

tusass



ANNUAL REPORT

2022



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DISCLAIMER: Please note, that in case of inconsistencies or ambiguity between different language versions of The Annual Report, the Danish version is in force.

Company Information

Tusass LC

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Ownership

The company is 100%
owned by the Government
of Greenland

Board

Chairman

Ulrik Blidorf

Independent board member

Vice Chairman

Inaluk Malene Brandt

Independent board member

Board Member

Kim Kylesbech Larsen

Independent board member

Board Member

Maja Mathilde

Motzfeldt-Haahr

Independent board member

Board Member

Egalunnguaq

Abel Kristiansen

Independent board member

Board Member

Kim Hammond Zinck

Employee elected

Board Member

Lars Holm Hansen

Employee elected

Board Member

Benedikta Kristina

Naamansen

Employee elected

Executive Board

Chief Executive Officer

Kristian Reinert Davidsen

Associated Company

Property company
Suliffik LC (39.4%)

Home Municipality

Kommuneqarfik Sermersooq

Revision

PricewaterhouseCoopers,
Chartered Accountant

Approved at the General
Assembly, May 16th 2023

Conductor

Peter Schriver, Nuna Law

Financial Highlights and Key Figures

DKK million (unless otherwise stated)	2022	2021	2020	2019	2018	
Net revenue	795.0	786.1	802.2	814.2	816.7	
Operating costs	(531.2)	(548.4)	(514.0)	(577.4)	(544.8)	
EBITDA	286.1	256.1	309.0	256.0	294.1	
Depreciations	(140.3)	(141.9)	(137.4)	(134.0)	(153.5)	
Operating profit (EBIT)	145.8	114.3	171.7	122.0	140.7	
Financial items, net	(3.1)	(2.4)	(5.0)	(1.8)	(2.0)	
Result of the term before Tax	143.1	112.0	167.0	120.1	138.7	
Result of the term after Tax	116.3	82.3	122.7	121.7	93.3	
Free Cash Flow						
Cash flow from operational activity (FCF)	274.5	255.2	231.1	219.9	285.0	
Cash flow from investment activity	(107.8)	(98.3)	(116.7)	(92.9)	(147.2)	
Cash flow from financing activity	(88.3)	(163.2)	(200.7)	(99.8)	(55.9)	
Key Figures						
Gross margin	%	60.1	57.7	62.2	55.2	60.5
EBITDA margin	%	36.0	32.6	38.5	31.4	36.0
EBIT Margin	%	18.3	14.5	21.4	15.0	17.2
Return on equity (ROE)	%	9.5	6.8	10.4	10.5	8.1
ROIC	%	9.7	6.7	13.4	9.4	7.0
Interest-bearing debt, net		(166.2)	(87.2)	(42.8)	(41.1)	(51.7)
Financial gearing	%	(13.3)	(7.3)	(3.6)	(3.5)	(4.5)
Interest-bearing debt, net / EBITDA	x	(0.6)	(0.3)	(0.1)	(0.2)	(0.2)
Solvency ratio	%	78.9	79.1	77.4	71.7	72.2
Average number of employees	number ¹	359.0	369.0	372.0	380.0	407.0
EBITDA/AVG. number of employees	tkr.	797.6	694.1	830.8	673.7	723.0
Payroll for the full year	tkr.	176,668.0	184,368.0	177,932.0	177,615.0	182,952.0
Payroll per employee	tkr.	493.0	500.0	478.0	467.0	450.0
Balance						
Fixed assets		1,193.6	1,225.3	1,268.6	1,288.5	1,330.1
Total assets		1,584.1	1,515.7	1,557.3	1,613.1	1,592.3
Equity		1,250.2	1,198.3	1,205.3	1,157.4	1,149.5
Dividend		87.6	87.6	112.6	87.6	137.6
Investments in fixed assets		114.0	109.2	117.3	93.2	165.7
Receivables from sales		62.8	42.1	39.1	69.7	68.3
Other receivables		127.9	135.0	134.0	50.1	15.8
Current assets		390.5	290.4	288.8	324.6	262.2
Short-term liabilities		134.6	107.4	147.6	259.4	218.0
Net working capital		255.9	183.1	141.1	65.2	44.2
Production data						
Packages ²	Pc's.	133,000	148,000	127,000	126,000	118,000
Mail	kg	125,000	143,000	156,000	170,000	178,000
Mobile internet ³	amt.	1,700	1,593	1,593	1,982	1,912
Internet via landline (ADSL)	amt.	17,897	17,661	15,700	14,452	13,220
Phone lines	amt.	2,213	3,792	5,202	6,337	8,064
Mobile subscriptions (GSM and Tusass)	amt.	68,272	66,681	65,027	64,700	62,599

¹ Average number of employees excludes trainees.

² The method of accounting for parcels and letters has changed, as domestic shipments in Greenland were not previously included. This has now been corrected in the figures for 2022 and previous years, so domestic shipments are included.

³ Figures for telecommunications products have been corrected for 2021 due to an error. The figures for 2022 and retrospectively are now comparable.

Ulrik Blidorf

Greetings From the Chairman of the Board

As Chairman of the Board of Directors of Tusass, I am proud of how far we have come in the strategy Towards 2024, bringing the world closer to us – and us closer to each other.

This year we have launched 5G with Premium internet in the towns of Sisimiut, Maniitsoq and Narsaq with even higher internet speeds and excellent results. The 5G launch brought Greenland into focus with the participation of CEOs from the global companies Ericsson and Netgear. The news story about the launch was viewed more than 250 million times worldwide.

At the same time, we have increased the proportion of households in the country that are connected to the internet to 80%. This is important in order to bring us closer together.

2022 is also the year where we have established *Aallertarfik* boxes in the towns of Qeqertarsuaq, Aasiaat, Ilulissat, Sisimiut, Nuuk, Paamiut and Qaqortoq. This provides our customers with modern, flexible solutions where they can collect their postal items at their convenience. We drive the technological development of digital solutions within the postal and logistics area.

We Take Responsibility for Society and the Climate

Tusass is owned by the Greenlandic people. This obligates, and we must therefore ensure that

we always focus on what is best for Greenlandic society and not least for our extraordinary Arctic environment. It is a task we take seriously and therefore, Tusass invests both time, money, and skills in solving the task in the best possible way.

We take co-responsibility for the next generation through our project in primary and lower secondary schools, where – at the time of writing – we have held Coding Class for 56 school classes in collaboration with the municipalities of Greenland. Some of the Coding Class students helped facilitate a virtual reality game, connected via 5G, in connection with the 5G launch in Sisimiut. As a result of the strong support for the initiative, we have therefore decided to expand the concept to GUX in Nuuk, where students with a special interest in science, technology and mathematics will have the opportunity to try their hand at programming.

2022 was also the year where we could finally welcome back Tusass Stafeti – Powered by DHL after a two-year absence due to COVID-19. It was great to see all the happy runners getting around the city, and together we ensured a wonderful day and evening.

As part of our sustainability strategy, we expanded several remote sites with green energy in 2022, allowing us to partially replace fossil fuels with wind and solar energy. Our remote



sites are a good example of how green transitioning can really make a difference, as it is extremely demanding to maintain operation via conventional energy. Not only is it better for the environment, but it is also an important extension of security of supply. Therefore, it is an area we will continue to focus on, wherever security of supply and climate go hand in hand.

In continuation of our social responsibility, we expect to launch Tusass Music, in collaboration with the Greenlandic music industry in 2023. The purpose is to promote Greenlandic music and culture by giving interested parties easier access to both new and earlier Greenlandic music releases via a digital streaming service. We look forward to giving the Greenlandic population easier access to Greenlandic music.

Supply Chains Remain Under Pressure

In 2022, we have continued to feel the aftermath of COVID-19 as we look at the stressed supply chains. Despite the fact that the year has brought a gradual improvement, it is still true for all our investments that delivery times are extremely long. This places great demands on our ability to plan well in advance to ensure that the materials arrive on time. For customers, it affects our modems and mobile phones, which we cannot always get at the time we want. For the construction of our infrastructure, it requires early orders in order for us to take advantage of the short construction season we have for infrastructure in Greenland.

We Must Recognize the New World Order

We cannot avoid the fact that 2022 was also the year in which we entered a new world order. The war in Ukraine has an impact on everyone – including here in Greenland – and especially when we deal with critical infrastructure.

Hacker attacks and sabotage of critical underwater infrastructure has made it clear that the global risk profile has changed, and we need to address that.

On the positive side, we succeeded with an important repair of the submarine cable, which went faster and with fewer inconveniences for customers than expected. We are very proud of that. Interruptions on the submarine cables are something we all feel, and many can still remember 2019, where we were hit by one accident after another with the submarine cables. Therefore, we are also launching a seabed survey off the southwest coast on the stretch from Qaqortoq to Aasiaat. The purpose of this is to investigate whether an extra cable can be installed to ensure redundancy, so that we minimize the risks associated with operational problems on submarine cables. It is expected to be a costly venture. We are therefore very pleased to have obtained EU support for the project. We are constructively cooperating with the European Union, which we greatly appreciate.

It is important to point out that a seabed survey does not mean a new submarine cable. This is merely the first step in determining whether it would be physically possible, should we be able to secure the necessary funding for such a cable.

The increased focus on critical infrastructure due to the intensified risk profile has also led to increased investment in the satellite area. To ensure the continuation of critical business and community functions in the event of a submarine cable break, we are constructing a new satellite ground station in Gran Canaria. We have also entered into an agreement with Spanish Hispasat for the launch of the Greensat satellite, which increases our available satellite capacity.

The expectation is that these projects will be completed in 2023, thus further securing our critical infrastructure.

We have also evaluated risks associated with our current data centers, as these have also caused outages and technical challenges during the year. The current data centers are not originally built for critical infrastructure, and therefore they do not live up to modern requirements. Consequently, we are investigating how we can best upgrade our overall data center solution. A new data center is very costly and must therefore be planned and prioritized thoroughly in relation to the many other activities and investments.

A piece of positive news in the security area is that Tusass was ISAE 3402 certified⁴ (type 1) in 2022. We have worked hard for this and are immensely proud of it, so that customers can safely place their business with us.

A Final Remark

A resounding Thank You is in order to all our dedicated employees, for once again ensuring a year of good results and where important milestones were met.

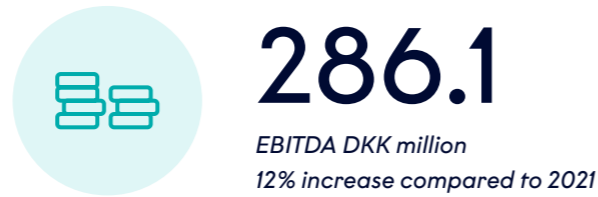
An equally big Thank You to our customers, who – by choosing Tusass – give us the opportunity to always work hard to bring the world closer to us – and us closer to each other. THANK YOU!

Ulrik Blidorf
Chairman

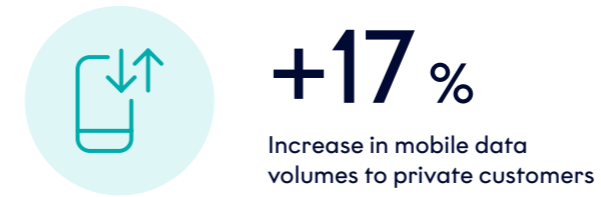
⁴ International standard used for among other things audit to achieve a high level of assurance of internal processes;.



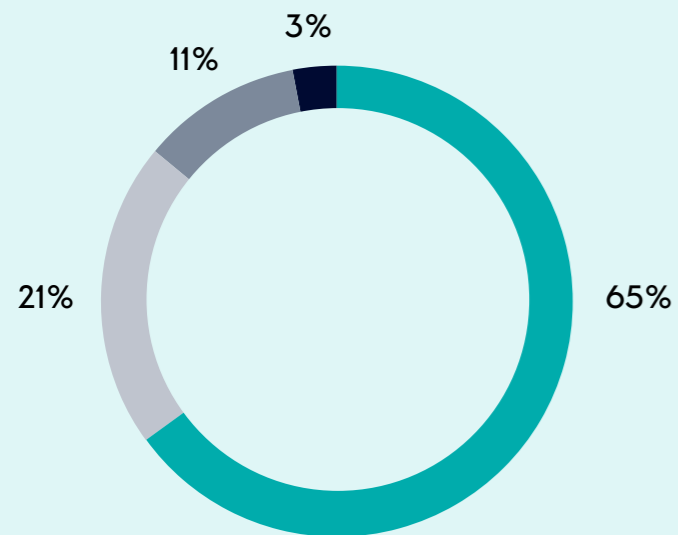
Highlights from 2022



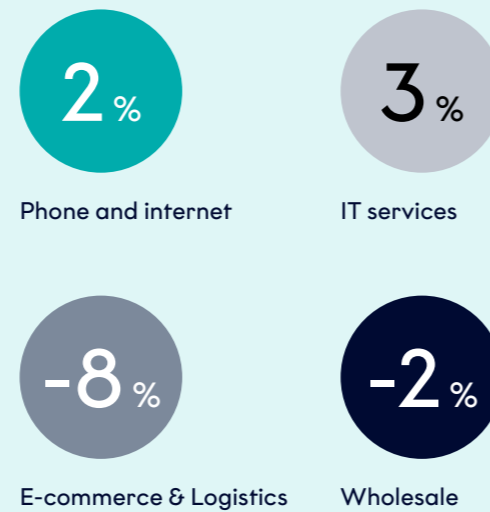
The Tele Business



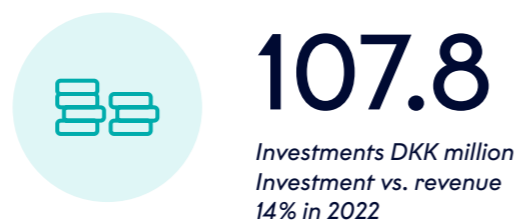
Breakdown of Turnover By Business Area in Percentages %



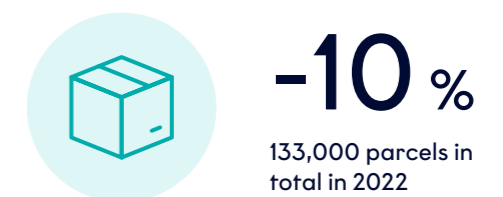
Growth in Revenue



Customer and Employee Satisfaction⁵



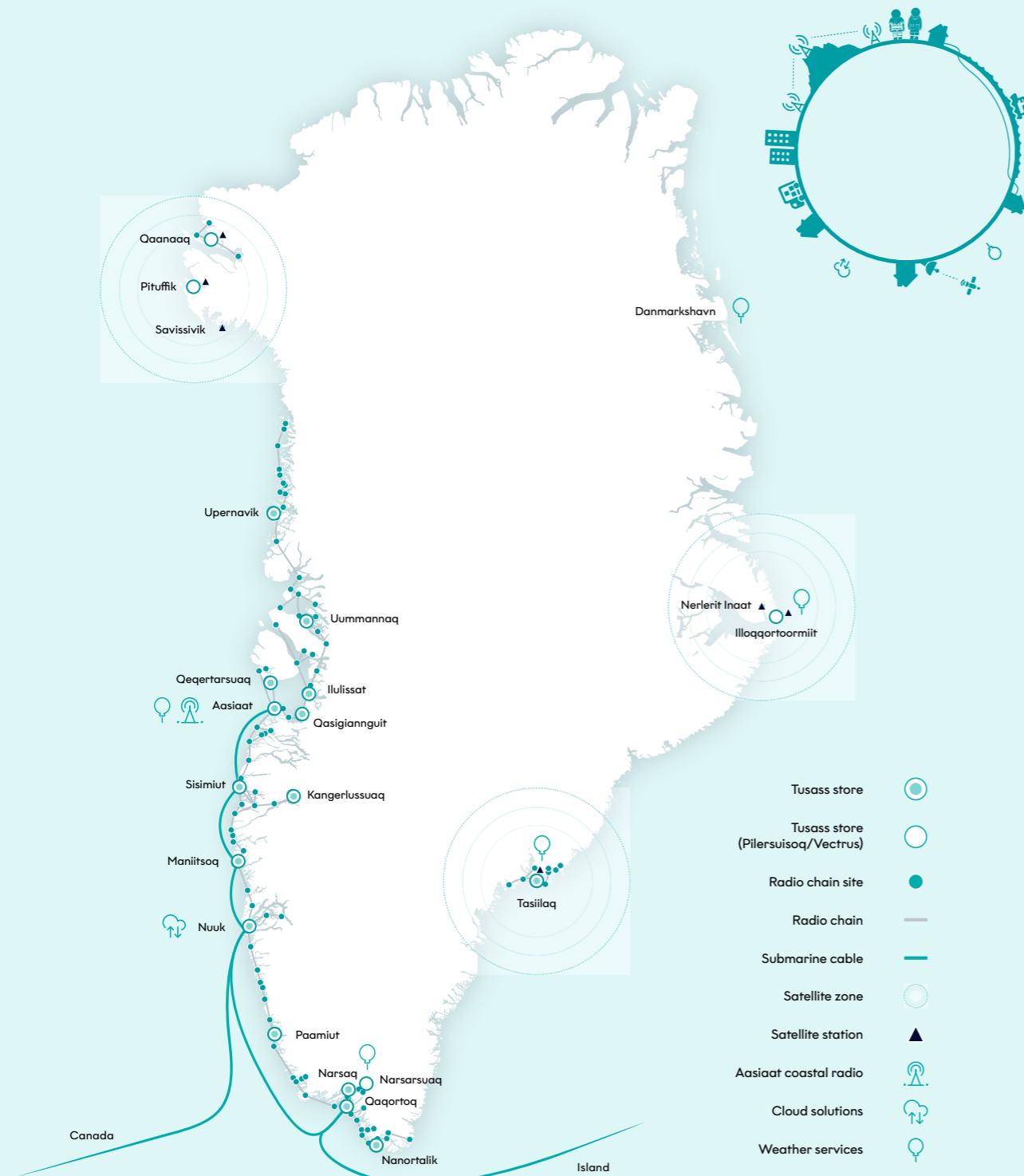
The E-commerce & Logistics Business



⁵ In order to simplify the CSS statement, we have, at the request of our partner Ennova, changed the statement to include only one question about general customer satisfaction. However, this question recurs in the previous CSSs and we can therefore still follow the development with comparable figures.

⁶ The method of accounting for parcels and letters has changed, as domestic shipments in Greenland were not previously included. This has now been corrected in the figures for 2022 and previous years, so domestic shipments are included.

Business Model



Core Resources

Employees

Our employees make sure that services are provided across business branches, and we strive to offer the right competency and development opportunities for everyone.

Financial Resources

We finance our investments, if possible, through the flow of our operations and secondarily through lending.

Customers and Owners

Our customers and owners are the foundation for our business, and we take our relations with both seriously.

Community Engagement

We invest in solutions that secure the digital development in parts of the country where the commercial basis is limited too.

Investments

Infrastructure

- The branch ensures phone and internet connections to all of Greenland and has supply security as its main focus.
- Infrastructure is continuously being build and expanded that ensures connections that can provide current and up-to-date products for the customers.

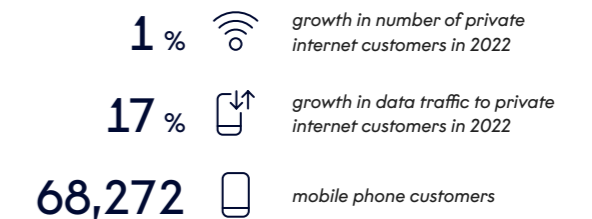


Revenue

Phone and Internet

65 % of revenue

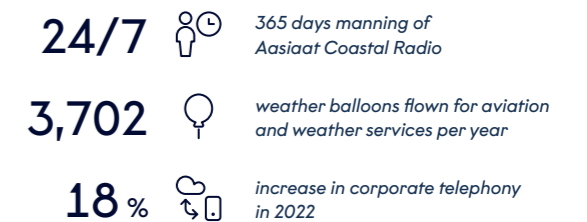
- The branch supplies phone and internet products for both private and corporate customers.
- New products are continually developed that ensure the customers opportunity to be a part of the digital evolution in Greenland and in the rest of the world.



IT Services and Other Services

21 % of revenue

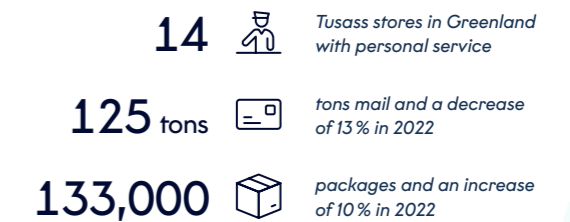
- The corporate business offers up-to-date IT-solutions to customers all over Greenland, which gives the companies the opportunity to focus on their core business.
- As supplier of emergency and safety contingency in Greenland, Tusass contributes to securing safety at sea.
- Delivery of services to aviation and weather services contribute to a solid traffic infrastructure in Greenland.



E-commerce & Logistics

11 % of revenue

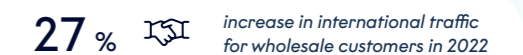
- With sole concession on letters in Greenland, the postal business ensures a secure delivery of mail to the entire country.
- On-time package delivery solutions are offered to all of Greenland, which makes international trade for both private and corporate customers possible.



Wholesale

3 % of revenue

- Wholesale gives the citizens of Greenland the opportunity to choose competitors for the delivery of internet products
- The branch develops products for internet providers so that they too can offer up-to-date products for their customers.





Strategy and Performance

Tusass Strategy and Performance

Tusass Towards 2024

The strategy focuses on bringing the world closer – and us closer to each other. The strategy is based on the objective of creating national cohesion with a focus on simplification and digitalization as necessary elements in order for us to be a dependable provider of both telecommunications and logistics services.

We Bring More People Online and Ensure Faster Speeds

In order to bring the world closer, it is necessary to connect as many people to the Internet as possible. Therefore, one of our strategic objectives is based on the number of households connected to the internet. In this respect, we are pleased that every year we are getting closer to our ambition. In 2022, we managed to reach 80% of all households in Greenland.

It is also important for us to ensure the customer experience, which means – among other things – that we must provide faster speeds for our customers.

80%

of households are now connected to the internet

In this area, we have made great progress in 2022, where we have launched "Fixed Wireless Access" subscriptions through new 5G technology. This means that we are upgrading the wireless mobile network to a new generation that can ensure faster speeds for our internet customers. In addition to improving the speed for households, the 5G upgrade also means that new mobile phones will experience faster speeds and a faster response time. In 2022, we have launched 5G-based subscriptions in Sisimiut, Maniitsoq and Narsaq, and more cities will be connected during 2023.

We have entered into a satellite agreement with the supplier Hispasat, for the launch of a new satellite called Greensat, named after Greenland. When Greensat comes into operation later in 2023, we will improve the capacity of the satellite towns in North and East Greenland. In this way, we can also improve flat-rate subscriptions in the towns and settlements in North and East Greenland that are not covered by submarine cable or the radio chain network. In addition to a significant upgrade and investment in our satellite connections, we are also in the process of testing other satellite operators in the market, such as OneWeb. Through cooperation with global satellite providers that have larger volumes than we do at Tusass, we will strive to be able to deliver even better subscriptions in the less populated areas.

We Must Continuously Simplify Our Business

In order for us to continue to have efficient operations and ensure investments in the technology of the future, we must at the same time continuously simplify our business. This means – among other things – that we have to say goodbye to old technologies and subscriptions.

In the mobile area, in 2023 we will say goodbye to 3G technology. We do this both to be able to release capacity for other technologies, as well as to simplify our operations. This can have an impact on affiliated subscriptions based on 3G technology, which is why we announced this earlier in 2022 so that all relevant stakeholders have the opportunity to adapt to these changes.

In the long term, we must also phase out solutions and services based on copper wires, such as fixed telephony and ADSL. This is linked to our investment plans, where we prioritize technologies that can provide faster speeds to our customers.

This change will also affect different subscription categories, and we will of course expeditiously inform relevant stakeholders

As for our subscription portfolio, we will also further simplify the portfolio. We launched simpler and prepaid subscriptions where our customers can serve themselves to a greater extent. Over the course of the year, we have reached 97% of our customers transitioning to these subscriptions, but we need to get everyone transitioned to the new universe. This signifies that at some point we will phase out and close obsolete subscriptions to offer novel solutions. We will of course expeditiously inform interested parties, when we do.

In the postal and logistics area, we are also in the process of streamlining the process, including setting up Aallertarfik boxes in several cities. With Aallertarfik Boxes, we provide customers with a more flexible solution for collecting their consignments. Since we as a company are to run a healthy business and contribute to Greenlandic society, it is important that we focus on simplification and digitization in our solutions, so that we – among other things – adapt our business model to the rapidly declining market within letters.

Critical Infrastructure and Security Are Paramount

Tusass forms the backbone of the Greenlandic telecommunications infrastructure. If our network experiences breakdowns, the country can go dark and be disconnected from the outside world in the worst-case scenario. This will be critical for Greenlandic society, and it is therefore a major focus area for us too.

Unfortunately, we have to acknowledge that 2022 has changed the global risk landscape, with scenarios we never thought would play out suddenly becoming real. Critical underwater infrastructure has been sabotaged and critical nodes of the digital infrastructure have simultaneously been cut off in the heart of Europe. This is a situation we take very seriously, as do our customers and owners. We are preparing a multitude of different measures to mitigate the new risk profile.

First of all in February 2023, the new Greensat satellite will be launched. Through a satellite ground station, which we are building in Gran Canaria, it can ensure redundancy should the submarine cable connection fail. This means that even in that event the most critical traffic in the country is still secured, and that we can thus maintain critical societal functions.





Next, we will initiate a seabed survey along South and West Greenland on the stretch between Qaqortoq and Aasiaat. This study will clarify whether it is possible to lay a new cable on the span. The cable must ensure robustness compared to our current cable system, so we can increase safety in the event of a cable breach. The many accidents we experienced in 2019 combined with the new threat assessment, has made it even clearer that we need to prepare for the fact that accidents can happen – in several places and at the same time. Laying a submarine

cable is very costly and we do not yet have financing in place for all the stages. However, we are pleased to have obtained up to DKK 66 million in grants from the EU, which enables us to begin the seabed survey as early as 2023.

We are in dialogue with a consortium called Far North Fiber. They are working to establish a new submarine cable all the way from Norway to Japan via the Northwest Passage. It is a large-scale project that is still in the exploration stage and therefore associated with great

uncertainty. We are actively involved in the dialogue, as the cable may pass along the west coast of Greenland. It can mean more opportunities for us if the project is realized and if there is international support and interest in finding financing solutions for such a cable.

We will upgrade our cell towers in Nuuk with newer and stronger batteries to ensure that we can keep the mobile network online for longer, when the power goes out. If we meet long-term power outages again, the mobile network will still be challenged. However, it provides several additional important hours with mobile connectivity to ensure emergency services and for citizens to prepare when there are power outages.

Another parameter in critical infrastructure is our data centers. We have several different data centers today that have a common denominator in that they are not built to be data centers for critical infrastructure by modern standards. We are therefore considering how we can best upgrade our overall data center solution. However that also requires large investments and many resources in part to build a new data center and then to migrate the old centers to the new one.

In addition, we look at the security area in relation to the current standards and to what we can expect from the future. We are therefore pleased that we have been ISAE 3402 type 1 certified, and we are working towards becoming ISAE 3402 type 2 certified. It is important for both us and our customers to have full confidence in the way we work, and it shows our full commitment to safety.

In the area of personal data, we are also well on our way to becoming GDPR compliant, and although it is not yet a legal requirement, it is

important to us that we continuously work on being able to comply with GDPR.

We also continue to work towards greener production and operations. This means – among other things – that we invest in establishing wind and solar energy on several of our remote sites, in order to minimize dependence on fossil fuels for their operation. It not only gives us more climate-friendly operations, it also gives us an increased security of supply and better efficiency.

All CSR and sustainability initiatives are described in Tusass CSR reporting. Once a year, Tusass must report its sustainability efforts and progress towards the UN Global Compact. The report can be downloaded from our website:

[Tusass' Sustainability Report 2022](#)

A Brief Summary

In summary, for our performance in terms of the strategy Towards 2024, we are well on our way and we are in the process of implementing many exciting projects. In 2022, we opened the 5G network and new high speeds, and we expect to continue rolling it out in 2023. In the coming year, we also expect to continue installing Aallertarfik boxes in several cities, launch a satellite, build a ground station in Gran Canaria, carry out a seabed survey, upgrade parts of our radio chain, build more green energy at remote sites with wind and solar energy and launch new subscriptions including an important security subscription.

Economic Development

Economic Developments In 2022

Performance Development

Profit before taxes in 2022 amounts to DKK 143.1 million, which is DKK 31.1 million higher than in 2021, when profit before taxes amounted to DKK 112.0 million. The result is much higher than expected and is considered an extremely positive result.

The profit after tax for the year is DKK 34.0 million higher than in 2021 and totaled DKK 116.3 million contrasted to a profit after tax of DKK 82.3 million in 2021. The result in 2022 is particularly impacted in a positive direction by higher revenue from mobile, internet and IT services, as well as lower costs due to the provision in 2021 for repairing the breach on the submarine cable.

Revenue Development

Net revenue in 2022 increased by DKK 8.9 million to DKK 795.0 million.

The development in net sales from 2021 to 2022 has taken place in the following and other areas:

- A decrease in landline and ISDN revenue.
- An increase in revenue on Tusass mobile subscriptions, in part due to a doubling of the number of cheap children's subscriptions.
- A large drop in postal turnover due to the decline in parcels both domestically and abroad.

Cost Development

In 2022, operating expenses decreased by DKK 17.2 million and amounted to DKK 531.2 million.

The cost level is influenced by the following and other factors:

- Reduced costs on operation and maintenance, as DKK 19 million was set aside for repairing the submarine cable in 2021. The repair was cheaper than expected. In 2022, DKK 6.6 million of the 2021 provision has been recognized.
- Tusass LC has filed a lawsuit against Isortaq Trawl Aps demanding compensation for the submarine cable breach in 2019. Tusass has been fully upheld in the case and the damages have been calculated at DKK 10 million of which Special Drawing Rights (SDR) amount to approximately DKK 9.3 million. The question of culpability has been acknowledged by the opposing party, but the damage assessment has been appealed. DKK 1.3 million has been paid to Tusass, which is the part of the compensation recognized by the opposing party. On the basis of the appeal and the fact that the damages have not yet been calculated, Tusass choose not to calculate it as receivables.
- DKK 1.9 million in increased costs for licenses and software.

- The Company has lost the lawsuit brought by Inu:It LC, which has been described under misc. obligations in previous years. The case has been appealed to the High Court of Greenland, but as a result of the uncertainties, DKK 7.3 million has been set aside.
- Staff costs have decreased by DKK 7.1 million, primarily due to fewer employees in 2022 than in 2021.

Balance Sheet Development

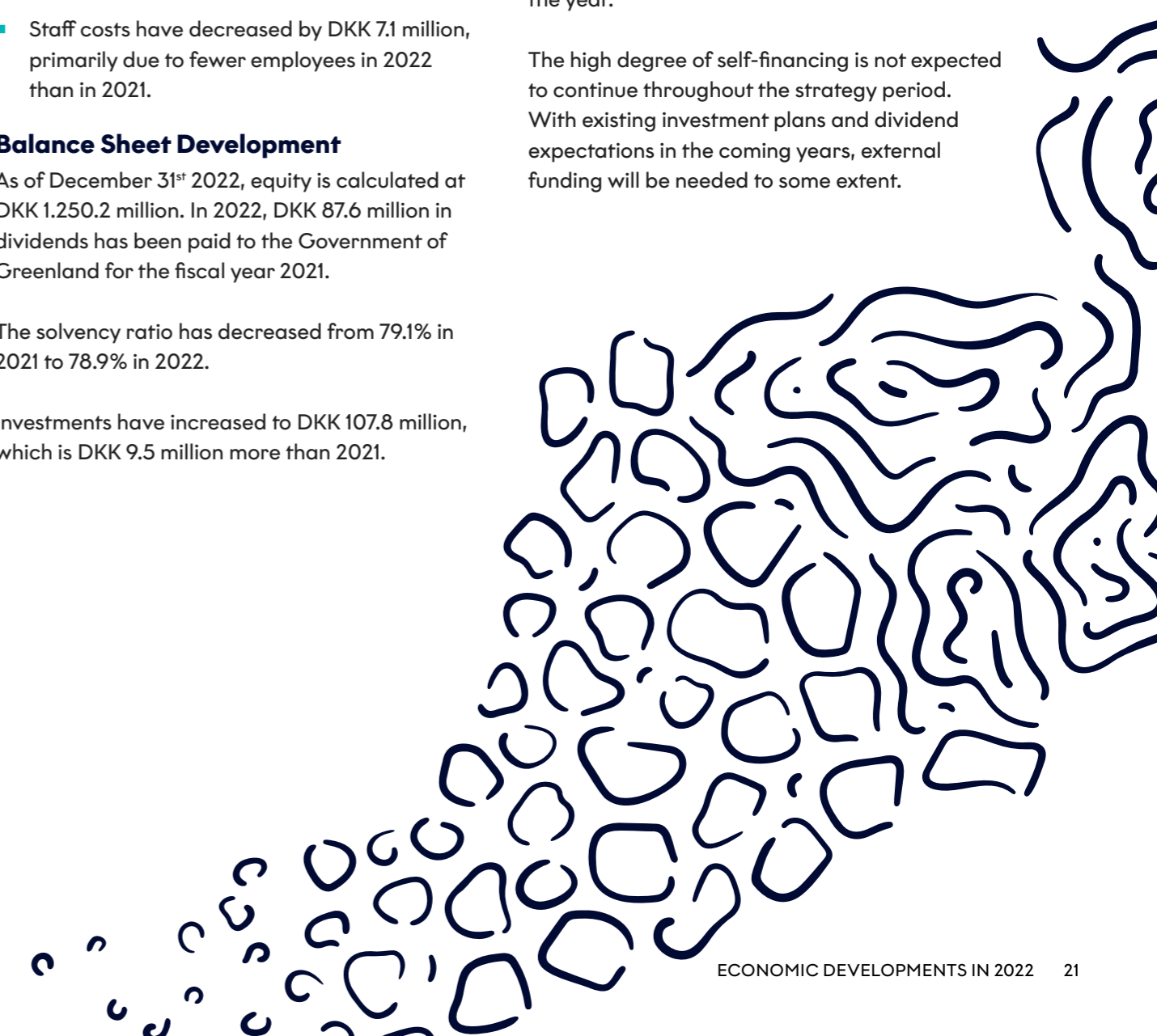
As of December 31st 2022, equity is calculated at DKK 1.250.2 million. In 2022, DKK 87.6 million in dividends has been paid to the Government of Greenland for the fiscal year 2021.

The solvency ratio has decreased from 79.1% in 2021 to 78.9% in 2022.

Investments have increased to DKK 107.8 million, which is DKK 9.5 million more than 2021.

Net interest-bearing debt is DKK -166.2 million and it has thus decreased by DKK 79.0 million compared 2021. Thus, Tusass has no bank debt at the end of 2022. Long-term debt (including short-term share) has decreased from DKK 13.8 million in 2021 to DKK 13.1 million at the end of the year.

The high degree of self-financing is not expected to continue throughout the strategy period. With existing investment plans and dividend expectations in the coming years, external funding will be needed to some extent.



Business

Our Business Areas

Telephony and Internet

While 2021 was particularly marked by a major distancing between private and business subscriptions, 2022 has been marked by 5G with the launch of internet 80/20 Mbit/s in Sisimiut, Maniitsoq and Narsaq.

Private Market

The development in private subscriptions takes place exclusively in the Tusass online universe, while the old invoice-based subscriptions is expected to be phased out within the next few years. This applies both to the Internet and to the mobile area.

Mobile

The number of mobile subscriptions in the Tusass universe amounts to more than 60,400 active subscriptions. There are few citizens in Greenland who do not have a mobile subscription today. There are about 200 private customers who only have a fixed landline at home.

The conversion from Tusass prepaid and invoice-based subscriptions to Tusass mobile

67%

of all people between the ages of 6 and 17 now have a Tusass children's subscription

subscription has continued throughout the year. The number of Tusass mobile subscriptions has grown by 8%. From 55% of private subscriptions, they now make up 57%, while the share of old bill-based subscriptions has fallen from 7% to 6% and prepaid customers now make up 37% of private customers.

The number of invoice-based subscriptions has decreased by 17% and is now at such a low level that it is expected that these subscriptions will be phased out completely in the coming years.

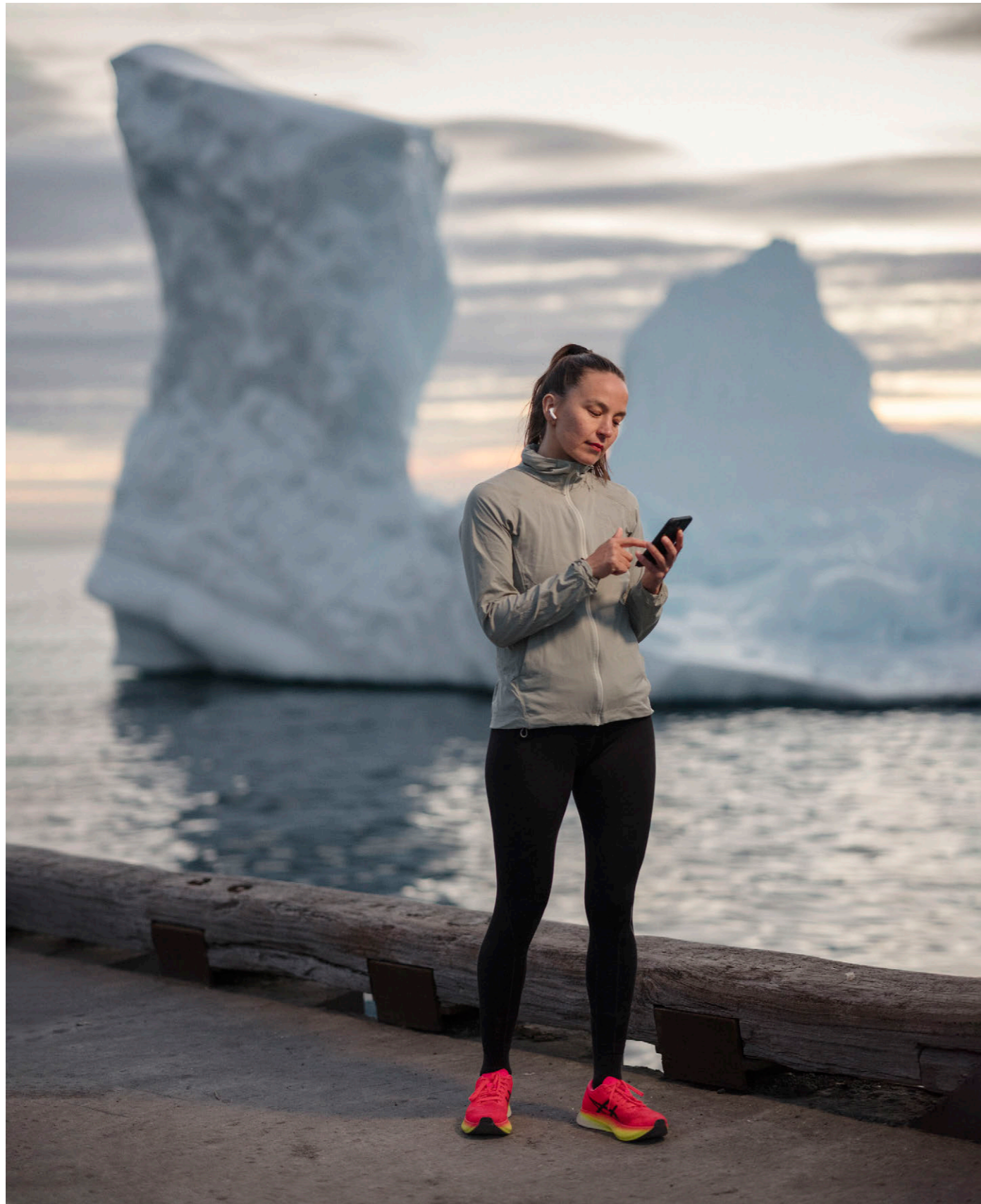
The children's subscription, which was introduced in December 2020, has continued to experience an increasing influx of customers in 2022, and it is one of the main reasons for the increase in the share of Tusass mobile subscriptions. 67% of all children and young people between the ages of 6 and 17 now have a Tusass children's subscription with unlimited minutes and SMS as well as 1 GB of data.

Mobile data volumes continue to increase year-on-year, increasing by 17% from 2021 to 2022. In 2021, the increase was an impressive 68%.

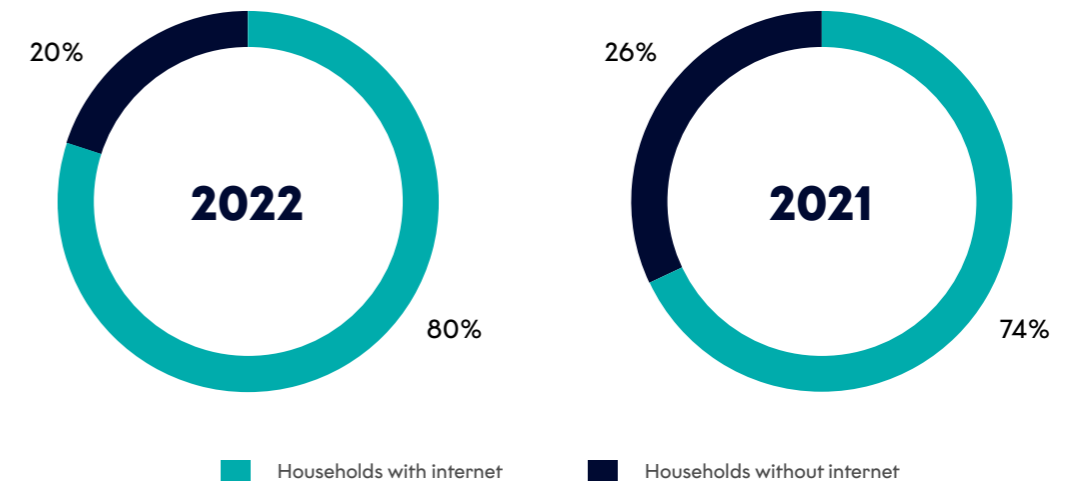
Internet

5G Internet was launched in 2022, which means that customers in Sisimiut, Maniitsoq and Narsaq have been given the opportunity to buy 80/20 Mbit/s for DKK 1,199 per month. This became possible after the launch of 5G technology, and has thus become the way to faster internet





Development of Internet Penetration in Greenland



speeds. The increase in speed is significant, as the fastest internet subscription used to be 30/5 Mbit/s.

At year's end, Tusass flat-rate internet accounts for 96.7% of all internet connections to private customers.

The increase in the number of customers means that revenue has increased by 7% in 2022 compared to the previous year. The extensive development in subscriptions in recent years has led to a sharply increasing internet penetration in Greenland, which has reached 80% overall during 2022. This means that we are now even closer to penetration on a par with many European countries. The strategic objective of ensuring that the proportion of citizens with internet at home is on a par with European countries is therefore within reach during this strategy term.

Customer Satisfaction – Private

Our annual customer satisfaction survey shows that in 2022, private customer satisfaction has seen an increase from 71 to 72. This brings us back to the same level as 2020, where we measured the highest level. Especially private customers on the east coast have had a positive impact on the customer satisfaction survey, and in continuation of our launch of flat-rate subscriptions it has improved customer satisfaction. Overall, there is also greater and broader satisfaction with internet subscriptions among customers. This is in continuation of better stability compared to the previous year, just as more customers have received flat-rate internet as well as faster speeds.

Business market

The business focuses in particular on three principal areas; telephony, internet, and IT services. They provide business customers with a solid basis for becoming part of digitalization in Greenland. Tusass thus helps to support the customers' IT area, so that they can largely focus on their own core business.

Mobile

Tusass Business mobile subscriptions are experiencing a good influx, even though it is less than in the previous year. In 2022, these solutions saw a 7.5% increase from 10% in 2021. It is especially the mobile plans for Internet of Things (IOT) devices that are of interest in the market, and this yielded a 26% increase in the category in 2022. The phasing out of the old business mobile subscriptions Mikisoq, Akulleq and Angisooq has gone faster in 2022 and will be completely phased out in 2023 in favor of the newer subscriptions with larger data volumes and minutes included.

Internet

The fixed-price agreements for the largest business customers, where customers convert their subscriptions to fixed-price services, are all but unchanged in 2022. The area remains the mainstay of the business section, where fixed-price contracts account for 45% of the total turnover on internet and network connections. In 2021, the area accounted for 43% of total revenue for similar connections. There is a correlation to customer satisfaction between businesses with fixed-price agreements and without fixed-price agreements, where customer satisfaction is significantly higher for customers with fixed-price agreements.

Landline Telephony

The phasing out of landline telephony will continue in 2023, as the goal in 2022 could not be realized.

179

Only 179 private customers still have a Landline subscription

In 2022, the number of landline subscriptions fell by 42% and there are now less than 2,200 subscriptions left. Of these, a mere 179 are private subscriptions. Similarly, revenue decreased by DKK 5.6 million. However, part of the turnover must be located in mobile and business telephony - the area where customers have chosen to switch to more contemporary subscriptions with a fixed price regardless of call minutes.

Business Telephony

Tusass has launched a new cloud-based communication platform for business customers which has been named *Tusass Flow*. In addition to being a telephony solution with unlimited minutes for domestic and calls abroad, conference calls and virtual meetings are also an option. The new subscription also provides customers with a number of self-service options, which are increasingly in demand and have made *Tusass Flow* a popular service that has been well received by customers.

Network Solutions

There has been a focus on consolidating and optimizing the delivery of network solutions to customers to keep up with the trends in the IT world. Adjustments are also made to the area, so small business customers can benefit more from the advanced IT solutions

Hosting and Cloud-Based Solutions

Further development of the area has been in the spotlight, as more systems will be cloud-based. Thus, the business area must be better adapted to the needs so more customers can choose hybrid hosting and cloud solutions. There has also been a focus on consolidating and optimizing the delivery so that even more customers can benefit from the solutions.



Special Focus Areas

The completion of the declaration on ISAE 3402 type 1 means that our delivery in the field is even stronger in relation to the competition in the market. Customers can therefore confidently choose Tusass as a supplier, since we can document that we follow best practice regarding security within our IT deliveries. IT security has also become an area which business customers focus on. This means that there are higher demands on Tusass as a supplier, and there has therefore been a focus on creating security solutions that are adapted to the Greenlandic business community. Tusass will thus be better able to deliver security solutions to business

customers that also complement our other main areas. Customers will therefore experience getting total solutions that complement each other better.

Customer Satisfaction – Business

Over the year, customer satisfaction in the business sector increased from 70 to 71, bringing the level on par with 2020, which was the highest ever. However, there are differences in the segments, where there is progress for the small and medium scale customers, and a slight decline to be detected among the large-scale customers. However, the large-scale customers are still the most satisfied, while the three



customer groups are now more on the same level. Thus, the focus has also been to lift the two small-scale segments, which has succeeded.

E-commerce & Logistics

The digitalization of public sector mail continued in 2022 and is expected to be fully implemented in 2023. This has led to a continued decline in mail volumes and revenue from letters. Thus from 2020 to 2021, mail volumes decreased by 13% and from 2021 to 2022 volumes decreased by a further 7%.

For larger letters (items of correspondence up to 2 kg), volumes fell by 17%, compared with around 5% the previous year. China's status as a developing country for postal items has changed, so that cheap consignments have become more expensive, and this has led to a large decline in this service globally. This trend has also affected Greenland and Tusass, and this is one of the main reasons for the decline.

In the parcel sector, volumes have fallen by about 10%. The decrease is similar to the volume FedEx accounted for in 2021. This means that on the existing logistics channels via PostNord, DHL and others – as well as domestically in Greenland – we have retained the parcel quantities. The lack of growth of the parcel area can be justified by the fact that COVID-19 restrictions in large parts of the world have been lifted, and consumers are now spending their money on holidays and travel, rather than on shopping online. In addition, the global supply chain is trying to get going again after being shut down or significantly reduced during COVID-19, creating greater demand.

The war in Ukraine has also caused uncertainty for e-commerce, while the high demand for raw materials and transport has made goods significantly more expensive. Therefore, a

global/western decline for this area exists. As there are still significant savings by shopping online for Greenlandic consumers, we continue to see a demand that helps to keep volumes at current levels.

Customer Satisfaction – E-commerce & Logistics

Customer satisfaction in *E-commerce & Logistics* has decreased from 73 to 72, just as several other parameters have experienced similar developments. Thus, the area is generally on a par with the private area after several years on a level above.

Thus, an overall and more common perception of the company can also be noted as a natural extension of rebranding under the Tusass name.

The results reveal regional differences, which have also narrowed over the past year.

The respective touch points such as website, store, *Track & Trace* and not least, parcel machines continue to score very high, and receive positive feedback, not least among the most frequent users.

Aallertarfik

In 2022, the dynamic delivery boxes, known as *Aallertarfik*, were implemented in several cities, simultaneously dismantling the vast majority of the older and conventional red post boxes. Most occupancy rates at locations have been below 50% and are expected to fall further as mail volumes decline.

During COVID-19, *Aallertarfik* has been used as a private address with regard to letter distribution. In addition, *Aallertarfik* has also replaced the original red post office boxes. In this way, customers have had the opportunity to receive letters and parcels, despite an increased sick leave among the staff. The positive experience of

mail delivery via *Aallertarfik* has therefore been used in connection with the closure of ordinary post office boxes.

The opening hours for *Aallertarfik* have also been increased by up to 27%, which means that customers to a greater extent have the opportunity to pick up letters and parcels when it suits them.

Cooperation With Brugseni Replaces Tusass Store in Paamiut

In October 2022, Tusass initiated a collaboration with Brugseni, which now successfully manages the delivery of letters and parcels. This is done primarily through *Aallertarfik*, which now is available during Brugseni's opening hours. This means that customers have greater flexibility when it comes to picking up letters and parcels. However, telecommunications subscriptions are still managed by Tusass' technical staff in the city. This collaboration is a crucial step for Tusass in adjusting costs in line with declining revenues. The cooperation has not led to any significant service changes and has only given rise to positive reactions from customers.

International Customers and Services

Tusass has a department that provides tailor-made telecommunication services to both large domestic and foreign customers, where the tasks include:

- Maritime Emergency and Security Service (coastal radio) for the Danish Government.
- Weather services for DMI and ICAO.
- Flight communications for Naviair, Isavia and Navcanada.
- Distribution of radio and television for the Government of Greenland.

- The education network (Attat) for all schools and educational institutions in Greenland.
- Distribution of OneWeb satellite solutions for mines and remote sites outside Tusass' own network.

Tusass manages the supply of Danmarkshavn under the service agreement with DMI. The station is supplied with a ship every two years. 2022 was not a supply year, which is reflected in the fact that both revenue and costs in the area are lower than in 2021.

Wholesale

There are a small number of ISPs that buy wholesale connections from Tusass and resell internet and data services in the form of their own private and business subscriptions.

The wholesale business sells three main types of connections to ISPs, which allow them to provide Internet subscriptions to their customers. Private operators hold about 10% of the market and in 2022, the area constituted approximately 2.5% of Tusass' total revenue compared to 2.7% in 2021.

The three types are:

- Global IP, which is the capacity of the submarine cables between Greenland and the world.
- National IP, which is the capacity of Tusass' IP network between towns and settlements in Greenland.
- BSA (bitstream access), which is the local connection in the individual town or settlement from the network to the individual customer.

Revenue is in line with 2021 and thus amounts to DKK 20.5 million in 2022.

A new service in 2022 is Access via 4G/5G – so-called Mobile Access. It is expected that from 2023 onwards, this service will gradually take over the revenue incrementally from the BSA service as Tusass phases out its services based on copper lines.

In 2022, an agreement has been signed with Lumen to upgrade the network connection between Copenhagen and New York, which will be completed in the first quarter of 2023. In connection with this agreement, Tusass has further strengthened its DDoS⁷ protection on the submarine cable connections.

In the roaming area, Tusass has felt the end of the Covid-19 restrictions both in the form of a record number of visitors to Greenland and record-high roaming for Greenlandic travelers to Denmark and abroad. While the costs of our customers' consumption by foreign telecommunications companies have thus increased, Tusass subscriptions abroad have meant that Tusass turnover for the customers who use Tusass abroad has not increased correspondingly. But customers obviously experience greater benefit from their subscription compared to the long period when Covid-19 made it difficult to travel.

Unfortunately, it is still very expensive for most foreign customers to use voice and data services in Greenland. This is in spite of Tusass having entered into agreements with the vast majority of relevant foreign mobile companies, which has allowed us to establish Tusass abroad, and which should also allow them to offer their customers more reasonable prices for roaming in Greenland. Despite the fact that Tusass in the agreements gives these foreign operators an incentive to lower their prices, we are unfortunately not seeing any major movement towards attractive roaming packages for tourists in Greenland. Tusass therefore intends to make a mobile data plan that is specifically aimed at tourists.

⁷ Digital attack



Risks and Safety

Identifying and mitigating risks is an important activity of a telecommunications company. Tusass works with risk management at a business level and at project level. Risks can be of a strategic, operational, financial or compliance nature, including within IT and information security. The materiality of risks is assessed on a combination of the potential impact of the risk and the probability of it occurring. The Board and the committees of the Board of Directors continuously consider risks that are highlighted through reporting from the Executive Management, the audit or other relevant sources.

Overall, Tusass' risk universe can be divided into 4 categories, where the most significant risks and uncertainties in Tusass include - but are not limited to - the following:

<p>Strategic Risks</p>	<p>Operational Risks</p>
<p>Strategic risks relate to the business. It may be the competitive situation, changes in market conditions, financial crises, politics or economic cycles that affect Tusass' financial situation and business.</p>	<p>Operational risks that affect the security of supply in Greenland, regardless of whether it is in relation to operations or facilities.</p>
<p>Financial Risks</p>	<p>Compliance, IT- Information Security</p>
<p>Financial risks relate to all forms of finance, including the risk that the organization does not have enough liquidity to survive, etc.</p>	<p>The area covers both legislation and compliance therewith as well as in particular risks related to cybersecurity, personal data, etc.</p>

Strategic Risks

Strategic risks relate to the business. It may be the competitive situation, changes in market conditions, financial crises, politics or economic cycles that affect Tusass' financial situation and business.

Technological Development and Legacy Systems Strategic Risks

Description

Tusass continues to have many services based on technology that has been discontinued in most of the world. This applies, for example, to the old telephone exchanges on which fixed telecommunications and ISDN-links operate.

Spare parts for the systems and the skills to maintain these are very hard to find today and prices are high.

Potential Consequence

Due to missing spare parts, errors and breakdowns cannot be repaired. This can lead to critical breakdowns of customer connections. Furthermore, old technology is poorly protected against cyber-attacks and is expensive to secure today.

Old technology leads to more expensive service agreements on software and hardware, and this makes Tusass less attractive in relation to partners and new employees, and it will also slow Tusass' development of better digital services and processes.

Mitigating Measures

In the coming years, there is a strong focus on closing subscriptions and services on legacy platforms. This applies, for example, to fixed telephony. A project has been initiated to strengthen the monitoring of data flows in the systems, increasing protection against cyber-attacks. Finally, work is being done on systematic mapping of systems to ensure effective asset management and life cycle management of systems from acquisition to end of use.

Operational Risks

Operational risks are of significant importance to Tusass. Since Tusass is responsible for all telecommunications infrastructure, security of supply is crucial, not just for the business, but for Greenland. Operational risks are related to incidents that may affect the infrastructure and the availability and quality of Tusass services. For example, risks can lead to inefficiency, breakdowns, declining employee satisfaction, low product quality etc. Some risks are derived from internal decisions and processes, while others are dependent on external factors.

Cable Tear

Operational Risks

Description

Greenland's telecommunications infrastructure is dependent on two international submarine cables from Qaqortoq and Nuuk towards Iceland and Canada, as well as along Greenland's west coast from Qaqortoq in the south to Aasiaat in the north. It is vital for both Tusass and Greenland that these submarine cables are protected against cable tears.

Potential Consequence

Tears on the submarine cables will have enormous consequences for customers – authorities, companies and citizens – who lose access to the internet, and for Tusass, which cannot provide the subscriptions and services that ensure the majority of earnings. In addition, there are extensive costs for repairing tears, which often amount to tens of millions.

Mitigating Measures

Tusass has entered into a service agreement with a submarine cable supplier on improved availability of a repair ship should a cable tear occur.

In collaboration with the fishing industry, Tusass has prepared campaign material as well as detailed nautical charts showing the location of the submarine cables and the importance of taking care of them, when fishing in Greenlandic waters.

Furthermore, Aasiaat Radio monitors ship traffic near the submarine cables.

Finally, Tusass continues to work on the possibility for creating additional redundancy in the submarine cable system and building redundancy via satellite connections.

Attracting and Retaining Specialist Skills

Operational Risks

Description

Attracting specialist skills in technology and IT is a global challenge at the moment. It is extremely difficult to recruit employees with skills in areas such as networking, data modelling, IT development, etc.

Potential Consequence

Lack of competencies in the business can lead to challenges in the form of slower business development and longer error correction times in case of breakdowns.

Mitigating Measures

Highly specialized systems are supported by sourcing on service agreements with reputable vendors with a focus on both supply and cybersecurity.

Tusass actively offers young Greenlanders studying or training abroad the opportunity for internships in the company, which is the basis for securing future competencies in the company. Tusass works actively with recruitment and retention in its HR strategy.

Financial Risks

Financial risks may arise in connection with, for example, interest rate and currency fluctuations, changes in working capital, fraud and the like. The area is generally both well documented and controlled, and continuous audits and controls are carried out, which minimize the risk of both errors and fraud committed by internal and external actors.

Interest Rate and Currency Fluctuations

Financial Risks

Description

Tusass has a number of liabilities in foreign currencies, mainly USD and EUR. Especially the exchange rate of USD can fluctuate and thus affect Tusass' costs.

Fluctuations in interest rates may affect the company's financial costs of borrowing if these loans are contracted at variable rates.

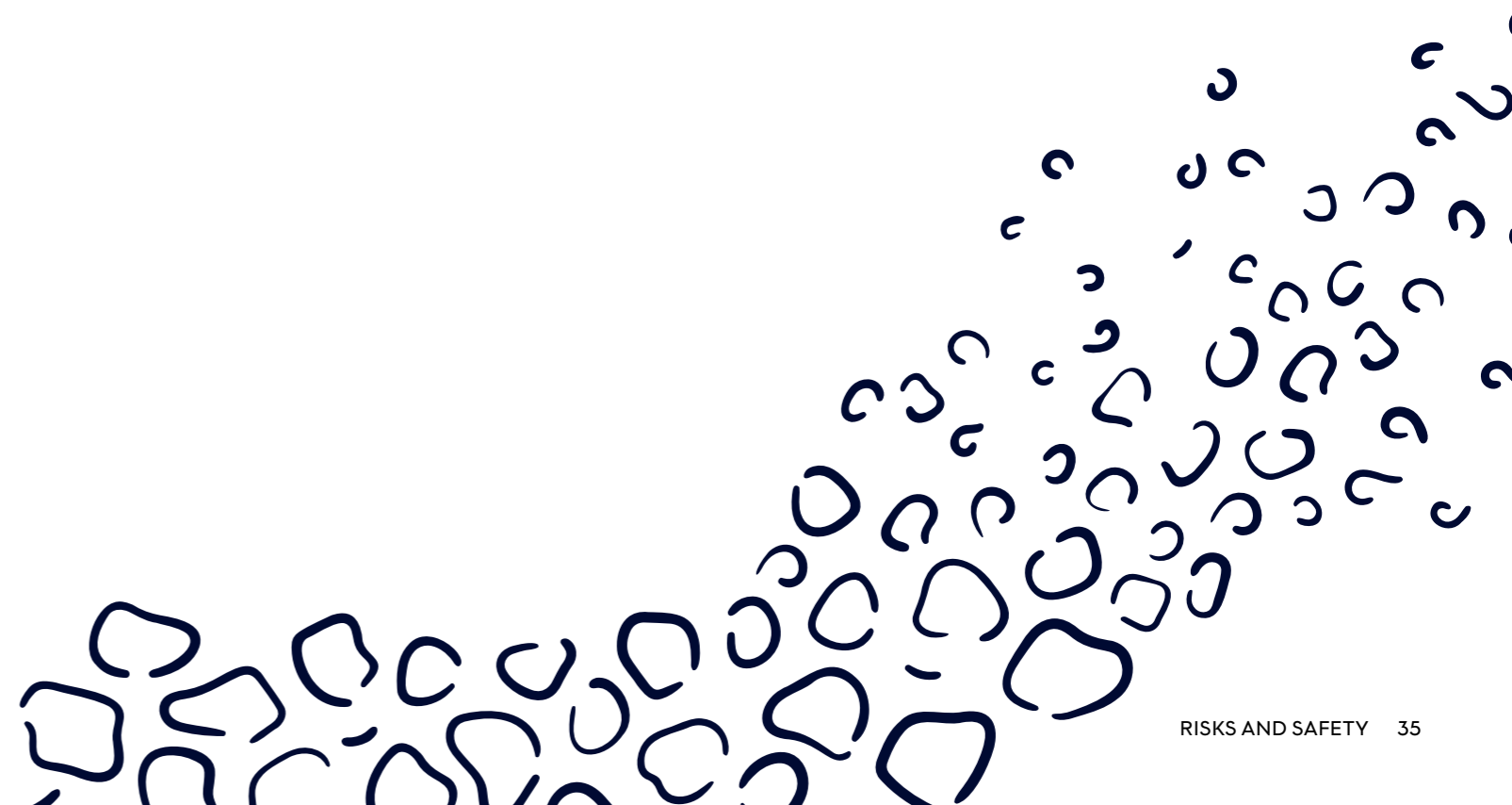
Potential Consequence

Failure to hedge exchange rates or interest rates may expose Tusass to high volatility in financial costs, and in the long term have an impact on the company's results.

Mitigating Measures

The interest rate and exchange rate policy is updated annually to ensure that earnings are resilient to the often unpredictable changes in exchange rates and interest rates. At least 50 % of the loan portfolio must be at a fixed rate (i.e. with an interest rate running longer than one year).

Larger, longer-term contracts concluded in foreign currency (except the euro) are hedged. However, with a two-year horizon at most. This applies, for example, to satellite agreements, which are typically entered in USD.



Risks Related to Compliance, IT-information Security

As the national telecommunications company, Tusass is central to digital communication in Greenland. Thus, the company is focused on the increased need for ever-improving security measures. Risks related to compliance, IT and information security are increasing both in scope and level of impact.

The international threat situation has changed in 2022 regarding security policy. War in Ukraine and the growing strategic interest in Greenland and the Arctic areas with regards to Climate Change is significant

Personal Data Protection

Compliance, IT and Information Security Risks

Description

As Greenland's telecommunications and postal company, Tusass handles significant amounts of personal data. The company is obligated to protect these data effectively to comply with current legislation, while planning for future requirements for the protection of personal data as a way to open up new business opportunities and strengthens trust with customers and partners.

Potential Consequence

Personal data breaches resulting from errors or cyberattacks can have major consequences for affected customers. In addition, it may affect Tusass' reputation and customers' perception of the company negatively, with consequences to growth and customers' choice of Tusass as their preferred supplier. This in combination with the political perception of the company is crucial for Tusass' future viability.

Mitigating Measures

Tusass has established a dedicated data protection function that works in a structured manner to identify data, systems and processes while also performing systematic risk assessment. Projects have been initiated to ensure GDPR compliance in Tusass, to ensure that Tusass both internationally today and in the future can secure customers' personal data in the best possible way.

Cybercrime

Compliance, IT and Information Security Risks

Description

The threat of cybercrime remains rated as very high. This applies to all companies and industries. This means that organizations are highly likely to be subject to cybercrime. Two of the methods most commonly used by cybercriminals are ransomware attacks and phishing. It is therefore fundamental for our customers that Tusass services and subscriptions are of high quality and that they protect against cybercrime. Attacks against Tusass can have fatal consequences for our customers and the Greenlandic society if data loss, system crashes or manipulation affects vital services.

Potential Consequence

In addition to the business consequences that can result in significant costs, a cyberattack would also have devastating consequences for the company's reputation.

This may in turn have consequences for market shares in the Greenlandic market, while international customers are expected to seek alternative solutions.

Mitigating Measures

Tusass coordinates strengthening the security in a department for information security that is tasked with increasing the level of security in the organization in general. Tusass also collaborates with relevant authorities, partners and forums in relation to continuous strengthening of the security level.

Ongoing risk assessments and updating of business continuity plans are an essential part of the company's activities, and it contributes to strengthening both technical and organizational security, as well as to training and focus among employees.

Cyberespionage and Activism

Compliance, IT and Information Security Risks

Description

The threat posed by cyber espionage remains rated at an extremely high level. This means that there is a very high probability that Greenlandic and Danish companies and authorities will be subject to cyber espionage within the next two years. Cyberespionage can lead to cyberattacks against Greenlandic and Danish organizations. Unlike cybercrime, some companies and authorities will be more exposed than others. The threat of espionage is particularly high for defense and foreign policy targets but also for other sectors. Particularly vulnerable sectors include transportation, communications and research.

Cyber activism is cyber-attacks conducted by groups to get the most attention for their agenda. It is typically carried out based on ideological or political motives, and they typically attack opponents of their cause. The threat from cyber activism has increased from low to medium in 2022, implying that there is a possibility that organizations and authorities will be hit by activist cyberattacks in the short term. The level has been raised due to cyberattacks against targets in European NATO countries in related to the war in Ukraine.

It is therefore fundamental for our customers and for the Greenlandic society that Tusass' services and subscriptions are of high quality and secured regarding cyber espionage and activism.

Potential Consequence

Security breaches can have both business consequences that can result in significant costs. This type of attack can also have devastating consequences for the company's reputation, with consequences for both the Greenlandic and international markets.

Mitigating Measures

Tusass' Information Security Department collaborates with relevant authorities and partners in relation to strengthening the level of security – including the Telecommunications Industry's Decentralized Cyber and Information Security Unit (Tele-DCIS) and the Danish Defense Centre for Cyber Security (CFCS) in relation to ongoing risk assessments and updating preparedness in relation to the threat of cyber espionage and activism.

Other

Other Matters of the Company

Board

In 2022, two members elected by the general meeting were replaced on the Board of Directors. Stine Bosse and Tukummeq Egede resigned from the Board of Directors. Maja Motzfeldt-Haahr was elected at the company's annual general meeting on May 13th 2022.

Three employee-elected board members, Emil Kleemann, Lars Holm Hansen and Kim Hammond Zinck also joined the Board of Directors at the Annual General Assembly in May.

At the Extraordinary General Assembly on July 13th 2023, Kim Kylesbech Larsen was elected for the Board of Directors.

On October 1st 2022, employee-elected board member Emil Kleemann resigned from the Board of Directors and Benedikta Kristina Naamansen joined the Board of Directors as an employee-elected board member.

The Board of Directors has held six ordinary Board meetings and one extraordinary meeting in 2022. The Audit Committee of the Board of Directors has held three meetings in 2022, while two meetings of the Nomination and Remuneration Committee and four meetings of the Risk and Safety Committee have been held.

The Board of Directors regularly considers

the recommendations in the "Guidelines on corporate governance in the Self Rule Government owned companies".

Internal Audit

The Board of Directors considers annually, on the recommendation of the Audit Committee, whether internal audit should be established. It is not considered relevant to establish at this stage.

Regulatory Issues

Since July 2015, other operators have been able to legally offer data and internet services via Tusass' network. There are currently three operators who have an agreement with Tusass Wholesale to buy capacity for resale.

Financial Matters

At the end of 2022, long-term debt amounted to DKK 13.1 million (incl. the short-term share). In the spring of 2022, a swing line of DKK 200 million was established with a banking consortium consisting of SEB, Nykredit and GrønlandsBANKEN to finance investments in the coming years.

Capital Structure and Dividends

Tusass continues to have a very high solvency, with a solvency ratio of 78.9% at the end of 2022. At the same time, net interest-bearing debt remains negative.

In 2022, the company has paid DKK 87.6 million



in dividends to the Government of Greenland, which has been part of an agreed dividend policy with the owner.

Taxation

Tusass calculates paying DKK 13.8 million in corporate tax for the income year 2022. In 2022, the company has paid DKK 60.2 million in Greenlandic A-taxes.

Post-financial Year Events

No events have occurred since the end of the financial year, which significantly affect the assessment of the financial position of the company.

The Future

Faster Speeds, Security and Investment Levels

2022 was the second year of the strategy period Towards 2024. The year has largely been characterized by the implementation of new 5G technology as well as the phasing out of outdated technologies, which combined form the basis of our efforts to provide stable, high-speed connections to our customers.

Faster Speeds

During 2022, our private customers in Maniitsoq, Sisimiut and Narsaq have been given the opportunity to test our fastest subscription so far through our launch of 5G technology, which we expect to roll out to more cities during 2023. This gives far more customers access to faster speeds.

Likewise, the launch of the Greensat satellite will improve the speed for our customers in the satellite towns of Tasiilaq, Iltoqqortoormiit and Qaanaaq.

In addition, we continue to work on upgrades in our radio chain network to avoid bottlenecks, when the new and faster subscriptions need to be able to transport data from towns and settlements out to the submarine cable and from there out to the world.

Security

During this strategy period, we have intensified our focus on security, which in 2022 has proven to be a good decision. Heightened geopolitical

tensions and the war in Ukraine intensified the debate on critical infrastructure during the year.

Since Tusass handles critical infrastructure in Greenland, where all daily electronic communication to the outside world goes through the submarine cable connections, we have in continuation of the satellite launch with Hispasat likewise ensured an opportunity for redundancy for critical societal functions.

We continue to work on improvements to our data centers to ensure a high degree of stability in all our network solutions. This requires large investments and thus also thorough prior analysis. This is important for the operational stability and security of Tusass, but potentially also for those of our customers who want future-proof data center solutions.

In recent years, customers have experienced large price reductions on both mobile and internet subscriptions. In the coming years, customers should not expect price reductions to the same extent, as an increased focus on safety and faster speeds require large investments.

Expected Result for 2023

Tusass plans a significantly higher level of investment for 2023 than in previous years. This is due in particular to the planned seabed survey to be carried out over the summer. In addition,

major investments will be made for the continued roll-out of 5G technology, satellite launch and new satellite ground station in Gran Canaria, upgrading of the radio chain network and investments in the energy sector. As mentioned, a large investment need in the data center area is also expected, but this is not expected to materialize in 2023.

We expect an EBITDA level for 2023 around DKK 250-270 million, which is a lower level than for 2022. In relation to the profit for the year, we expect to end 2023 at around DKK 110-115 million before tax, which is a decrease from the realized 2022 result of DKK 28-33 million. The decrease is due to an expected increase in depreciation and costs. The operational costs are to be mitigated by an initiative for savings in 2023.



Management Endorsement

Today, the Board of Directors and the Executive Management have considered and approved the annual report for the fiscal year January 1st to December 31st 2022 for Tusass LC. The annual accounts have been prepared in accordance with the Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position as of December 31st 2022 and the result of the company's activities and cash flow for the fiscal year January 1st to December 31st 2022.

In our opinion, the management's report contains a true and fair account of the development of the company's activities and financial conditions, the results for the year and the financial position of the company and a description of the principal risks and uncertainties faced by the company.

The annual report is recommended for approval by the general assembly.

Nuuk, March 6th 2023

Executive Board

Kristian Reinert Davidsen
CEO



Board

Ulrik Blidorf

Chairman and Independent Board Member

Inaluk Malene Brandt

Vice Chairman and Independent Board Member

Eqalunguaq Abel Kristiansen

Independent Board Member

Maja Mathilde Motzfeldt-Haahr

Independent Board Member

Kim Kylesbech Larsen

Independent Board Member

Kim Hammond Zinck

Employee-elected Board Member

Lars Holm Hansen

Employee-elected Board Member

Benedikta Kristina Naamansen

Employee-elected Board Member

To the shareholders of Tusass LC

The Independent Auditors Statement

Conclusion

In our opinion, the financial statements give a true and fair view of the Company and the Company's assets, liabilities and financial position as of December 31st 2022, as well as the result of the Company's activities and cash flow for the fiscal year January 1st to December 31st 2022 in accordance with the Financial Statements Act.

We have audited the financial statements of Tusass LC for the fiscal year January 1st to December 31st 2022, which include accounting policies, profit and loss statement, balance sheet, cash flow statement, statement of equity and notes (the "financial statements").

Basis for Conclusion

We have carried out our audit in accordance with international standards on auditing and the additional requirements applicable in Greenland. Our responsibilities under these standards and requirements are described in more detail in the section Auditor's responsibility for the audit of the accounts. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Affairs international guidelines on auditors' ethical conduct (IESBA Code) and the additional ethical requirements applicable in Greenland, just as we have fulfilled our other ethical obligations in accordance with these requirements and the IESBA Code. We are of the opinion that the audit

evidence obtained is sufficient and suitable as a basis for our conclusion.

Statement on the Management Report

Management is responsible for the management report.

Our conclusion on the financial statements does not include the management report and we do not express any kind of conclusion with certainty about the management report.

In connection with our audit of the financial statements, it is our responsibility to read the management report and in this connection consider, whether the management report is materially inconsistent with the financial statements, or our knowledge gained from the audit or otherwise appears to contain material misstatements.

In addition, our responsibility is to consider whether the management report contains required information in accordance with the Financial Statements Act.

Based on the work performed, it is our opinion that the management's report is in accordance with the annual accounts and has been prepared in accordance with the requirements of the Financial Statements Act. We have not found any material misstatement in the management report.

Management's Responsibility for Financial Statements

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Financial Statements Act. Management is also responsible for the internal control for which management deems necessary to prepare accounts free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the Company's ability to continue operations; to provide information on matters relating to continued operations, where applicable; and to prepare the financial statements on the basis of the accounting principle of continued operations, unless the management either intends to liquidate the company, cease operations or has no realistic alternative but to do so.

Auditor's Responsibility for Auditing The Financial Statements

Our aim is to obtain a high degree of assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report with a conclusion. A high level of assurance is a high degree of assurance, but it is not a guarantee that an audit carried out in accordance with international audit standards and the additional requirements applicable in Greenland, always uncovers significant error formation when such exists. Misstatements may arise from fraud or error and may be considered material if they can reasonably be expected to influence, individually or collectively, the financial decisions taken by users based on the accounts.

As part of an audit carried out in accordance with international standards on audit and the additional requirements applicable in

Greenland, we make professional assessments and maintain professional skepticism during the audit. In addition:

- We identify and assess the risk of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks and obtain audit evidence sufficient and suitable to form the basis of our conclusion. The risk of not detecting material misinformation caused by fraud is higher than material misstatement caused by error, as fraud may include conspiracy, forgery, deliberate omission, misrepresentation or disregard of internal controls.
- We gain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express a conclusion on the effectiveness of the company's internal controls.
- We consider whether the accounting policies applied by management are appropriate and whether the accounting estimates and related information prepared by management are reasonable.
- We conclude whether management's preparation of the financial statements based on the principle of continuity of operations is appropriate and whether, based on the audit evidence obtained, there are material uncertainties associated with events or circumstances, which may create significant doubts as to the company's ability to continue operations. If we conclude that there is a material uncertainty, we must in our audit report draw attention to this information in the financial statements or, if

such information is not sufficient, modify our conclusion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the company no longer being able to continue operations.

- We consider the overall presentation, structure and content of the financial statements, including the additional information, as well as whether the financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

We communicate with senior management about, among other things, the planned scope and timing of the audit as well as significant audit observations, including any significant deficiencies in internal control that we identify during the audit.

Hellerup, March 6th 2023

PricewaterhouseCoopers

State Authorized Chartered
auditing partner company

CVR-no. 33 77 12 31

Tue Stensgård Sørensen

Chartered Accountant
mne32200

Jess Kjær Mogensen

Chartered Accountant
mne21360



Applied Accounting Policies

Generally

The annual report for Tusass LC has been submitted in accordance with the provisions of the Greenlandic Financial Statements Act for accounting class D.

General Information About Recognition and Measurement

Assets are recognized in the balance sheet when future economic benefits are likely to flow to the company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when, as a result of a past event, the company has a legal or factual obligation and it is likely that future economic benefits will depart the company and the value of the liability can be reliably measured.

At initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is done as described for each accounting item below.

Recognition and measurement shall take into account foreseeable risks and losses arising prior to the annual report and which confirm or deny conditions that existed on the day of balance.

The profit and loss account shall include income and expenses with the amounts relating to the fiscal year. Value adjustments on financial assets and liabilities are recognized in the profit and loss account as financial income or financial costs.

Profit or Loss on Disposal of Shares

Profit or loss on the disposal or liquidation of subsidiaries are calculated as the difference between the sales sum or liquidation sum and the accountable value of the net assets at the disposal and liquidation dates respectively, including non-depreciated goodwill as well as expected costs of sale or liquidation.

Foreign Currency

Conversion transactions in foreign currency are converted at the rate of the day of the transaction. Receivables, payables and other monetary items denominated in foreign currency, which are not settled at the balance sheet date, are converted at the exchange rate of the day of balance. Exchange differences arising between the exchange rate of the transaction date and the exchange rate of the date of payment and the rate of the day of balance respectively shall be recognized in the profit and loss account as financial items. Fixed assets purchased in foreign currency are converted at historical rates.

Derivative Financial Instruments

Derivative Financial Instruments are measured at rate first recognized in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognized under Miscellaneous receivables and Miscellaneous payables, respectively.

Changes in the fair value of derivative financial instruments classified as and eligible to hedge the fair value of a recognized asset or liabilities



are recognized in the profit and loss account together with changes in the value of the secured asset or liabilities.

Changes in the fair value of derivative financial instruments that are classified as and qualify for hedging future transactions are recognized directly in equity. When the secured transactions are realized, the accumulated changes as part of the cost of the accounting items concerned are calculated.

For derivative financial instruments that do not qualify as hedging instruments, changes in fair value are recognized as financial items on an ongoing basis in the profit and loss account.

Income Statement

Net Sales

Turnover includes the value of services and goods provided for the year with the subtraction of discounts directly related to sales. Services include revenues from traffic and subscriptions, interconnection and roaming, line leasing, network services, television distribution and set-up and installation revenues. Goods include customer-placed equipment, mobile phones, etc.

The main sources of revenue are recognized in the profit and loss account as follows:

- Income from telephony is recognized at the time the call is made.
- Sales of prepaid subscriptions, such as minutes of telephony, are deferred and monetized in line with consumption.
- Line lease revenues are recognized over the lease period.
- Revenue from subscriptions and consumption-independent services at a fixed price is recognized over the life of the subscription.
- Revenue from the sale of equipment is recognized at the time of delivery. Revenues related to the maintenance of equipment are recognized over the term of the contract.
- Revenue from postal activities is recognized at the time of sale.

Work in progress for hire or reward is recognized in net turnover as production is carried out, whereby net turnover corresponds to the sales value of the work performed during the financial year (production method).

Facility Production

The production of facilities for own purposes corresponds to the costs incurred and are expensed under the respective cost items.

The value of the facility production is calculated and consists of the directly incurred costs for wages including IPO surcharges, whereas services provided by subcontractors are not included but are activated directly.

Miscellaneous Operating Income and Expenses

Miscellaneous operating income and expenses comprise income and expenses of a secondary nature to the company's principal activities, including profits and losses on disposal of intangible as well as tangible fixed assets, which are calculated as the difference between the sale price with the subtraction of selling costs, and the accountable value at the time of sale.

Miscellaneous External Costs

Miscellaneous external costs include costs for sales, advertising, administration, premises, losses on debtors, etc.

Miscellaneous external costs include costs relating to development projects which do not

meet the criteria for inclusion in the balance sheet. In addition, provisions for losses on work in progress on behalf of third parties are included.

Financial Items

Financial items include interest income and expense, realized and unrealized exchange gains and losses on receivables, liabilities and transactions denominated in foreign currency, etc.

Tax

The tax for the year, which consists of the current tax for the year and the change in deferred tax, is recognized in the profit and loss statement with the part attributable to the profit or loss for the year and directly on equity with the part attributable to transactions directly on equity.

In Greenland, dividends are tax-deductible. The tax value of the dividend set aside in the annual accounts is therefore accounted for directly to equity in accordance with the above.

Current tax liabilities are recognized in the balance and is calculated as tax on taxable income for the year.

Deferred tax is recognized and measured, according to the balance sheet debt method, of all temporary differences between accounting and tax values of assets and liabilities. The tax value of the assets is calculated based on the planned use of the individual asset.

Deferred tax assets, including the tax value of carry-forward tax losses, are recognized in the balance sheet at the value of which the asset is expected to be realizable, either by offsetting against deferred tax liabilities or as net tax assets.



Applied Accounting Policies

Balance

Immaterial Fixed Assets

Immaterial fixed assets are measured at cost/ production cost less accumulated depreciation and amortization.

The cost includes the purchase price, costs related to acquisition, and costs for preparing the asset up to the time when the asset is ready for deployment. For self-manufactured assets, the cost includes direct and indirect costs for materials, components, subcontractors and wages.

IT-software is depreciated on a straight-line basis over a lifespan of 2-5 years.

Immaterial fixed assets are depreciated to recoverable value if this is less than their fiscal value.

Material Fixed Assets

Land and buildings, facility and machinery and miscellaneous facility, equipment and furniture shall be measured at cost less accumulated depreciation and amortization. There is no depreciation on plots.

The cost price includes the purchase price, costs directly related to the acquisition and costs for preparing the asset up to the time when the asset is ready to be used. For self-manufactured assets, the cost includes direct and indirect costs for materials, components, subcontractors and wages.

The depreciation basis is cost less expected residual value after completion of lifespan. Depreciation on a straight-line basis shall be made based on the following assessment of the expected useful lives of assets:

Buildings	10-50 years
Telecommunications and machinery	3-10 years
Submarine cable	25 years
Miscellaneous facility, equipment and furniture	3-7 years

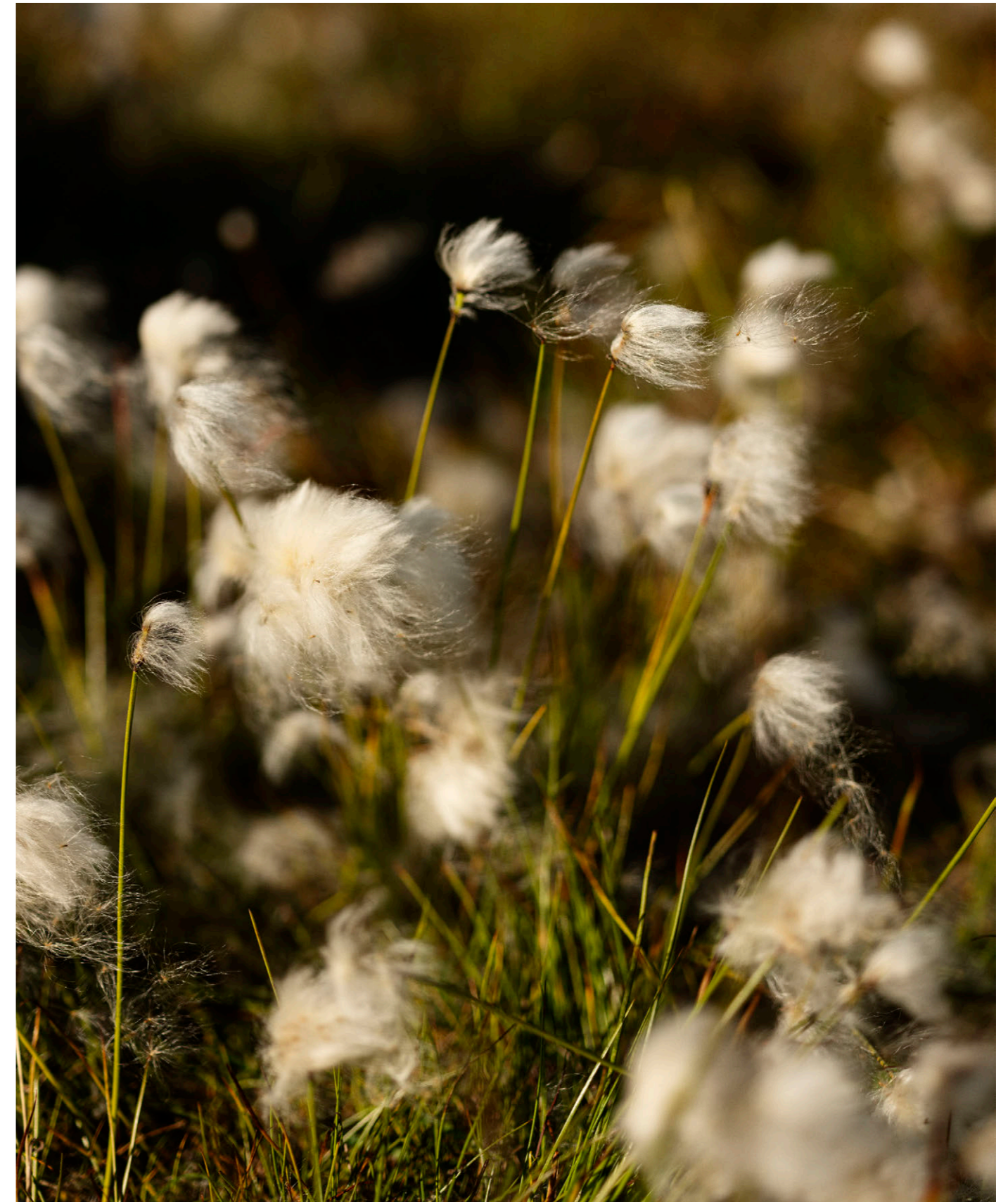
For residential buildings, an estimated scrap value is inserted.

Software integrated with central equipment and the like is activated and depreciated over the same period as the underlying assets.

Stocks of equipment for facility production are valued at the lower of the weighted average purchase price and the net realizable value.

Tangible fixed assets are depreciated to recoverable value if this is less than their accountable value.

Scrap values are reassessed annually.





Equity Holding in Subsidiaries and Associated Companies

Equity holdings in subsidiaries and associates shall be recognized and measured in accordance with the equity method, which means that the shares are measured at the proportion of the companies' determined net asset value, as described above under consolidated financial statements, plus or minus non-depreciated positive or negative goodwill with added or subtracted unrealized intragroup profits and losses.

The profit and loss account includes the parent company's share of the companies' profit after eliminating unrealized intragroup profits and losses.

Net increase of shares in subsidiaries and associates shall be transferred to the reserve for net revaluation of shares to the extent that the accountable value exceeds cost.

Miscellaneous Securities and Equity Participations

Miscellaneous securities include unlisted shares measured at cost.

Inventories

The item consists of inventories of commodities and is measured at the average of purchase price or net realizable value, if lower. Depreciation is made on out-of-date goods, including slow-moving goods.

Purchase price for merchandise is comprised of invoice price.

Net realizable value of inventories is calculated as expected sales price less completion costs and costs incurred to effect sales.

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value less depreciations to cover expected losses.

Accruals, Assets

Accruals recognized under assets include expenses incurred that relate to subsequent financial years. Accruals are measured at amortized cost, which usually corresponds to nominal value.

Equity

Dividends are recognized as a debt obligation at the time of adoption by the General Assembly. The proposed dividend for the financial year is shown as a separate item under equity.

Miscellaneous Provisions

Miscellaneous provisions include expected costs for restoration of natural areas, losses on ongoing works etc.

When it is likely that the total cost will exceed the total income from work in progress for hire or reward, a provision shall be made to cover the total loss expected on that work.

Miscellaneous Financial Obligations

Miscellaneous financial liabilities are recognized at amortized cost, which usually corresponds to nominal value.

Accruals, Liabilities

Accruals recognized under liabilities include revenue received for profit and loss recognition in subsequent fiscal year. Accruals are measured at amortized cost, which usually corresponds to nominal value.

Applied accounting policies

Cash Flow Statement

The cash flow statement of the company is presented according to the indirect method and shows cash flow relating to operations, investments and financing as well as the company's cash and cash equivalents at the beginning and end of the year.

Cash flow related to operating activities is calculated as operating profit adjusted for non-cash operating items, change in working capital and corporation tax paid.

Cash flow related to investment activities include payments related to the purchase and sale of enterprises and activities, as well as the purchase and sale of intangible, tangible and financial fixed assets.

Cash flow related to financing activities include changes in the size or composition of the company's registered capital and associated costs, as well as borrowing, payments on interest-bearing debt and the payment of dividends to the shareholders.

Cash and cash equivalents include cash and cash equivalents and short-term securities with negligible price risk less short-term bank debt.



Applied accounting policies

Key Figures

Key figures have been prepared in accordance with the Danish Financial Analysts' Association's "Recommendations & Key Figures 2015".

EBITDA	Result before depreciations, interest, and taxes
EBIT	Result before interest and taxes (result of primary taxes)
Gross Margin	Gross result x 100/Net revenue
EBITDA-Margin	EBITDA x 100/Net revenue
EBIT-Margin	EBIT x 100/Net revenue
Return on Equity (ROE)	The year's result x 100/Average equity
ROIC	The year's result x 100/Invested capital
Financial Gearing	Interest-bearing net debt x 100/Equity
Interest-Bearing Net Debt	Interest-bearing debt - liquids
Solvency Ratio	Equity x 100/Balance
Net Working Capital	Current assets - short-term debt
Average Number of Employees	Average number of full time employees (FTEs) is calculated by norm hours. (The ATP method can not be used in Greenland.)
Payroll	A-income and pension contributions for employees (excluding trainees)

Income Statement for 2022

(In Thousands of DKK)	2022	2021	Note
Net revenue	794,967	786,062	1
Construction production	7,591	8,055	
Other operating income	14,754	10,448	
Costs of goods and foreign services	(98,626)	(101,031)	2
Other external costs	(241,051)	(249,860)	3
Gross Profit	477,635	453,674	
Employee costs	(188,269)	(195,423)	4
Depreciations	(140,267)	(141,875)	5
Other operating costs	(3,268)	(2,114)	
Result of Primary Operation	145,831	114,262	
Result after tax in associated company	343	177	
Operational Result	146,174	114,439	
Financial income	301	237	6
Financial costs	(3,415)	(2,679)	7
Result Before Tax	143,060	111,997	
Tax of the year's result	(26,712)	(29,679)	8
The Year's Result	116,348	82,318	
Proposal for Result Disposition:			
Dividend for the fiscal year	87,600	87,600	
Transferred surplus or deficit	28,405	(5,459)	
Regulation of reserve for net revaluation	343	177	
Disposition Total	116,348	82,318	

Balance as of 31.12.2022 – Assets

(In Thousands of DKK)	2022	2021	Note
IT-software	11,420	6,371	
Immaterial fixed assets under development	1,661	853	
Immaterial Fixed Assets	13,081	7,224	9
Buildings	292,288	308,361	
Telecommunications facilities	747,968	817,038	
Other facilities, operational material and fixtures	33,345	23,156	
Material fixed assets under construction	99,934	62,926	
Material Fixed Assets	1,173,535	1,211,481	10
Capital shares in affiliated company	6,633	6,290	
Other securities and capital shares	320	320	
Financial Fixed Assets	6,953	6,610	11
Total Fixed Assets	1,193,569	1,225,315	
Inventories	22,190	14,087	
Receivables from sales	62,834	42,108	
Other receivables	18,957	23,471	
Accruals	108,972	111,500	12
Receivables	190,763	177,079	
Liquids	177,559	99,252	
Total Current Assets	390,512	290,418	
Total Assets	1,584,081	1,515,733	

Balance as of 31.12.2022 – Liabilities

(In Thousands of DKK)	2022	2021	Note
Share capital	150,000	150,000	13
Premium fund	180,357	180,357	
Reserve for net revaluation	1,541	1,198	
Transferred surplus	830,721	779,100	
Proposed dividend for the fiscal year	87,600	87,600	
Total Equity	1,250,219	1,198,255	
Postponed tax	185,227	195,546	14
Other provisions	1,500	1,500	
Total Provisions	186,727	197,046	14
Public loans	1,701	1,701	
Debt, Mortgage institutes	10,825	11,374	
Long-Term Liabilities	12,526	13,075	15
Short-term share of long-term debt	549	724	15
Prepayments received from customers	427	4,653	
Suppliers of goods and services	42,085	34,122	
Corporation tax	13,817	0	
Other debt	58,019	67,858	
European Union Grants	19,712	0	
Short-Term Liabilities	134,609	107,357	
Total Debt Obligations	147,135	120,432	
Total Liabilities	1,584,081	1,515,733	

Mortgaging and eventuality liabilities etc.

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Other notes

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Equity Statement as of 31.12.2022

(In Thousands of DKK)	Share capital	Premium fund	Net revaluation of capital shares	Transferred result	Proposed dividend for the fiscal year	Total
Equity 01.01.2021	150,000	180,357	1,021	761,345	112,600	1,205,323
Distributed dividend relating to 2020	0	0	0	0	(112,600)	(112,600)
Tax value of allocated dividend for 2021	0	0	0	23,214	0	23,214
The year's result	0	0	177	(5,459)	87,600	82,318
Equity as of 31.12.2021	150,000	180,357	1,198	779,100	87,600	1,198,255
Equity 01.01.2022	150,000	180,357	1,198	779,100	87,600	1,198,255
Distributed dividend relating to 2021	0	0	0	0	(87,600)	(87,600)
Tax value of allocated dividend for 2022	0	0	0	23,214	0	23,214
The year's result	0	0	343	28,405	87,600	116,348
Equity Per 31.12.2022	150,000	180,357	1,541	830,721	87,600	1,250,219

Cash Flow Statement for 2022

(In Thousands of DKK)	2022	2021	Note
Result of primary operations	145,831	114,262	
Depreciations	140,267	141,875	
Changes in operating capital	(8,520)	1,535	16
Cash Flow from Operations Before Financial Items	277,578	257,672	
Interest rate income and similar income	301	237	
Interest rate payments and similar payments	(3,415)	(2,679)	
Cash Flow from Ordinary Operations	274,464	255,230	
Paid corporate tax	0	0	
Cash Flow from Operational Activity	274,464	255,230	
Purchases of immaterial and material fixed assets	(113,970)	(109,155)	
Sale of material fixed assets	6,137	10,875	
Cash Flow from Investment Activities	(107,833)	(98,280)	
Installments on liabilities	(724)	(726)	
Installments on bank loans	0	(49,825)	
Paid dividend	(87,600)	(112,600)	
Cash Flow from Financial Activities	(88,324)	(163,151)	
Changes in Liquids	78,307	(6,201)	
Liquid funds at the beginning of the year	99,252	105,453	
Liquid funds at the end of the year	177,559	99,252	



(In Thousands of DKK)	2022	2021
1 Net Revenue		
Landline phones	13,941	19,508
Internet private	151,199	142,934
Mobile phones and mobile internet	246,965	235,394
Internet business	106,006	108,580
IT services and other services	168,051	162,422
Stamp sales and postage income	82,827	90,621
Other mail activities	5,399	5,590
Wholesale	20,579	21,013
	794,967	786,062
2 Cost of Consumption of Goods and Foreign Services		
Settlement other telecommunication companies	15,998	15,111
Other consumption of goods	56,784	55,898
Mail activities	25,844	30,022
	98,626	101,031
3 Other External Costs		
Chartering costs, transportation operations	20,953	23,469
Operating and maintenance, technical facilities	50,355	70,499
Development costs	4,067	8,372
Consumables	6,621	5,459
Transponder leasing	29,500	31,308
Building costs	47,506	47,914
Administration and sales costs	82,049	62,839
	241,051	249,860
4 Employee Costs		
Wages and salaries	164,270	172,475
Pension contribution	12,398	11,893
Educational expenses	2,598	2,477
Other employee dependent expenses	9,003	8,578
	188,269	195,423

(In Thousands of DKK)	2022	2021
4 Employee Costs, Continued		
Of which total remuneration for the parent company's:		
Executive Group:		
Kristian Reinert Davidsen	3,960	3,782
Board of Directors	1,391	1,424
Average Number of Employees	359	369
Specified		
Kristian Reinert Davidsen		
Fixed wage	2,918	2,913
Pension	175	172
Bonus	773	569
Other	94	128
	3,960	3,782

In other is recognized value of free car, internet, phone, and travel. In addition, comes housing of which rent is paid per applicable rules

Kristian R. Davidsen

The CEO is paid a fixed annual salary incl. pension and a number of benefits, including a company car. The CEO can obtain a bonus payment that can amount to up to 25% of the fixed annual salary annually. The CEO has termination and severance clauses that, upon termination by the company, gives the CEO salary, etc. during the notice period (18 months) and a severance pay of 12 months' remuneration. The CEO has a 6 months period of notice towards the company.

Board

The work of the Board of Directors and committees is remunerated in accordance with the remunerations policy for the boards of directors of wholly or partially Greenlandic Government owned limited liability companies adopted by the Greenlandic Government in January 2014. The remuneration of the Board of Directors is DKK 365,000 for the Chairman of the Board of Directors, DKK 185,000 for the Vice Chairman of the Board of Directors and the Chairman of the Audit Committee, respectively and DKK 137,500 for other members of the Board of Directors. The corporation covers members' expenses for transport, accommodation etc. in relation to board work. Board material is distributed electronically, and the company provides grants for members' office facilities, communication and use of their own IT-equipment etc. Apart from the above, no member has received any additional remunerations from the corporation.

(In Thousands of DKK)	2022	2021
5 Depreciations		
IT-software	3,521	7,536
Buildings	22,220	21,028
Telecommunications facilities	102,718	105,567
Other facilities, operational material and fixtures	11,808	7,744
	140,267	141,875
6 Financial Income		
Other financial income	86	58
Late fees, discounts etc.	215	179
	301	237
7 Financial Costs		
Interest rates of bank debt etc.	976	2,536
Interest rate costs, long-term debt	1,167	98
Other financial costs	1,272	45
	3,415	2,679
8 Tax of the Year's Result		
Actual tax	13,401	0
Deferred tax on profit for the year, liabilities	24,510	29,679
Adjustment of deferred tax, change in tax rate	(11,114)	0
Adjustment of deferred tax relating to previous years	(85)	0
	26,712	29,679
Reconciliation of Tax rate:		
Greenlandic tax rate	26.5 %	26.5 %
	26.5 %	26.5 %

(In Thousands of DKK)	2022	2021
9 Immaterial Fixed Assets		
IT-software		
Cost at beginning of the year	200,936	197,851
Additions during the year	8,569	3,084
Cost at year end	209,505	200,935
Depreciations and write-downs at beginning	(194,564)	(187,028)
The year's depreciations and write-downs	(3,521)	(7,536)
Depreciations and write-downs at year end	(198,085)	(194,564)
Accountable Value at Year End	11,420	6,371
Construction Under Development		
Cost at beginning of the year	854	2,200
Transferred from active	(8,570)	(3,085)
Additions during the year	9,377	1,738
Cost at year end	1,661	853
Accountable Value at Year End	1,661	853
10 Material Fixed Assets		
Buildings		
Cost at beginning of the year	606,849	601,171
Transferred from current	11,940	15,679
Disposals during the year	(7,915)	(10,000)
Cost at year end	610,874	606,850
Depreciations and write-downs at beginning of the year	(298,489)	(277,965)
Depreciation and write-downs on disposable assets	2,123	505
The year's depreciations and write-downs	(22,220)	(21,029)
Depreciations and write-downs at year end	(318,586)	(298,489)
Accounting Value at Year End	292,288	308,361

(In Thousands of DKK)	2022	2021
10 Material Fixed Assets (Continued)		
Telecommunications Facilities		
Costs at beginning of the year	2,989,109	2,919,938
Transferred from current	33,648	98,684
Disposals during the year	(24,730)	(33,269)
Transfer between fixed asset groups	0	3,756
Cost at year end	2,998,027	2,989,109
Depreciations and write-downs at beginning of the year	(2,172,071)	(2,098,698)
Depreciation and write-downs on disposable assets	24,729	32,194
The year's depreciation and write-downs	(102,717)	(102,266)
Transfer between fixed asset groups	0	(3,301)
Depreciations and write-downs at year end	(2,250,059)	(2,172,071)
Accountable Value at Year End	747,968	817,038
Other Facilities		
Costs at beginning of the year	194,771	203,152
Transferred from current	21,999	8,842
Disposals during the year	(13,276)	(13,467)
Transfer between fixed asset groups	0	(3,756)
Cost at year end	203,494	194,771
Depreciations and write-downs at beginning of the year	(171,615)	(177,210)
The year's depreciations and write-downs on disposed assets	13,276	13,340
The year's depreciations and write-downs	(11,810)	(11,046)
Transfer between fixed asset groups	0	3,301
Depreciations and write-downs at year end	(170,149)	(171,615)
Accountable Value at Year End	33,345	23,156
Assets Under Construction		
Costs at beginning of the year	62,927	78,713
Transferred from current	(67,586)	(123,203)
Additions during the year	104,593	107,418
Cost at year end	99,934	62,926
Accountable Value at Year End	99,934	62,926

(In Thousands of DKK)	2022	2021
11 Financial Fixed Assets		
Capital shares in associated companies		
Capital Shares of Ejendomsselskabet Suliffik LC		
Cost January 1 st	5,092	5,092
Cost December 31 st	5,092	5,092
Net revaluations January 1 st	1,198	1,021
Return of net revaluation	343	177
Net revaluation December 31 st	1,541	1,198
Accountable Value December 31st	6,633	6,290
Capital Share of Ejendomsselskabet Posthuset LC		
Cost January 1 st	320	320
Cost December 31 st	320	320
Accountable Value December 31st	320	320
12 Accruals		
Prepaid satellite, SES	873	11,801
Prepaid satellite, Hispasat	78,365	78,365
Other accruals	29,734	21,334
Accountable Value at Year End	108,972	111,500

Notes, Continued

(In Thousands of DKK)	2022	2021
13 Share Capital		
The share capital consists of 1 share of 150,000 thousand DKK. There have been no changes in the company's share capital in the last 5 years		
14 Postponed Tax		
Postponed tax rest on the following items:		
Material fixed assets	183,991	200,429
Investment in associated company	385	318
Current assets etc.	851	913
Tax value of applied dividend deduction	0	(6,114)
	185,227	195,546
Balance January 1 st	195,546	189,082
Regulation of tax percentage, result statement	(11,114)	0
Postponed tax of the year's result	24,510	29,679
Tax value of dividends	(23,214)	(23,215)
Deferred tax on profit for the year	(416)	0
Adjustment regarding tax rate DK Tax	(85)	0
Postponed Tax December 31st	185,227	195,546
14 Other Provisions		
Provisions for regulatory accounting	1,500	1,500

Notes, Continued

(In Thousands of DKK)	2022	2021
15 Long-Term Liabilities		
Public Loans		
Installments that are due after 5 years	1,701	1,701
Long-term share	1,701	1,701
Short-term share	0	0
	1,701	1,701
Mortgage Institutes		
Installments that are due after 5 years	8,434	8,494
Installments that are due after 1 to 5 years	2,391	2,880
Long-term share	10,825	11,374
Short-term share	549	724
	11,374	12,098
16 Changes in Operational Capital		
Changes in inventory	(8,103)	(3,866)
Changes in receivables	(14,027)	(4,168)
Changes in supplier debt etc.	13,610	9,569
	(8,520)	1,535

17 Mortgaging and Collateral

The following mortgaging relates to the company: Priority debts are secured through mortgages on properties. Accountable value of mortgaged properties totals 36,889 thousands of DKK.

Lease Liabilities

Tusass LC has entered into the following lease obligations:

Intelsat, transponder lease \$2.5 million until September 2023.

In addition, a number of leases of homes with short notice have been entered into, with intent on letting to staff, where the rent during the notice period amounts to DKK 0.4 million.

Contingent Liabilities

Tusass LC has filed a lawsuit against Isortaq Trawl Aps demanding compensation for submarine cable breaks in 2019. Tusass has been fully successful in the case and the compensation has been calculated at 1.0 million Special Drawing Rights (SDR), which amounts to approximately DKK 9.3 million. The question of culpability has been acknowledged by the opposing party, but the damage assessment has been appealed. DKK 1.3 million has been paid to Tusass, which is the part of the compensation recognized by the other party. Based on the appeal and the fact that the amount of the damages has not yet been calculated, Tusass has chosen not to recognize a receivable.

Tusass LC operates activities at locations where there is a risk that buildings and facilities will have to be closed in accordance with the Government of Greenland's decisions in this regard at a future date. According to land use legislation in Greenland, it is the responsibility of the licensee to carry out clean-up and restoration of the area upon termination of the right of use. However, since it is the Government of Greenland that has the public service obligation and decision-making power regarding which towns and settlements Tusass LC is to serve, it is currently not possible for Tusass LC to calculate the extent of the obligation reliably, neither in relation to the actual need for clean-up and restoration, the amount or the time of actualization.

19 Related Parties

Related Parties With Controlling Influence On Tusass LC

The company's main shareholder, The Greenlandic Government, Nuuk.

Other Related Parties That Tusass LC Has Had Transactions With in 2022

The company's directors and Executive Board as well as these persons related family members. Companies, wherein the main shareholder has deciding influence.

Related Parties Over Which Tusass LC Holds Deciding or Considerable Influence

The associated company, Suliffik LC, Nuuk.

Transactions Between Related Parties and Tusass LC

In 2022, a dividend of DKK 87.6 million has been distributed to the company's owner, the Government of Greenland.

There is an ongoing agreement with the Government of Greenland on the distribution of digital TV and radio (DVB-T). At the end of the year 2021/2022, a new 12-year agreement on DVB-T has been signed with the Government of Greenland.

In 2013, an agreement was signed with the Government of Greenland on the operation of the education network "Attat". The agreement has been approved by the Telecom Agency. In 2013, the company has signed a deal with the Government of Greenland that allow customers to wait in line for phone consultations at the Doctors Clinic at Queen Ingrid's Hospital free of charge. Other trading with units wherein the Government of Greenland holds controlling influence has been through normal trade interactions.

No other material transactions have been carried out in addition to normal management remuneration with the Executive Board and the Board of Directors, which are separately disclosed in connection with note 4, Staff expenses. In addition, the Company has to a negligible extent provided data communication and postal services on market terms to the Company's management and Board of Directors. The provision of these services has taken place on the same terms, as the company's other customers.

Shareholder Relations

The company's shares are owned 100 % by the Government of Greenland, Nuuk.

(In Thousands of DKK)		2022	2021
18	Remuneration for General Assembly Elected Auditors		
	Remuneration for the parent company general assembly elected auditors:		
	PWC		
	Legally required audit	850	795
	Other services	1,108	1,082
		1,958	1,877

20 Information on Members of the Board of Directors Other Directorships, Special Competencies etc.



Ulrik Blidorf
Chairman

- Independent board member
- Chairman of the Nominations and Remunerations Committee.
- Member of the Audit Committee

First elected by the General Assembly in May 2015 for 1 year. Last re-election in May 2022 for 1 year.

Special Competencies

Company law, property law, family law, criminal law, employment and labor law, business consultancy, tort law, administrative law, insurance law, international agreements, contract law, tenancy law, public law, oil, gas and mineral exploration, reconstruction, litigation and arbitration, maritime and transport law. In-depth experience in restructuring, market adaptation of logistics companies, infrastructure projects and efficiency. Experienced in negotiation. Strong leadership where all competencies are involved in the decision-making processes.

Education

Lawyer. Trained plumber.

Current Job

Self-employed, owner of Eqqartuussissuserisoqarfik Inuit Law.

Other Directorships

Chairman of the Health Commission.
Chairman of the board of Young Guns Futsal Club.



Inaluk Malene Brandt
Vice Chairman

- Independent board member
- Chairman of the Risk and Safety Committee
- Member of the Nominations- and Remunerations Committee

First elected by the General Assembly in June 2017 for 1 year. Last re-election in May 2022 for 1 year.

Special Competencies

Organizational development, business development, competency development and competency building. In addition, extensive experience in strategy, analysis and project management, HR, sustainability and ESG.

Education

Master of Science in Biology and Religion from the University of Southern Denmark, Odense.

Current Job

Founder and partner of Visibox Consulting ApS.

Other Directorships

Board member of Nuuk City Development – Siorarsiorfik.



Eqalunnguaq Abel Kristiansen
Member of the Board

- Independent board member
- Member of the Audit Committee

First elected by the General Meeting in May 2021 for 1 year. Last re-election in May 2022 for 1 year.

Special Competencies

Trained firefighter, police officer and holds a completed Academic Profession (AP) degree in Leadership and Management. Has completed Relatepeople's board course for private and public companies in Greenland and course in annual reporting and financial analysis for board members.

Education

Firefighter, Police Officer, Academic Profession (AP) degree in Leadership and Management.

Current Job

Crew Manager at Royal Greenland A/S.

Other Directorships

Board member of TAAK (Greenland Handball Federation) and board member of Imarsiornermik Ilinniarfik.



Maja Mathilde Motzfeldt-Haahr
Member of the Board

- Independent board member
- Member of the Risk and Safety Committee

First elected by the Annual General Meeting in May 2022 for 1 year.

Special Competencies

Skill development, Team development, Value creation, Train the Trainer course.

Education

Academy education (single subjects), Air Greenland's internal management training.

Current Job

Self-employed, Owner of TUC Greenland.

Other Directorships

None.



Kim Kylesbech Larsen
Member of the Board

- Independent board member
- Chairman of the Audit Committee

First elected by the Annual General Meeting in July 2022 for 1 year.

Special Competencies

Many years of experience in technology-related strategy and financial management in international telecommunications companies, such as Deutsche Telekom AG and Ooredoo Group. Experience with international board work in the telecom industry and high-technology companies specializing in digital and organizational transformations and high-tech consulting. Has most of my career worked with business management in multi-cultural companies outside Denmark in Europe, Asia, and the Middle East.

Education

PhD in Physics, cand. scient. in Physics and Mathematics from Aarhus University. Further education at INSEAD, France (Finance focused) and Boulder University, Colorado, USA (data science focused).

Current Job

Owner of TechNEconomyY which focuses on Technological and Financial Consultancy.

Other Directorships

Member of the boards of Fiberhost (Poland), Benocs (Germany) and Opanga (USA, Industry Advisory Board). Technology advisor to Macquarie Asset Management (Europe).

Notes, Continued



Kim Hammond Zinck Member of the Board

- Employee-elected board member
- Member of Risk and Security Committee

Elected as a board member by employees for the first time in April 2022 for 4 years.

Special Competencies

Many years of experience in technology – especially in telecommunications. Different experiences within Tusass. Operations Manager – Technical Division, Private Account Manager – Telecom Division, NOC Manager – Technical Division, Technical Operations Manager – Technical Division, Head of Department Transmission – Engineering and Infrastructure Division, Chairman of the Safety Committee and Emergency Manager.

Education

Electronics fitter, Diploma in management, Intervention Manager, HD in Organization and Management.

Current Job

Head of Department and Emergency Manager, Tusass LC.

Other Directorships

None.



Lars Holm Hansen Member of the Board

- Employee-elected board member

Elected as a board member by employees for the first time in April 2022 for 4 years.

Special Competencies

Many years of experience in postal services, postal legislation, logistics and development of self-service solutions.

Education

Postal training at Post Danmark 1979-1984.

Current Job

Head of Logistics at Digital Trade & Logistics, Tusass LC.

Other Directorships

None.



Benedikta Kristina Naamansen Member of the Board

- Employee-elected board member

Elected as a board member by employees for the first time in April 2022 for 4 years.

Special Competencies

Administrator of Bentley programs, documentation and dissemination of the traffic machine (radio chain, submarine cable and satellite earth station), course supervisor, also has GIS (Geographical Information System) and theoretical surveying certificates from DTU.

Education

Technical assistant.

Current Job

Technical assistant, Tusass LC.

Other Directorships

None.





tusass

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