TT-Netværket P/S

Amager Strandvej 60
2300 København S
Denmark

CVR no. 34 23 06 25

Annual report 2016

The annual report was presented and approved at the Company's annual general meeting on

27 April 2017

chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of TT-Netværket P/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 27 April 2017
Executive Board:

Johnny Ekstrøm

Board of Directors:

Claes Johan Nykander Chairman	Jon Omund Revhaug Vice Chairman	Allan Kock
Lars Rude Andersen	Leif Brandt	Thomas Holst Laursen

KPMG

Independent auditor's report

To the shareholders of TT-Netværket P/S

Opinion

We have audited the financial statements of TT-Netværket P/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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.

KPMG

Independent auditor's report

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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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 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

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 April 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Sten Larsen
State Authorised
Public Accountant

Management's review

Company details

TT-Netværket P/S
Amager Strandvej 60
2300 København S
Denmark

Telephone:	+4588136070
Website:	www.tt-network.dk

CVR no.:	34 23 06 25
Established:	17 February 2012
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Claes Johan Nykander, Chairman
Jon Omund Revhaug, Vice Chairman
Allan Kock
Lars Rude Andersen
Leif Brandt
Thomas Holst Laursen

Executive Board

Johnny Ekstrøm

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Bank

Nordea Danmark A/S

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Revenue	852,159	870,151	966,906	1,027,790	664,703
Gross profit	461,757	475,929	374,602	498,002	285,712
Ordinary operating profit	91,482	123,593	222	100,055	85,316
Loss from financial income and expenses	-29,592	-40,445	-43,927	-42,310	-32,033
Profit/loss for the year	61,890	83,148	-43,705	57,745	53,283
Fixed assets	2,952,027	2,597,798	2,619,301	2,551,636	2,504,606
Current assets	234,968	313,972	320,060	389,666	295,482
Total assets	3,186,995	2,911,770	2,939,361	2,941,302	2,800,088
Share capital	100,000	100,000	100,000	100,000	100,000
Equity	1,012,361	950,471	867,325	911,027	853,283
Non-current liabilities other than provisions	1,514,675	1,242,946	1,253,379	1,263,689	1,273,875
Current liabilities other than provisions	224,843	273,249	287,433	363,486	365,357
Investment in property, plant and equipment	306,721	321,780	433,265	428,771	2,543,936
Financial ratios					
Gross margin	54.2%	54.7%	38.7%	48.5%	43.0%
Operating margin	10.7%	14.2%	0.5%	9.7%	12.8%
Return on invested capital	3.3%	4.7%	0.2%	3.4%	3.0%
Current ratio	104.5%	114.9%	111.4%	105.5%	80.9%
Return on Equity	6.3%	9.2%	-4.9%	6.3%	6.2%
Solvency ratio	31.8%	32.6%	29.5%	31.0%	30.5%
Average number of full-time employees	17	17	16	16	5

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss x 100}}{\text{Average invested capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review
Operating review

Principal activities

TT-Netværket is a joint venture between Telenor and Telia, and its objective is to own, maintain and develop the common Radio Access Network related to all technologies (2G, 3G and 4G).

The Company was founded on 17 February 2012, and this is the fifth annual report presented by the Company.

Recognition and measurement uncertainties

The Company has made a provision of DKK 389,861 thousand to cover expected future costs related to the dismantling of antenna positions. The calculation of the provision is based on expected future prices for dismantling. The current average prices for dismantling are known, but the timing of the costs (useful lives of the antenna positions) and future prices are subject to uncertainty.

A total of DKK 2,544 thousand of the asset retirement obligation was realised in 2016 as obsolete antenna positions, resulting from the merger of the Telia and Telenor networks, have been dismantled. An additional DKK 1,287 thousand is expected to be realised in 2017 for the same reason. The realisation of the asset retirement obligation in 2016 has resulted in an accounting gain of DKK 2,509 thousand.

Development in activities and financial position

Profit/loss for the year

The Company's income statement for 2016 shows a net profit of DKK 61,890 thousand, and the balance sheet at 31 December 2016 shows equity of DKK 1,012,362 thousand.

This is a decrease in profit compared with 2015 due to reduced prices for TT-Netværket's services.

Net income is considered satisfactory and in line with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date that could significantly affect the Company's financial position.

Outlook

For 2017, the Company expects normal operations as well as positive net profit in line with 2016.

Intellectual capital

The Company's activities require significant expertise in the operation and development of mobile networks. It is therefore essential to the Company to recruit and retain employees with the appropriate training and level of experience.

Management's review

Operating review

It is the Company's view that the current internal and external conditions allow both recruitment and retention of employees with the appropriate skills.

The share of employees with high-level education is approx. 80%.

Particular risks

The Company has no significant risks apart from those common to the industry.

Statutory statement regarding social responsibility

Given the activity and structure of ownership, the most material social responsibility area for TT-Netværket P/S is electricity consumption.

The Company has significant electricity consumption, and the future expansion of the network to meet the demand for extended coverage and capacity will increase future consumption. The Company focuses on and will continue to focus on reducing electricity consumption and subsequent C02 emissions. In 2016, the Company has continued to replace cooling systems and modernised other network equipment to reduce electricity consumption. These optimisations have resulted in electricity savings of 6.6 GWh compared to last year. These savings have, however, been offset by additional electricity consumption from the expansion of the network. The Company will continue to invest in initiatives to reduce electricity consumption.

The Company requires that all third party suppliers comply with the supplier code of conduct principles specified by Telenor and Telia covering for instance human rights. In 2016, all suppliers have agreed to these principles.

The Company has more than 4,000 antenna positions across Denmark. All antennas are built in accordance with current regulations and building permits, ensuring that the impact on the external environment is limited and within laws and guidelines.

It is the goal of the Company that the underrepresented gender in the Board of Directors should be represented by at least one of six persons by the end of 2018. The goal has not yet been fulfilled. The Board of Directors is elected by the owners based on qualifications, and both genders are considered equal.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Revenue	2	852,159	870,151
Other operating income		304	1,280
Other external costs		-390,706	-395,502
Gross profit		461,757	475,929
Staff costs	3	-13,887	-14,050
Depreciation, amortisation and impairment losses	4	-356,388	-338,286
Operating profit		91,482	123,593
Financial expenses	5	-29,592	-40,445
Profit for the year		61,890	83,148

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	7		
Acquired licences and comparable rights		500,641	97,889
		500,641	97,889
Property, plant and equipment	8		
Land		474	473
Plant and machinery		2,388,523	2,423,073
Plant and machinery under construction		26,201	35,870
		2,415,198	2,459,416
Other assets	9		
Deposits		36,188	40,493
		36,188	40,493
Total fixed assets		2,952,027	2,597,798
Current assets			
Receivables			
Receivables from group entities		158,674	140,654
Other receivables		661	26,139
Prepayments		13,383	12,542
		172,718	179,335
Cash at bank and in hand		62,250	134,637
Total current assets		234,968	313,972
TOTAL ASSETS		3,186,995	2,911,770

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	10	100,000	100,000
Share premium		700,000	700,000
Retained earnings		212,361	150,471
Total equity		1,012,361	950,471
Provisions	11		
Asset retirement obligation		389,861	379,234
Other provisions		45,255	65,870
Total provisions		435,116	445,104
Liabilities other than provisions			
Non-current liabilities other than provisions	12		
Liability to the Danish Energy Agency related to mobile licences		314,675	42,946
Loan from group entities		1,200,000	1,200,000
		1,514,675	1,242,946
Current liabilities other than provisions			
Current portion of non-current liabilities other than provisions	12	53,670	11,146
Trade payables		39,441	45,901
Payables to group entities		71,630	191,610
Other payables		60,102	24,592
		224,843	273,249
Total liabilities other than provisions		1,739,518	1,516,195
TOTAL EQUITY AND LIABILITIES		3,186,995	2,911,770
Contractual obligations, contingencies, etc.	13		
Fees paid to auditor appointed at the annual general meeting	14		
Related party disclosures	15		

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Statement of changes in equity

DKK'000	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2016	100,000	700,000	150,471	950,471
Transferred; see profit appropriation	0	0	61,890	61,890
Equity at 31 December 2016	100,000	700,000	212,361	1,012,361

There have been no changes in the share capital during the last five years.

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2016	2015
Profit/loss for the year		61,890	83,148
Depreciation and amortisation		356,995	338,286
Changes in provisions		-24,666	-99,159
Other non-cash operating items, net		0	944
Financial expenses		29,592	40,445
Cash flow from operating activities before changes in working capital		423,811	363,664
Changes in working capital	16	-84,313	36,027
Cash flows from operating activities		339,498	399,691
Interest paid		-20,423	-26,695
Cash flows from operating activities		319,075	372,996
Acquisition of intangible assets		-83,995	-109
Acquisition of property, plant and equipment		-301,212	-321,783
Deposits. repaid		4,305	4,256
Cash flows from investing activities		-380,902	-317,636
External financing:			
Repayment of long-term debt		-10,560	-11,146
Cash flows from financing activities		-10,560	-11,146
Net cash flows for the year		-72,387	44,214
Cash and cash equivalents at 1 January		134,637	90,423
Cash and cash equivalents at 31 Decemer		62,250	134,637

The cash flow statement cannot be directly derived from the other components of the financial statements.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of TT-Netværket P/S for 2016 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. The implementation has not caused any changes regarding measurement or recognition.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, applying a constant yield to maturity. Amortised cost is the original cost less any principal repayments and plus/minus the cumulative amortisation of the difference between cost and nominal value.

Recognition and measurement take into account gains, losses and risks occurring prior to the annual report that evidence affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred for this year's earnings are recognised, including depreciation, amortisation, impairment losses and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue comprises the value of services provided less value added tax and is recognised in the income statement provided that all risks and rewards have been transferred to the buyer.

Other external costs

Other external expenses include expenses relating to site rent, administration, office premises, etc.

Staff costs

Staff costs include wages and salaries, including holiday pay, pensions and other social security costs, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Intangible assets comprise acquired rights, including mobile licences and software licences.

Licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the licence period; however, not exceeding 20 years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gains and losses on the disposal of licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as amortisation and impairment losses.

Property, plant and equipment

Land, plant and machinery are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost includes retirement obligation if it meets the conditions for recognition of provisions.

For property, plant and equipment under construction, cost includes direct labour, materials, purchased parts and labour work provided by a sub-supplier.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is recognised in the income statement as depreciation and impairment losses.

The depreciable amount, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5-30 years

If the depreciation period or the residual value is changed, the effect on depreciation going forward is considered a change in accounting estimates.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation and impairment losses.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected cash flows from the use of the asset or the group of assets after the end of the useful life.

Other assets

Other assets comprise deposits and are measured at cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Provisions

Provisions inclde asset retirement obligations. Provisions are recognised when, at the balance sheet date, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

When the Company is obligated to dismantle an asset or restore the site on which the asset is used, a liability equal to the present value of the expected future costs is recognised. After initial recognition of the present value, the accretion expense is recognised as a financial expense in the income statement.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Significant accounting estimates, assumptions and uncertainties

Many items cannot be reliably measured but only estimated. Such estimates are based on the latest information available atthe time of the financial reporting. It may be necessary to change previous estimates due to changes in the factors underlying the estimates or due to new information, more experience or subsequent events.

In connection with the practical application of the accounting policies, Management makes significant judgements significantly affecting the financial statements within the following areas.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Asset retirement obligation

In most cases, the asset retirement will take place in the distant future, and therefore, it will lead to significant uncertainty as to whether the liability will actually be settled. The actual gross settlement costs that the Company incurs may differ materially from the estimated costs, for example because of price negotiations or agreements that reduce or relieve the Company from its obligations. The timing of the settlement process may also differ significantly from the estimated timing.

Estimated useful lives

The expected useful lives of property, plant and equipment and intangible assets are reviewed annually to ensure consistency with the expected useful lives of the assets based on current facts and circumstances.

2 Revenue

The Company's services related to revenue for the year of DKK 852,159 thousand (2015: DKK 870,151 thousand) have only been provided in Denmark to the owners of the Company.

3 Staff costs

DKK'000	2016	2015
Wages and salaries	11,877	11,926
Pensions	978	991
Social security costs	114	119
Other staff costs	918	1,014
	13,887	14,050
Average number of employees	17	17

Pursuant to the exemption clause for reporting class C entities under the Danish Financial Statements Act, the Company has chosen to omit disclosing executive remuneration as only the Executive Board has received remuneration.

Financial statements 1 January – 31 December

Notes

DKK'000	2016	2015
4 Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses		
Intangible assets	6,056	6,044
Property, plant and equipment	324,670	327,676
Scrapped assets	25,662	4,566
	356,388	338,286
5 Financial expenses		
Interest payable to group entities	18,377	26,348
Other interest expenses, exchange losses and similar expenses	11,215	14,097
	29,592	40,445
6 Proposed profit appropriation		
Retained earnings	61,890	83,148

7 Intangible assets

DKK'000	Acquired licences and comparable rights
Cost at 1 January	113,303
Additions during the year	408,808
Cost at 31 December 2016	522,111
Impairment losses and amortisation at 1 January 2016	-15,414
Amortisation	-6,056
Impairment losses and amortisation at 31 December 2016	-21,470
Carrying amount at 31 December 2016	500,641

Financial statements 1 January – 31 December

Notes

8 Property, plant and equipment

DKK'000	Land	Plant and machinery	Plant and machinery under construction	Total
Cost at 1 January 2016	473	3,431,851	35,870	3,468,194
Additions during the year	1	71,885	234,835	306,721
Transferred	0	244,504	-244,504	0
Disposals during the year	0	-117,347	0	-117,347
Cost at 31 December 2016	474	3,630,893	26,201	3,657,568
Depreciation and impairment losses at 1 January 2016	0	-1,008,778	0	-1,008,778
Depreciation	0	-324,670	0	-324,670
Disposals	0	91,078	0	91,078
Depreciation and impairment losses at 31 December 2016	0	-1,242,370	0	-1,242,370
Carrying amount at 31 December 2016	474	2,388,523	26,201	2,415,198

Depreciated over	5-30 years

9 Other assets

DKK'000	Deposits
Cost at 1 January 2016	40,493
Net repayments during the year	-4,305
	36,188

10 Share capital

The share capital consists of:

DKK'000	2016	2015
100,000 shares of nom. DKK 1 each	100,000	100,000

All shares rank equally.

There have been no changes in the share capital since the formation of the Company on 17 February 2012.

Financial statements 1 January – 31 December

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11 Provisions

DKK'000	Asset retirement obligation	Other provisions	Total
Provisions at 1 January 2016	379,234	65,870	445,104
Additions and adjustments during the year	13,171	3,232	16,403
Utilised during the year	-2,544	-23,847	-26,391
Provisions at 31 December 2016	389,861	45,255	435,116

12 Non-current liabilities other than provisions

DKK'000	Total liabilities at 1 January 2016	Total liabilities at 31 December 2016	Repayments next year	Non-current portion	Outstanding debt after five years
Liability to the Danish Energy Agency related to mobile licences	53,380	368,345	53,670	314,675	127,572
Loan from group entities	1,200,000	1,200,000	0	1,200,000	0
	1,253,380	1,568,345	53,670	1,514,675	127,572

13 Contractual obligations, contingencies, etc.

DKK'000	2016	2015
Rent payments concerning a contract that is non-cancellable until 1 September 2017	623	1,549
Payments under operating leases regarding cars	156	464
Site rent payments regarding non-cancellable contracts	402,075	448,688
	402,854	450,701

Financial statements 1 January – 31 December

Notes

14 Fees paid to auditor appointed at the annual general meeting

DKK'000	2016	2015
KPMG		
Statutory audit	108	135
Assurance engagements	50	50
Other assistance	14	18
	172	203

15 Related party disclosures

TT-Netværket P/S' related parties comprise the following:

— Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92

— Telia Mobile Holding AB, Sweden

— Komplementarselskabet af 14. juni 2011 A/S, Amager Strandvej 60, 2300 København S, Denmark, CVR no. 34 20 41 78

— Executive Board and Board of Directors.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

— Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92

— Telia Mobile Holding AB, Sweden.

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Notes

16 Changes in working capital

DKK'000	2016	2015
Change in receivables	6,617	50,212
Change in trade and other payables	-90,930	-14,185
	-84,313	36,027