the increased intercompany costs and as a result the profit of the year has decreased compared to 2019

Outlook

Managements expects a lower result for the year 2021 compared to 2020

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 2020

	Notes	2020 DKK'000	2019 DKK '000
Revenue		157,199	227,126
Costs of raw materials and consumables		(66,018)	(111,775)
Other external expenses		(25,413)	(36,327)
Gross profit/loss		65,768	79,024
Depreciation, amortisation and impairment losses	1	0	(101)
Operating profit/loss		65,768	78,923
Other financial income		95	30
Other financial expenses		0	(1)
Profit/loss for the year	2	65,863	78,952

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired intangible assets		0	0
Intangible assets	3	0	0
Fixed assets		0	0
Manufactured goods and goods for resale		0	40
Inventories		0	40
Trade receivables		15,902	24,710
Prepayments	4	5,000	15,031
Receivables		20,902	39,741
Cash		97,132	104,385
Current assets		118,034	144,166
Assets		118,034	144,166

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Retained earnings		105,994	119,082
Equity		105,994	119,082
Trade payables		7,194	8,473
Payables to group enterprises		3,989	15,187
Other payables		855	1,424
Deferred income	5	2	0
Current liabilities other than provisions		12,040	25,084
Liabilities other than provisions		12,040	25,084
Equity and liabilities		118,034	144,166
Related parties with controlling interest	6		
Transactions with related parties	7		

Statement of changes in equity for 2020

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	119,082	119,082
Other entries on equity	(78,951)	(78,951)
Profit/loss for the year	65,863	65,863
Equity end of year	105,994	105,994

Notes

1 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	0	101
	0	101

2 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Retained earnings	65,863	78,952
	65,863	78,952

3 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	4,821
Cost end of year	4,821
Amortisation and impairment losses beginning of year	(4,821)
Amortisation and impairment losses end of year	(4,821)
Carrying amount end of year	0

4 Prepayments

Prepayments consist of prepaid expenses concerning subscriptions.

5 Deferred income

Deferred income consist of other deferred revenues.

6 Related parties with controlling interest

Related parties with controlling interest consists of Telia Company AB, Solna, Sweden. In Denmark Telia Company AB, Solna Sweden has primary activities via its branch Telia Danmark, branch of Telia Company AB.

7 Transactions with related parties

All transactions with related parties have occurred on normal market conditions in the financial year 2020.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Income statement

Revenue

Income from telephony is recognised at the time when the call is made. Income from subscriptions and fixed-price consumption-related services is recognised over the period of the subscription. Income from the sale of equipment is recognised at the time of delivery.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Other financial income

Other financial expenses comprise interest income and is recognised in the income statement by the amounts related to the financial year.

Other financial expenses

Other financial expenses comprise interest expenses and is recognised in the income statement by the amounts related to the financial year.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired software.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the partnership has not prepared any cash flow statement as the Partnership is included in the cash flow statement for TeliaSonera AB, Sweden