

# TT-Netværket P/S

Amager Strandvej 60  
2300 København S  
Denmark

CVR no. 34 23 06 25

## Annual report 2023

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

23 February 2024

Henrik Peytz  
Chairman of the annual general meeting

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	13
Income statement	13
Balance sheet	14
Statement of changes in equity	16
Cash flow statement	17
Notes	18

## 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 2023.

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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities 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, 23 February 2024  
Executive Board:

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Henrik Brogaard Pedersen  
CEO

Board of Directors:

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Richard Stigaard  
Chairman

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Claes Johan Ingemar  
Nycander  
Vice Chairman

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Jesper Kamp Andersen

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Stefan Erik Jäverbring

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Einar Thomas Nore

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Petra Vranjes

## 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 2023 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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 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 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' 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 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.

#### 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 financial statement 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

## Independent auditor's report

- 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 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, 23 February 2024

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson  
State Authorised  
Public Accountant  
mne19737

**TT-Netværket P/S**  
Annual report 2023  
CVR no. 34 23 06 25

## Management's review

### Company details

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

Telephone: +45 88136070  
Website: [www.tt-network.dk](http://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

Richard Stigaard, Chairman  
Claes Johan Ingemar Nycander, Vice Chairman  
Jesper Kamp Andersen  
Stefan Erik Jäverbring  
Einar Thomas Nore  
Petra Vranjes

### Executive Board

Henrik Brogaard Pedersen, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

DKK'000	2023	2022	2021	2020	2019
<b>Key figures</b>					
Revenue	960,835	1,103,844	988,975	857,358	864,006
Gross profit	664,292	729,069	743,695	653,679	651,408
Ordinary operating profit	58,761	51,246	60,323	51,654	47,330
Loss from financial income and expenses	-65,433	-31,728	-25,722	-25,518	-26,122
Profit for the year	-6,672	19,626	34,601	26,136	21,230
Fixed assets	4,013,701	3,872,771	3,556,663	3,029,935	3,211,712
Current assets	322,976	317,461	293,003	234,899	165,680
Total assets	4,336,677	4,190,232	3,849,666	3,264,834	3,377,392
Contributed capital	100,000	100,000	100,000	100,000	100,000
Equity	1,184,391	1,191,063	1,171,437	1,136,836	1,110,701
Non-current liabilities other than provisions	2,248,770	2,040,751	1,797,776	1,460,195	1,627,750
Current liabilities other than provisions	655,539	655,920	573,962	359,903	341,989
Investment in property, plant and equipment	800,340	774,605	589,458	272,548	289,520
<b>Ratios</b>					
Gross margin	69.1%	66.0%	75.2%	76.2%	75.4%
Operating margin	6.1%	4.6%	6.1%	6.0%	5.5%
Return on invested capital	1.5%	1.4%	1.7%	1.7%	1.7%
Current ratio	49.2%	42.9%	42.9%	42.9%	52.6%
Return on equity	-0.6%	1.7%	3.0%	2.3%	1.9%
Solvency ratio	27.3%	28.4%	30.4%	34.8%	32.9%
Average number of full- time employees	25	24	23	22	23

The financial ratios have been calculated as follows:

Gross margin 
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

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

Return on invested capital 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio 
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Invested capital Operating intangible assets and property, plant and equipment plus net working capital

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

## **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 (from 2G to 5G).

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

#### **Recognition and measurement uncertainties**

The Company has made a provision of DKK 246,207 thousand (2022: DKK 301,234 thousand) to cover expected future costs related to the dismantling of antenna positions. The calculation of the provision is based on the net present value of the 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. The provision has decreased significantly during 2023 as the interest rate have increase significantly reducing the net present value of the expected future price for dismantling.

Recognition and measurement uncertainties are discussed further in note 1.

### **Development in activities and financial position**

#### ***Profit for the year***

The Company's income statement for 2023 shows a net loss of DKK 6,672 thousand, and the balance sheet on 31 December 2023 shows equity of DKK 1,184,391 thousand.

Due to the development in external circumstances, 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 2024, the Company expects normal operations as well as net profit in line with 2023.



## Management's review

### Operating review

#### 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.

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 and gender diversity Business model

The Company's activities are to a large extent outsourced to other companies including a number of suppliers and subcontractors, who produce goods and services for use within the Company, in other countries including in Eastern Europe and the Far East. The business model pose a risk with regards most matters within Corporate Social Responsibility.

The Company has policies on socially responsible business conduct. The policies are compiled in the Company's Code of Conduct (CoC) which state that its business is to be conducted in a socially responsible way. This CoC includes the Company's policies for complying with rules and regulations. The Company also requires that all its suppliers and subcontractors conduct their business in compliance with the rules and regulations both in Denmark and in the countries where the goods and services provided for the Company are produced. Compliance to the CoC will help ensure that risks are identified as well as mitigated.

The Company mitigates risk related to Environment and Climate by requiring that our main Suppliers have ambitious policies with regards to reducing emissions and provide regular reporting on progress.

#### Corporate Social Responsibility

Corporate Social Responsibility or CSR is an integral part of the Company's way of doing business. The Company's goals, policies and required efforts are stated in a CoC. The CoC is based on the corresponding CoC's of our owner companies Telia and Telenor. It is updated regularly based on updates to Telia and Telenor's CoC.

The Company will continue all required efforts in pursuing its goals and following its policies going forward.

## Management's review

### Operating review

#### Environmental and Climate

The Company has a 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's policy is to make all reasonable efforts to reduce electricity consumption and subsequent CO2 emissions relative to the amount of traffic handled by the network owned by the Company. The Company requires that its key suppliers actively support this effort.

The policy is enforced by continuously identifying and investing in power saving initiatives. In 2023, the Company has modernized the network equipment to significantly reduce electricity consumption per unit of network traffic. Furthermore, the company has deployed intelligent energy solutions based on machine learning, that allows for reducing power consumption significantly when the network usage is low.

These optimizations have resulted in electricity savings per unit of network traffic of 11% in 2023, and have laid the foundation for more savings in the future. On the total power consumption, these savings have, however, been offset by additional electricity consumption from the expansion of the network and the amount of network traffic. The Company will continue to invest in initiatives to reduce electricity consumption and consequently its impact on climate and environment.

The Company has entered into a Power Purchase Agreement with Better Energy, to procure sustainable electricity covering close to all the expected power consumption going forward. The agreement is expected to take effect from Dec 1st 2024.

The Company has more than 4,000 antenna positions across Denmark. It is the explicit policy of the Company that all antennas are built and will be built in accordance with all current regulations including building permits. This is to ensure that the impact on the external environment is limited. TTN have, in 2023, received no complaints from any public authorities regarding the construction of antenna positions.

#### Social matters

The Company operates in the Business to Business area and its policies on social matters relate to that area of business. The policies state:

1. Competition:

The Company supports free and fair competition under ethical condition. We operate fully under the legal frameworks in Denmark which prevent all agreements between companies, decisions by associations of companies and concerted practices which have as their object the prevention, restriction or distortion of competition.

2. Information handling including confidentiality:

The Company's policy is to handle information carefully by protecting our non-public information from exposure to unauthorized people or entities. The specific guidelines are specified in our CoC which is communicated regularly to all employees.

The Company have not had any violation of its policies on Social Matters in 2023. Furthermore, no complaints have been received from public authorities or other entities on the Company's activities in 2023.

The Company will continue all required efforts in pursuing its goals and following its policies going forward.

## Management's review

### Operating review

#### Labour rights and Staff matters

The Company's considers its staff its most valued assets and its policy on staff matters is to ensure the safety and well-being of its employees. The Company is engaged in the well-being of its own employees and have policies in support if this. Most of our employees are highly skilled and specialized, and the main risk is to lose significant knowledge and intellectual capital if the employees are not well treated. In order to live up to our employee's expectations and ambitions for professional development as well as our policies on the matter, we provide competitive benefits packages and opportunities for development through training and other activities. We monitor the results, and have conducted and will continue to conduct employee satisfaction surveys that provide us with guidelines to improve ourselves as employers and to continue to deliver value to our employees.

The Company's policy states:

1. Speak up guidelines

All employees are required to speak up and report concerns or violations or any of our policies and can do so without fear of reprisals.

2. Avoid conflict of interest

3. Health & Safety (H&S)

The Company promotes healthy and safe work conditions, preventing occupational risks and ill health, and rapidly reacting to injuries and unsafe conditions. It adheres to all H&S legislation and ensures that incidents and near misses are reported and evaluated.

4. Workplace environment

The Company will identify, hire and retain the best people by implementing fair employment practices and actively fighting all forms of illegal discrimination. Harassment or inappropriate behaviour is not accepted and the misuse of alcohol and drugs will likewise not be accepted.

The Company requires that similar measures are taken by its suppliers towards their employees. In 2023, we have lost 0 employees and hired 1 new employee. The Company have not experienced major issues within Staff matters in 2023. Some H&S incidents have been reported with suppliers when working for the Company. No major injuries have been suffered.

The Company will continue all required efforts in pursuing its goals and following its policies going forward.

## Management's review

### Operating review

#### Anti-corruption and human rights

As the Company provides the vast majority of its services through third party suppliers, the main risk related to anti-corruption and human rights is if our third-party subcontractors should violate our policies, with potential health, legal or commercial consequences.

The Company policies on anti-corruption and human rights State:

1. Human rights

The Company respect the rights of employees, the employees of our suppliers, business partners and customers and the Company will not violate such rights. The Company will not do business with other companies or individuals who violate human rights.

2. Anti-corruption

Anti-corruption includes the abuse of power as well as bribery. The Company's policy is that of zero tolerance for corruption.

The Company will continue all required efforts in pursuing its goals and following its policies going forward.

3. Etical financial practises

- The Company is opposed to all forms of money laundering and avoid it by:
- Verifying and questioning unusual payments or banking arrangements and report unusual requests
- Never making payments that could support terror-financing or similar activities
- Paying attention to potential under or over-valuing of invoices or assets
- The Company is not aware of and have not been made aware of any violations to its policies on Anti Corruption and Human Rights in 2023.

## Statement on gender diversity

### Target for the board

It is the target of the Company that the underrepresented gender on the Board of Directors should be represented by at least two of six persons (33%) by the end of 2025. The Board of directors currently consist of 5 men and 1 woman, why the target has not been reached. The underrepresented gender represents 17%. The members of the Board of Directors are elected by the owners based on qualifications, and as both genders are considered equal, election of candidate from the underrepresented gender is actively encouraged.

## Management's review

### Operating review

	2023
<b>Supreme management body:</b>	
Total number of members	6
Under-represented gender in pct.	17%
Target in pct.	33%
Year of achievement of target	2025
<b>Other management levels:</b>	
Total number of members	2
Under-represented gender in pct.	0%

As the company has employed fewer than 50 employees in the most recent financial year, the company is exempt from the obligation to set targets for other management levels.

### Other management levels

The total number of employees in the Company is 24. As this is below 50, which is the minimum number of employees for defining a policy for other management levels, no such policy has been formulated for the Company.

### Data Ethics

The Company does not have access to data in the radio network, nor do we have access to any data relating to the end customers using the network.

The Company does not have a policy on data ethics. The reason for why we do not have a policy is that we only collect or process personal data to a limited extent, we do not use AI or any other complex machine learnings, and we have assessed that our GDPR-policies are sufficient to mitigate any risks involved with our collection and processing of data.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2023	2022
<b>Revenue</b>		960,835	1,103,844
Other operating income		1,839	3,901
Other external costs		<u>-298,382</u>	<u>-378,676</u>
<b>Gross profit</b>		664,292	729,069
Staff costs	2	-16,860	-16,087
Depreciation, amortisation and impairment losses	3	<u>-588,671</u>	<u>-661,736</u>
<b>Profit before financial income and expenses</b>		58,761	51,246
Other financial income		1,593	108
Other financial expenses	4	<u>-67,026</u>	<u>-31,728</u>
<b>Profit/loss for the year</b>	5	<u><u>-6,672</u></u>	<u><u>19,626</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	6		
Acquired Licenses		<u>1,172,949</u>	<u>1,257,532</u>
<b>Property, plant and equipment</b>	7		
Land and buildings		710,154	602,339
Plant and machinery		2,070,582	1,918,073
Property, plant and equipment under construction		<u>26,238</u>	<u>60,849</u>
		<u>2,806,974</u>	<u>2,581,261</u>
<b>Investments</b>	8		
Deposits		<u>33,778</u>	<u>33,978</u>
<b>Total fixed assets</b>		<u>4,013,701</u>	<u>3,872,771</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		155,315	167,990
Other receivables		7,397	11,711
Prepayments	9	<u>47,803</u>	<u>66,199</u>
		<u>210,515</u>	<u>245,900</u>
<b>Cash at bank and in hand</b>		<u>112,461</u>	<u>71,561</u>
<b>Total current assets</b>		<u>322,976</u>	<u>317,461</u>
<b>TOTAL ASSETS</b>		<u><u>4,336,677</u></u>	<u><u>4,190,232</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	10	100,000	100,000
Share premium		700,000	700,000
Retained earnings		<u>384,391</u>	<u>391,063</u>
<b>Total equity</b>		<u>1,184,391</u>	<u>1,191,063</u>
<b>Provisions</b>			
Asset retirement obligation	11	246,207	301,234
Other provisions		<u>1,770</u>	<u>1,264</u>
<b>Total provisions</b>		<u>247,977</u>	<u>302,498</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Liability to the Danish Agency for Data Supply and Infrastructure related to mobile licenses	12	634,624	755,740
Lease liabilities		714,146	613,011
Payables to group entities		<u>900,000</u>	<u>672,000</u>
		<u>2,248,770</u>	<u>2,040,751</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		350,624	276,972
Trade payables		158,027	144,056
Other payables		<u>146,888</u>	<u>234,892</u>
		<u>655,539</u>	<u>655,920</u>
<b>Total liabilities other than provisions</b>		<u>2,904,309</u>	<u>2,696,671</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,336,677</u>	<u>4,190,232</u>
<b>Fees to auditor appointed at the general meeting</b>	13		
<b>Related party disclosures</b>	14		



## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2023	100,000	700,000	391,063	1,191,063
Transferred over the profit appropriation	<u>0</u>	<u>0</u>	<u>-6,672</u>	<u>-6,672</u>
<b>Equity at 31 December 2023</b>	<u><u>100,000</u></u>	<u><u>700,000</u></u>	<u><u>384,391</u></u>	<u><u>1,184,391</u></u>

## Financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	2023	2022
Profit for the year		-6,672	19,626
Depreciation and amortisation		590,148	639,620
Net change in provision		-54,521	-3,993
Financial income		-1,593	0
Financial expenses		67,026	31,728
Cash flow from operating activities before changes in working capital		594,388	686,981
Changes in working capital	15	136,139	116,682
Cash flows from operating activities		730,527	803,663
Interest received		1,593	108
Interest paid		-67,026	-31,836
<b>Cash flows from operating activities</b>		<b>665,094</b>	<b>771,935</b>
Acquisition of intangible assets		-40	-223,453
Acquisition of property, plant and equipment		-738,472	-765,610
Disposal of property, plant and equipment		7,234	32,205
Change in deposits		200	1,130
<b>Cash flows from investing activities</b>		<b>-731,078</b>	<b>-955,728</b>
External financing:			
Repayment of non-current liabilities		-121,116	140,334
Increase of debt to group entities and associates		228,000	42,000
<b>Cash flows from financing activities</b>		<b>106,884</b>	<b>182,334</b>
<b>Net cash flows for the year</b>		<b>40,900</b>	<b>-1,459</b>
Cash and cash equivalents at 1 January		71,561	73,020
<b>Cash and cash equivalents at 31 December</b>		<b>112,461</b>	<b>71,561</b>

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 2023 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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.

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 operating income

Other operating income comprises items secondary to the activities of the entity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

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

##### Staff costs

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

##### Financial income and expenses

Financial income and expenses comprise interest income and expense 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.

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 and building, plant and machinery are measured at cost less accumulated depreciation and impairment losses. Own 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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
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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.

#### Leases

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

#### 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.

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.

#### Investments

Investments 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 include 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Other liabilities are measured at amortised cost.

### 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

Some items cannot be reliably measured but only estimated. Such estimates are based on the latest information available at the 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 judgements significantly affecting the financial statements within the following areas:

##### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### Lease term

Generally, the lease terms of the company's lease agreements are not fixed. Hence, after any non-cancellable period management is required to estimate the period over which it is reasonably certain not to terminate the leases. Further, the lease terms will be reassessed upon changes to the non-cancellable period, upon tech upgrades in the underlying asset and when the lease term and date is reached.



## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2023</u>	<u>2022</u>
<b>2 Staff costs</b>		
Wages and salaries	14,962	14,275
Pensions	1,708	1,630
Other social security costs	<u>190</u>	<u>182</u>
	<u>16,860</u>	<u>16,087</u>
Average number of full-time employees	<u>25</u>	<u>24</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98b (3) of the Danish Financial Statements Act.		
<b>3 Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses</b>		
Intangible assets	84,623	83,517
Property, plant and equipment	<u>504,048</u>	<u>578,219</u>
	<u>588,671</u>	<u>661,736</u>
<b>4 Other financial expenses</b>		
Interest expense to group entities	35,599	10,450
Other financial costs	<u>31,427</u>	<u>21,278</u>
	<u>67,026</u>	<u>31,728</u>
<b>5 Proposed profit appropriation/distribution of loss</b>		
Retained earnings	<u>-6,672</u>	<u>19,626</u>
	<u>-6,672</u>	<u>19,626</u>

## Financial statements 1 January – 31 December

### Notes

#### 6 Intangible assets

DKK'000	Acquired licenses and comparable rights
Cost at 1 January 2023	1,554,152
Additions for the year	40
Cost at 31 December 2023	1,554,192
Amortisation and impairment losses at 1 January 2023	-296,620
Amortisation for the year	-84,623
Amortisation and impairment losses at 31 December 2023	-381,243
<b>Carrying amount at 31 December 2023</b>	<b>1,172,949</b>
<b>Right-of-use asset</b>	<b>172,702</b>

#### 7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Property, plant and equipment under construction	Total
Cost at 1 January 2023	1,282,345	4,477,899	60,849	5,821,093
ARO adjustment for the year	0	-61,868	0	-61,868
Additions for the year	290,498	41,486	468,356	800,340
Disposals for the year	-39,847	-865,073	0	-904,920
Transfers for the year	0	502,967	-502,967	0
Cost at 31 December 2023	1,532,996	4,095,411	26,238	5,654,645
Depreciation and impairment losses at 1 January 2023	-680,006	-2,559,826	0	-3,239,832
Depreciation for the year	-175,450	-330,075	0	-505,525
Depreciation and impairment losses for the year on assets sold	32,614	865,072	0	897,686
Depreciation and impairment losses at 31 December 2023	-822,842	-2,024,829	0	-2,847,671
<b>Carrying amount at 31 December 2023</b>	<b>710,154</b>	<b>2,070,582</b>	<b>26,238</b>	<b>2,806,974</b>
Right-of-use asset	708,570	172	0	708,742

## Financial statements 1 January – 31 December

### Notes

#### 8 Investments

DKK'000	<u>Deposits</u>
Cost at 1 January 2023	33,978
Disposals for the year	<u>-200</u>
Cost at 31 December 2023	33,778
<b>Carrying amount at 31 December 2023</b>	<b><u>33,778</u></b>

#### 9 Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

#### 10 Share capital

The share capital consists of:

DKK'000	<u>31/12 2023</u>	<u>31/12 2022</u>
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.

#### 11 Provisions

	<u>Asset retirement obligation</u>	<u>Other provisions</u>	<u>Total</u>
Provisions at 1 January 2023	301,234	1,264	302,498
Additions and adjustment of obligation during the year	-50,670	2,828	-47,849
Utilisation and adjustment of utilisation during the year	<u>-4,357</u>	<u>-2,322</u>	<u>-6,678</u>
Provisions at 31 December 2023	<b><u>246,207</u></b>	<b><u>1,770</u></b>	<b><u>247,971</u></b>

## Financial statements 1 January – 31 December

### Notes

#### 12 Non-current liabilities other than provisions

	Total liabilities at 1 January 2023	Total liabilities at 31 December 2023	Repayment, first year	Non-current portion	Outstanding debt after five years
Liabilities to The Danish Agency for Data Supply and Infrastructure related to mobile licenses	809,023	762,006	127,382	316,714	317,910
Loan from group entities	676,418	906,994	6,994	900,000	0
Lease liabilities	832,282	930,394	216,248	531,568	182,578
	<u>2,317,723</u>	<u>2,599,394</u>	<u>350,624</u>	<u>1,748,282</u>	<u>500,488</u>

#### 13 Fees to auditor appointed at the general meeting

DKK'000	2023	2022
<b>KPMG</b>		
Statutory audit	122	118
Assurance engagements	45	43
Other assistance	16	15
	<u>183</u>	<u>176</u>

#### 14 Related party disclosures

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

- Telenor A/S, Frederikskaj 8, 2450 København SV, 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 87
- Executive Board and Board of Directors.

#### Related party transactions

DKK'000	2023	2022
Sales of service	916,072	1,070,304
Sale of network equipment etc. to Partners	1,098	4,815
	<u>917,170</u>	<u>1,075,119</u>
Network related costs	104,189	92,566
	<u>104,189</u>	<u>92,566</u>

## Financial statements 1 January – 31 December

### Notes

Remuneration to the Parent Company's Executive Board and Board of Directors has not been disclosed in accordance with section 98b (3) of the Danish Financial Statements Act. Payables and receivables to group entities are disclosed in the balance sheet and expensed interest is disclosed in note 4.

### 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, 2450 København SV, Denmark, CVR no. 19 43 36 92

— Telia Mobile Holding AB, Sweden.

### 15 Changes in working capital

DKK'000	2023	2022
Change in receivables	35,385	-25,917
Change in trade and other payables	100,754	142,599
	136,139	116,682