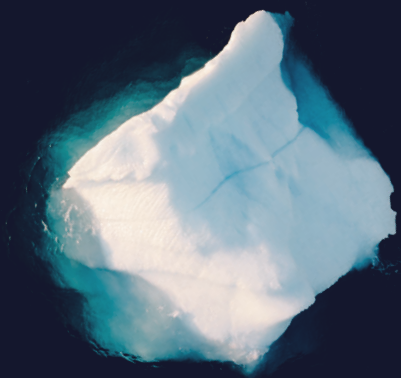


tusass



ANNUAL REPORT

2021



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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

Farip Aqqutaa 8
Postboks 1002
3900 Nuuk

Reg. no.: A/S 215.154
CVR no.: 17 51 63 45

Telephone: +299 34 12 55
direktionen@Tusass.gl
Tusass.gl

Ownership

The company is 100 %
owned by the Government
of Greenland

Board

Stine Bosse
Chairman of the Board

Inaluk Brandt
Vice-chairman of the Board

Ulrik Blidorf
*Chairman of the
Audit Committee*

Tukummeq Arnaq Egede
Martinsen

Egalunnguaq Abel Kristiansen

Emil Kleemann
Employee elected

Jørgen Rosbach
Employee elected

Ole Zeeb Andersen
Employee elected

Executive Management

Kristian Reinert Davidsen
Chief Executive Officer

Associated Company

Property company Suliffik LC
(39,4 %)

Home Municipality

Kommuneqarfik Sermersooq

Audit

PWC, State-authorized audit
partner company

Approved at the
company's general
assembly May 20th, 2022

Chairman of the meeting
Peter Schriver, Nuna Law

Financial Highlights and Key Figures

Millions Dkk (Unless Otherwise Stated)		2021	2020	2019	2018	2017
Net revenue		786,1	802,2	814,2	816,7	846,1
Operating costs		(548,4)	(514,0)	(577,4)	(544,8)	(554,3)
EBITDA		256,1	309,0	256,0	294,1	314,5
Depreciations		(141,9)	(137,4)	(134,0)	(153,5)	(163,2)
Result of primary operations (EBIT)		114,3	171,7	122,0	140,7	151,2
Financial items, net		(2,4)	(5,0)	(1,8)	(2,0)	(4,2)
Result of the term before taxes		112,0	167,0	120,1	138,7	147,2
Result of the term after taxes		82,3	122,7	121,7	93,3	99,3
Free Cash Flow						
Cash flow from operational activity (FCF)		255,2	231,1	219,9	285,0	314,9
Cash flow from investment activity		(98,3)	(116,7)	(92,9)	(147,2)	(325,5)
Cash flow from financing activity		(163,2)	(200,7)	(99,8)	(55,9)	(115,9)
Key Figures						
Gross margin	%	57,7	62,2	55,2	60,5	88,3
EBITDA-margin	%	32,6	38,5	31,4	36,0	37,2
EBIT-margin	%	14,5	21,4	15,0	17,2	17,9
Return on equity (ROE)	%	6,8	10,4	10,5	8,1	8,9
ROIC	%	6,7	13,4	9,4	7,0	7,4
Interest-bearing debt, net		(87,2)	(42,8)	(41,1)	(51,7)	(51,2)
Financial gearing	%	(7,3)	(3,6)	(3,5)	(4,5)	(4,4)
Interest-bearing debt, net/EBITDA	x	(0,3)	(0,1)	(0,2)	(0,2)	(0,2)
Payroll for the full year	%	79,1	77,4	71,7	72,2	76,0
Average number of employees	amt. ¹	369,0	372,0	380,0	407,0	427,0
EBITDA/Average number of employees	tkr.	694,1	830,8	673,7	723,0	736,4
Payroll for the full year	tkr.	184.368,0	177.932,0	177.615,0	182.952,0	194.610,0
Payroll per employee	tkr.	500,0	478,0	467,0	450,0	456,0
Balance						
Fixed assets		1.225,3	1.268,6	1.288,5	1.330,1	1.336,9
Total assets		1.515,7	1.557,3	1.613,1	1.592,3	1.513,1
Equity		1.198,3	1.205,3	1.157,4	1.149,5	1.150,6
Dividend		87,6	112,6	87,6	137,6	137,3
Receivables from sales		42,1	39,1	69,7	68,3	50,1
Other receivables		135,0	134,0	50,1	15,8	25,7
Current assets		290,4	288,8	324,6	262,2	176,2
Short-term liabilities		107,4	147,6	259,4	218,0	136,2
Net working capital		183,1	141,1	65,2	44,2	40,0
Production data						
Packages ²	Pc's.	152.000	131.000	129.000	122.000	118.000
Mail ³	kg	102.000	109.000	121.000	126.000	118.000
Mobile broadband	amt.	2.077	1.593	1.982	1.912	2.424
Broadband via landline (ADSL)	amt.	18.278	15.700	14.452	13.220	11.625
Phone lines	amt.	4.462	5.202	6.337	8.064	8.834
Mobile subscriptions (GSM and Tusass)	amt.	68.711	65.027	64.700	62.599	61.794

¹ Average number of employees is excluding trainees.

² Comparative numbers from previous years have changed due to changes in classification of "China packages" from packages to mail.

³ Comparative numbers from previous years have changed due to changes in classification of "China packages" from packages to mail.

Stine Bosse

Greeting From The Chairman of the Board

A new strategy

2021 was the first year of our new strategy 'Tusass Towards 2024'. The year has to a large degree been a planning year, where the foundation for the coming years investments and development has been laid.

The strategy is just as ambitious as the last, because while we maintain the large infrastructural investments and our focus on simplifying the company, we also invest in the entire security work. Security is our license to operate and must permeate everything we do.

This goes for supply security – that the infrastructure is working. It goes for cybersecurity too, and malicious attacks on the infrastructure, and it goes for personal data security. Our customers must confidently rely on us to secure their personal data.

Flatrate for all of Greenland

In 2021, we continued expanding our satellite connections giving customers in Ittoqqortoormiit access to the same flat rate products that we launched in Tasiilaq in 2020. The investment program ensures that all parts of Greenland now have access to becoming part of the digital development, a task we at Tusass take very seriously. And I am looking forward to being able to say – no later than the beginning of 2023 – that all cities and associated villages in

Greenland can be offered flatrate products that support society's digital needs. It will create new opportunities and safety for both the student, the digital citizen, the public sector, and businesses.

Higher speeds

As some will remember, last year we promised that our outstanding matter from the last strategy term regarding internet speeds was not something we would forget. Thus, in the fall, we began working on the further technological development of our entire access network. This is the part of our infrastructure which connects the customers home with the submarine cables and the radio chain. This part of the infrastructure must be upgraded, as the old, wired, network cannot provide the speeds that our customers demand. During the last strategy term, we laid the foundation for this upgrade with our 4G network in all of Greenland. This provides us with a good foundation for delivering on our internet speed promise over the coming years.

Security

As mentioned, security plays an increasingly larger role in our day-to-day operations. Something we felt in June, when Tusass' business telephony was hit by a cyberattack. We handled the situation immediately with our partners, but the incident ended up costing Tusass 0.5 million DKK. No Tusass customers were affected by the attack.





The attack happened in an older part of our infrastructure, and due diligence meant that even at the time of attack, we were in the process of switching to a new safer and also more user-friendly platform. But the attack emphasizes the importance of our focus on shutting down older legacy technology from a time, when cybersecurity was not even a word. That is why over the coming years, customers will experience us closing products based on old technology and replacing it with new ones. But as it is hopefully clear, the products are both better and based on a far safer infrastructure that is built with both cyber security and personal data security in mind.

Sustainability

Over the last years, dedicated and creative employees have tested many different energy solutions on our many telecommunications sites. We have primarily worked with wind energy and solar energy, and I am proud that we established the first truly green site in 2021, where the energy supply primarily comes from windmills and solar panels. Fossil fuel is now just the backup solution and not the primary energy source.

It is both financially sound for Tusass and is responsible to the climate and the environment. The site is just the first in this strategy term, and I am looking forward to seeing, how much we can expand on the concept over the next three years to some of the other almost fifty deserted telecommunication sites that we operate.

Our energy effort is described in our sustainability report, where you can also read about our expansion of the Coding Class as well as our cooperation with the Teacher Training College Ilinniarfissuaq on understanding technology as a subject on the Teacher Training College and many other things.

COVID-19

Even though we are all tired of Corona, we must admit that COVID-19 also affected Tusass in 2021 – although to a minor extent. Travel activities have been challenged, and deliveries to some of our large investments as well, so we have had to adapt to even more online activity. However, through dedicated effort, I have to state that our executive management yet again has managed to lead the company soundly through the challenges, and the goals we set for ourselves at the beginning of the year has been met. This commands respect, and I am very proud of all the fine employees at Tusass, to whom I would like to send a great thank you for your work in 2021.

Everyone Must Be Connected

Even though the number of activities can leave you short of breath, we have only just begun the strategy Towards 2024. And in 2022, we speed up the effort to ensure that everyone in Greenland who wants it, will have the opportunity to join the digital journey. We simply must ensure that everyone is connected!

Our private customers should not expect price reductions over the coming years to the same extent that we saw it over the last strategy terms, as that focus, and resources will be used to ensure higher speeds and even better security. Nevertheless, we will continue to work on solutions that bring the remaining 20% online.

All of this forms the basis for the products and prices of the future.

Stine Bosse

Bestyrelsesformand

Highlights From 2021



82,3

Result after tax mDKK
Drop of 33% cf. 2020



256,1

EBITDA mDKK
Drop of 17% cf. 2020

The Tele Business



+68 %

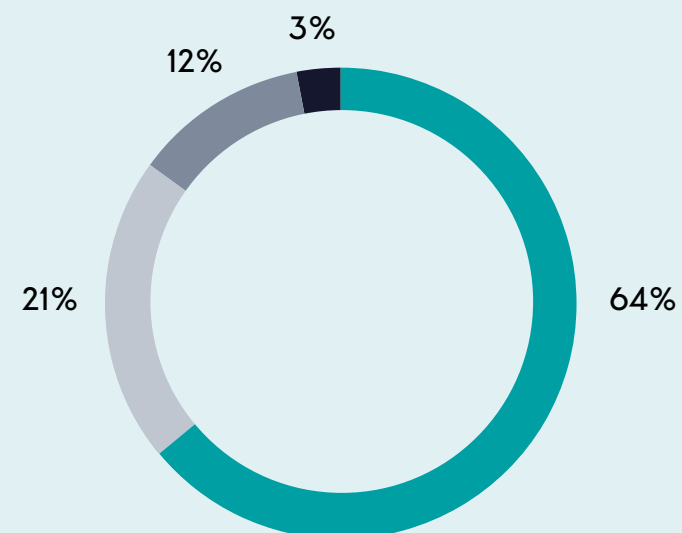
Increase in mobile data
amount for private customers



+24 %

Increase in data amount broad
band for private customers

Distribution of Revenue on Business Branches in %



Growth in Revenue

-3 %

Phone and internet

3 %

IT services

-5 %

E-commerce & Logistics

9 %

Wholesale

Customer And Employee Satisfaction

68 ↓

Customer satisfaction
Business

69 ↓

Customer satisfaction
Private

71 ↓

Customer satisfaction
E-commerce & Logistics

82 ↓

Employee satisfaction

The E-commerce & Logistics Business



3

Reduction in FTE



98,3

Investments in mDKK
Investments compared to
revenue 13 % in 2021



-6 %

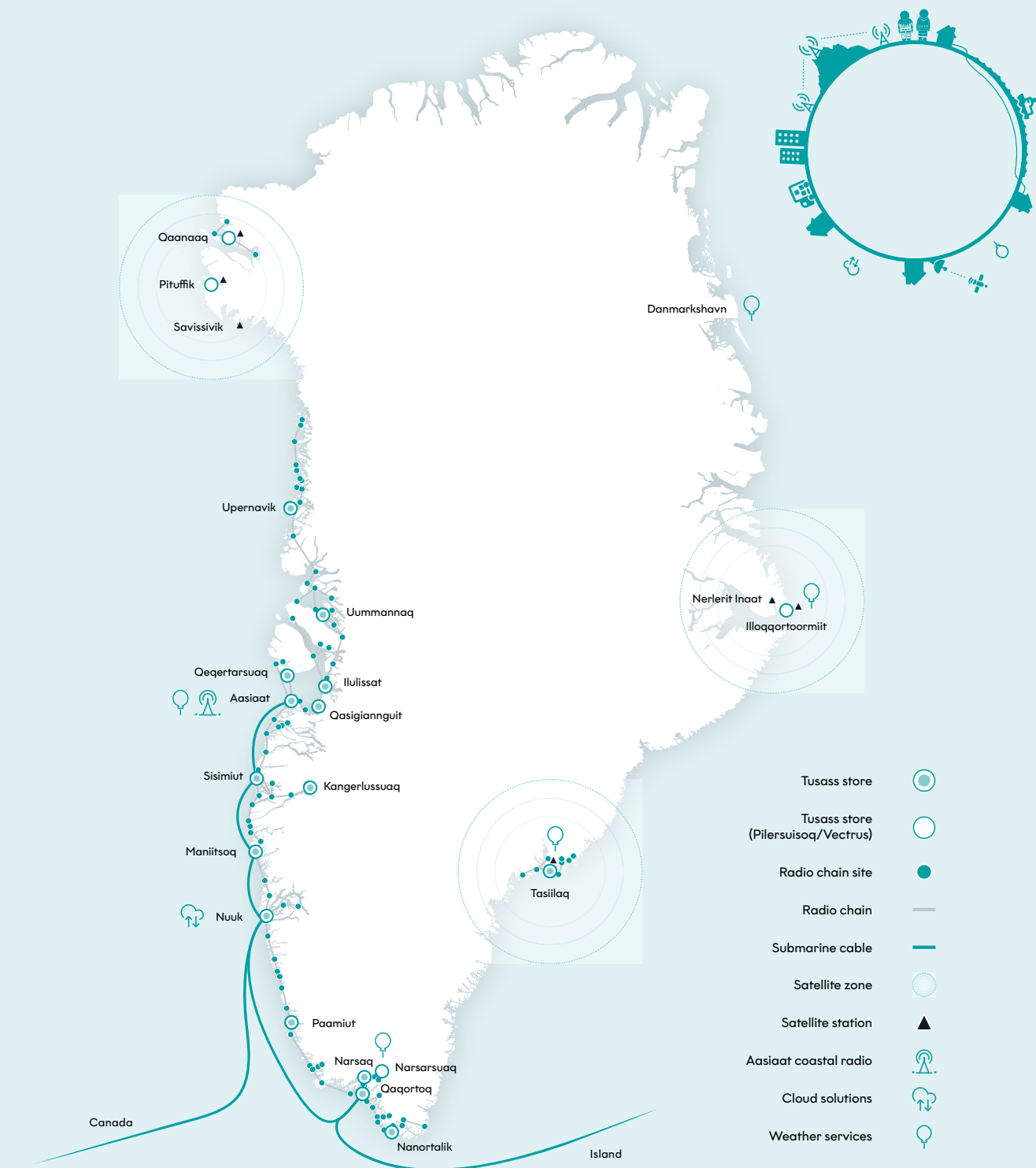
102.000 kg mail in total in 2021



+16 %

152.000 packages in total in 2021

Business Model



Core Ressources

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.

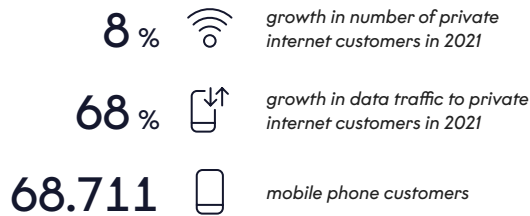


Revenue

Phone and Internet

64 % of revenue

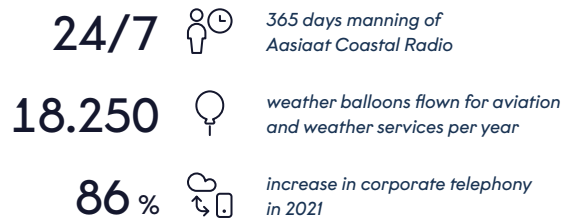
- The branch supplies phone and internet products for both private and corporate customers.
- New products are continually developed that ensure the customers opportunity to be a part of the digital evolution in Greenland and in the rest of the world.



IT Services and Other Services

21 % of revenue

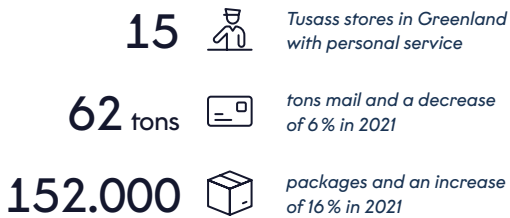
- The corporate business offers up-to-date IT-solutions to customers all over Greenland, which gives the companies the opportunity to focus on their core business.
- As supplier of emergency and safety contingency in Greenland, Tusass contributes to securing safety at sea.
- Delivery of services to aviation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



E-commerce & Logistics

12 % of revenue

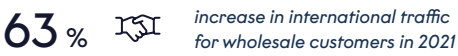
- With sole concession on letters in Greenland, the postal business ensures a secure delivery of mail to the entire country.
- On-time package delivery solutions are offered to all of Greenland, which makes international trade for both private and corporate customers possible.



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 builds upon the same basic ideas as the previous strategy. The goal is to create national cohesion with an emphasis on digitalization as a reliable provider of telecommunications as well as logistical services.

To this end, Tusass operates with a great focus on particularly security, simplification, and sustainability. The three focus areas support each other. If we simplify products and systems, securing them is much easier, and both investments and processes become transparent and sustainable in the end.

The best customer experiences

The driving force in 2021 too has been the best customer experiences. In the month of December, flat rate internet was introduced to private customers in Itoqqortoormiit, allowing customers here access to a reasonable flat rate internet at a fixed monthly price.

78%

Share of all revenue on mobile and data via Tusass.gl / The share was 51% in 2020

In the logistics branch, new more dynamic mailboxes have been installed in Qeqertarsuaq and Nuuk. The concept is the beginning of a more flexible solution, which will make it possible for customers to receive a direct instant message, when new mail has arrived, and for them to subsequently collect the mail or package at their leisure. For now, the system is placed in the Tusass store, but as soon as the concept has been tested, it will be placed in a location with increased access – and it will be expanded to the other cities across the country.

December 10, Tusass Business launched the Tusass Flow product. Tusass Flow is an IP-based business phone product that merges the customers phone, online meetings, and calendar in a secure practical solution. COVID-19 has accelerated the need to think in digital platforms and workplace solutions, which is supported by Tusass Flow.

The subscription for children was introduced in December 2020 and has seen an increased demand throughout 2021. Offering parents the opportunity of safety in their children having a mobile phone and a limited amount of data at fixed low rate has proven an enormous success.





65%

**of all children between the ages of 6 and 17
have a subscription for children at Tusass**

Strong Networks

A large part of the customer experience is in data speeds. In 2021, the satellite cities on the east coast have been the ones to receive higher speed products.

In the submarine cable cities, we have – as the strategy prescribes – begun the preparatory work on upgrading our access network. This will make internet products with much higher speeds than the ones we know today possible.

The old copper network – which is Tusass' primary broadband delivery method in many places across the country today – cannot give the customer the speeds demanded. That is why at the end of the year, the work to prepare Narsaq as a test city began, and it is expected that customers in the city can be invited to test a premium flat rate product during the first half of 2022.

Regarding capacity for the radio chain cities, Tusass is in a constant battle against time. Every radio chain upgrade is received by the customers in the shape of an increased consumption, and in 2021 particularly the supply for Ilulissat and Narsaq has been expanded. The investments are costly and does not translate into an increased revenue, as the products are already primarily flat rate based, but they are necessary to ensure the digital development of society – both for private and business customers as well as for the educational and health sectors.

Over the summer, preliminary submarine cable surveys in the Disco Bay began, to allow Tusass to assess the options for expansion and redundancy over the course of 2022. There is no doubt that it would be beneficial to both customers and Tusass to expand the submarine cable system if it financially possible and responsible, as it will ensure both the capacity and redundancy for many years to come, and the need for frequent and expensive radio chain upgrades will be reduced.

Security

At Tusass Business, focus in 2021 has to a large degree been on security. Tusass Flow – which was launched in December – is precisely a more user friendly and secure platform for business telephony than its predecessor. Furthermore, over the year a lot of resources have been put into structuring the work after the standards that makes an ISAE 3402 declaration possible – particularly to the hosting customers. This declaration is an external assessment of Tusass security governance and is a criterion for more and more customers when they choose an external IT vendor.

Log management and supervision of business-critical systems and users is another area, where Tusass has invested many resources over 2021. This goes for internal systems as well as for solutions sold through Tusass Business. The work is comprehensive and will continue over the coming years.

New processes for system development organizes the effort to ensure both security by design as well as privacy by design. These processes also focus on legacy systems from another era that must be phased out to ensure the right security levels in a company like Tusass that is of critical importance to society.

Amongst other things this relates to platform supplying land line telephony, and many customers have received initial information in 2021 that we plan to close all products delivered via this platform in 2022. Customers will instead have the option of more contemporary and secure products from our product portfolio.

An Efficient Company

The focus on simplification and optimization that has characterized Tusass over many years is just as present in 2021. The implementation of a new system that gathers customer overview from the many platforms, we use to service customers means that we can provide the customer with the best service faster. Additionally, the system is the prerequisite for ensuring the continued simplification of the systems used for telephony and internet products in particular. Simpler systems mean simpler processes and thus a more efficient company that can be run at a lower cost.

An Asset to Society

2021 has been in the name of climate and education. The establishment of Oqummiq as the first green site is the beginning of a climate and energy focus with both financial and societal potential.

The Coding Class effort has continued in 2021 too, and 11 classes have gotten to know the world of coding in 2021. Concurrently Tusass has created a course called understanding of technology in cooperation with the Teacher Training College Ilinniartissuaq, which is offered to all teacher students. All of this to ensure that the company can attract skilled local employees in the future too.

All CSR and sustainability efforts are described in the Tusass CSR report. Tusass must report our sustainability effort and progress to the UN Global Compact annually.

The report can be downloaded from our website: tusass.gl/en/organization/reports/

Employees

The average number of employees in 2021 was 369 compared to 372 in 2020. Tusass continually focuses on assessing each position, when an employee leaves, to continually evaluate if efficiency improvements and simplifications mean that open positions can be made superfluous, as the work has been automated or in another way made less recourse intensive.

Even though there is a great focus on simplification and optimization, employee satisfaction is important. Competent and satisfied employees are the prerequisite for the success of any business – Tusass too. Employee satisfaction at Tusass was 82 in 2021 (measured in January 2022) compared to 84 in 2020.

82 is a high employee satisfaction and is at the top of comparable companies in both Greenland and Denmark. The drop is in part assumed to be due to Tusass beginning a new strategy term in 2021, which always leads to changes and questions regarding employees. Keeping employee satisfaction above 80 over the course of the strategy term is a new goal for Tusass.



Financial Development

The Financial Development in 2021

Earnings development

The yearly earnings after tax were 40.4 million DKK lower than in 2020 and was at 82.3 million DKK compared to net earnings of 122.7 million DKK in 2020.

The 2021 earnings are particularly negatively impacted by an accounting provision of 19.0 million DKK for repairs of a fault on the submarine cable that was detected in the month of October. If this provision is disregarded, the earnings are 21.4 million DKK lower than in 2020.

Gross earnings in 2021 were at 112.0 million DKK, which is 55.0 million DKK lower than in 2020, when gross earnings were at 167.0 million DKK. The yearly earnings are regarded as highly satisfactory.

Development in Turnover

Net turnover has dropped by 16.1 million DKK in 2021 to 786.1 million DKK.

The development in net turnover from 2020 to 2021 has in part been due to:

- A drop in landline and ISDN turnover
- Lower turnover on the old billing-based mobile phone products, as customers migrate to the newer prepaid Tusass subscriptions.

- A drop in turnover on the Tusass mobile phone products – in part due to a doubling of the number of affordable subscriptions for children.
- A large turnover drop particularly on domestic postage.
- Increasing hosting turnover in our corporate branch.
- Increasing wholesale in the wholesale branch.

Cost Development

In 2021, operating costs have increased by 34.3 million DKK to 548.4 million DKK.

The cost level is in part affected by the following conditions:

- An accounting provision of 19.0 million DKK for repairing a power fault on the submarine cable. The repairs have been moved to the summer months when weather conditions allow for a far more expedient and cheaper repair.
- 2.8 million DKK in increased costs for renting helicopter and other transportation related to maintenance and repairs.

- A reduced satellite rental cost of 9.8 million dkk as a result of the recently signed satellite agreements.
- Increased sales and administration costs of which 4 million DKK are related to the fall company rebrand, 1.2 million DKK for increased legal fees related in part to the submarine cable tears in 2019 as well as increased license costs of 1.9 million DKK.
- Personnel costs are negatively impacted by 7.0 million DKK. This is primarily due to regulations from previous years.

Balance Development

As per December 31st, the equity is tallied at 1,198.3 million DKK. In 2021, 112.6 million DKK was paid as dividend to the Greenlandic Government for the 2020 fiscal year.

The solvency ratio has increased from 77.4 % in 2020 to 79.1 % in 2021.

At 98.3 million DKK, investments are approximately 18.4 million DKK lower compared to 2020.

The interest-bearing net debt is -87.2 million DKK and has thus dropped by 44.4 million DKK compared to 2020, which means that the operational cash flow and the reduction of liquid assets have financed both the investments and the dividend payments in 2020.

The long-term debt (including the short term share) has likewise dropped from 14.5 million DKK in 2020 to 13.8 million DKK at the end of the year.

The high degree of self-financing is not expected to continue throughout the strategy term. With existing investment plans and dividend expectations, there will be a need for external financing to a certain extent, which is deemed appropriate however, with the current solvency ratio of 80 %.

Business Branches

Our Business Branches

Even though Tusass is most often associated with internet and mobile phones, we have many business branches. With 64% of turnover, the telephony and internet branch are the largest parts of the company's activities, and the second largest area; IT services and other services constitute 21% of turnover. Mail and logistics constitute 12% of turnover in spite of dropping amounts of mail, and finally the wholesale area with wholesale internet constitute 3% of the company's turnover.

Telephony and Internet

While 2020 was particularly in the sign of price reductions, 2021 has offered a greater differentiation between the private and corporate products – particularly on the internet area.

The Private Market

Development in private products is now solely in the Tusass online universe, while the old billing-based products are expected to be phased out in within the near future. This goes for both the internet and mobile phone areas.

Mobile

The number of mobile phone subscriptions in the Tusass universe constitute more than 56,000 active subscriptions.

Thus, there are very few citizens in Greenland today without a mobile phone subscription. Currently there are about 300 private customers, who only have land line subscription at home without also having a mobile phone.

The conversion from Tusass prepaid and billing-based products to Tusass mobile phone subscriptions have continued over the year. The number of Tusass mobile phones subscriptions have grown by 11%. From constituting 49 % of the private subscriptions, they now constitute 55 %, while the share of old billing-based subscriptions dropped from 9 % to 7%, and the number of prepaid customers now constitute 38 % of the private customers.

The number of billing-based subscriptions have dropped by 25 % and is now at such a low level that the product type is expected to be phased out completely over the coming few years.

The subscription for children – which was introduced in December 2020 – have seen a rising number of new customers throughout 2021 and is one of the primary reasons for the increase in the share of Tusass mobile phone subscriptions. So many in fact that 65 % of all children and youths between the ages of 6 and 17 now have a subscription for children with unlimited calls and text as well as 1 GB of data.

Mobile data amounts continue to increase from year to year and has increased by 68 % in 2021 compared to last year, when the increase was at 78 %. The comparative number to last year has been adjusted slightly, as we only include mobile data on private customers' subscriptions.



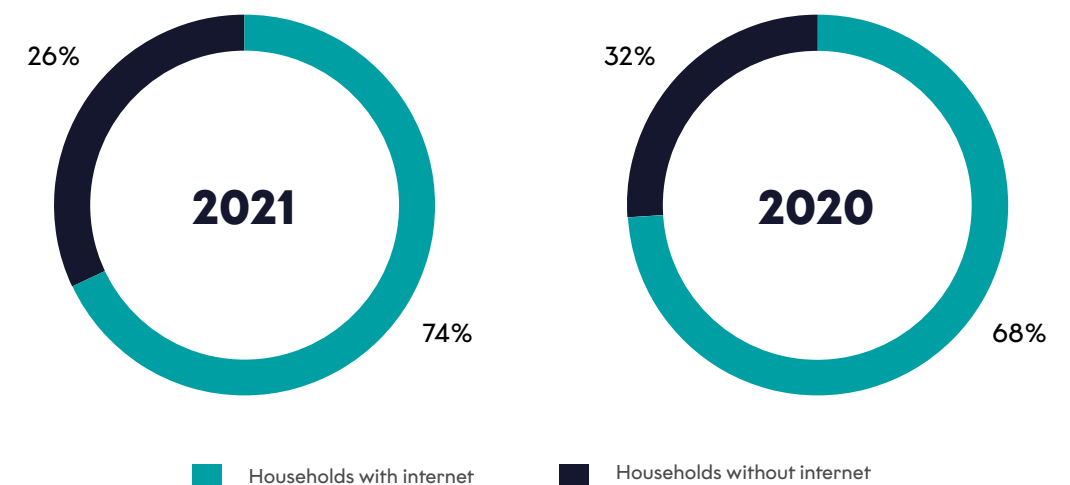
68%

Increase in mobile data amounts for private customers compared to 2021, when the increase was at 78 %.

The “**Tusass abroad**” service has once again been affected by COVID-19 in 2021, though there is a slight increase. Roaming costs when Tusass subscribers use their mobile phone abroad has thus increased by roughly 0.7 million DKK to 2.1 million DKK.



Development in Internet Penetration in Greenland from 2020-2021



Internet

In 2021, flat rate was introduced in Ittoqqortoormiit as the second satellite city. Customers in the city can now – like in Tasiilaq – purchase flat rate products to the same prices as in the rest of Greenland, though at adjusted speeds.

The launch has contributed to an increase of 8.3% in the number of internet connections to private customers over the course of 2021 – the number has increased by an impressive 360.0% in Ittoqqortoormiit alone. Concurrently, Tusass flat rate internet constitute 97.4% of all internet connections to private customers at the end of the year.

8%

The number of internet customers has increased by 8% / the increase was 9% in 2020

The increase in the number of customers also means that turnover has increased by 1% in 2021 compared to the previous year.

The great development in products over the later years have led to a rapidly increasing internet penetration in Greenland.

Thus, internet penetration (the number of households with fixed internet) has increased from 68% to 74% since last year alone. In addition, a minor number of private customers of around 4-7% of households have internet with a competitor. This means that we are now approaching a penetration at the level of many European countries. The strategic goal of ensuring that the number of citizens with internet in the household at a European level within this strategy term, is thus obviously within reach.

Customer Satisfaction

Customer satisfaction at the private branch in 2021 has dropped to 68 from 69 in 2020. The drop is in part due to 2021 – in contrast to recent

years – not having seen the completion of large price reductions or product improvements. In part it is attributed to some quality challenges that particularly customers in Nuuk and on the East Coast have experienced near the end of the year. This area has a great focus already from the beginning of 2022.

The Business Segment

The business segment is serviced with products specifically tailored to the companies' needs for simple and secure products with a high degree of financial predictability. That is why more and more products are converted to fixed price services, where the customers know what to both budget and pay, thus avoiding unpleasant surprises.

Mobile

Tusass Business mobile products continue to experience solid customer signup and in 2021, the number of subscriptions has increased by 10 %. The increase in the share of mobile phone subscriptions to the corporate customers constituted by Tusass Business mobile phone subscriptions is 6 % and today the constitute 69 % of all corporate subscriptions.

69%

Tusass Business mobile phone subscriptions constitute 69 % of business mobile phone subscriptions (in 2020 the share was 65 %)

Internet

The fixed price agreement concept for the company's largest corporate customers has continued as the central element in the

corporate branch, and the area now constitute 62 % of the total turnover on internet for corporate customers compared to 55 % in 2020.

Corporate customers' internet products are constantly developed and in 2021, the product for the large customers has been refined with a number of redundancy measures, which means that the mobile phone network is used as reserve capacity, if challenges on the wire-based network arises.

Customer Satisfaction

Customer satisfaction in the corporate branch has dropped from 72 in 2020 to 68 in 2021. This covers large differences in customer groups. While some customer groups are more satisfied than ever before, other segments have seen a drop in satisfaction.

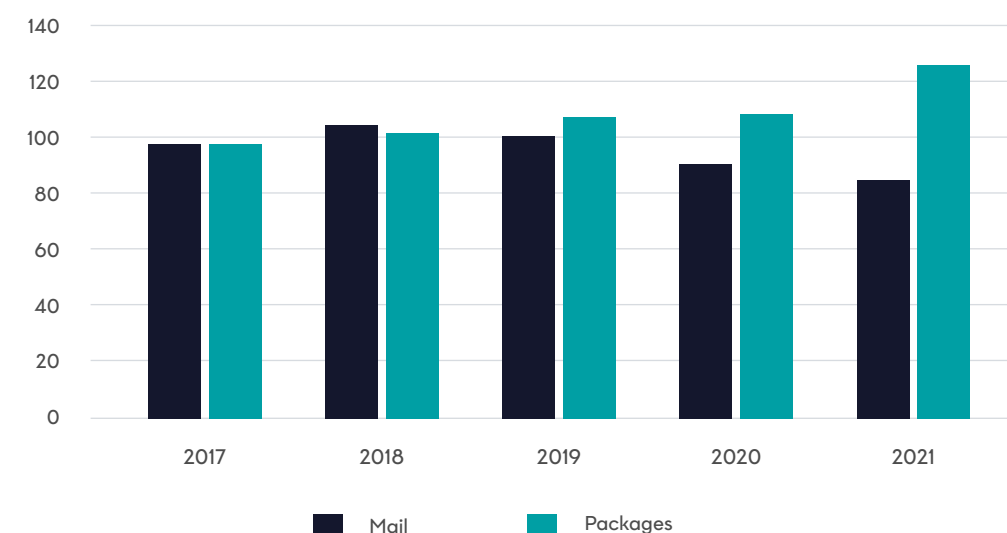
The customer segments with an increased dissatisfaction have been identified, and measures have been planned to ensure these specific customers satisfaction going forward. Tusass takes customers' feedback seriously and focuses on the customer segments needs for both services and support.

Landline Telephony

In 2021, the number of landline subscribers again dropped by a whopping 29 %, and there are now less than 3,800 subscriptions left. The turnover has correspondingly dropped by 3.9 million DKK. Part of the turnover is found in the mobile branch though, as customers have chosen to switch from the volume-based landline product to the unlimited mobile phone product instead.

Customers have been given notice that the product will be phased out completely in 2022, and the customers who wish to switch to a mobile product, will naturally be given the necessary assistance:

**Development in mail and package amounts
= index 100**



E-commerce & Logistics

The introduction of public digital mail in 2021 has had a marked negative effect on particularly the domestic mail amounts, which was expected.

The drop compared to 2020 has been at 6 % and over the last five years, the drop constitutes 13 %. The drop is expected and is a natural consequence of the increased digitalization, and it is expected that the drop will accelerate over the coming years, as more and more public sector institutions and companies join the digital solutions.

The large focus on stimulating the package market means that package amounts increased by 16 % in 2021. The work to ensure that international logistics companies choose Tusass for the last mile delivery has intensified over the last months of the year, and a large analysis has been initiated to reduce barriers for e-trade in general.

Customer Satisfaction

The mail branch customer satisfaction has dropped to 71 in 2021 from 74 in 2020. The area has begun a large transformation in 2021 from a traditional mail business to a trade and logistics business.

This transformation has in its infancy meant that focus has been on planning and development, which can lead to an experience of less focus on the customer. However, this work is expected to lead to customers experiencing a digitalized, simple business that focuses on the customers need for fast and safe trade both in Greenland and with the rest of the world when the transformation is complete.

"Aallertarfik"

Tusass has now installed new white dynamic pick-up boxes in Nuuk, Aasiaat and Qeqertarsuaq.

Qeqertarsuaq got their boxes in the summer of

2021, where they have now been for 6 months. In the 6 months, 19,000 letters and packages have been delivered via the boxes. The customers have received the boxes very well and are happy to receive a notification that a package or a letter is ready for delivery, instead of having to wait for the mail carrier to drop it off or having to check an empty mailbox in vain.

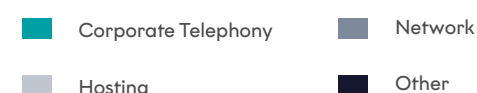
Aasiaat has had the boxes since December 2021, with the equivalent of 2,600 letters and packages delivered. The customers have been really happy with the boxes, as they were active during the temporary closing of the Tusass store during the corona outbreak, replacing the daily pickup and mail delivery.

Nuuk has had dynamic boxes since October 2021, delivering about 11,000 large letters and minor packages. The customers have been very happy with the boxes to an extent, where more boxes must now be ordered, as the demand is very high.

The implementation of "**Aallertarfik**" is part of the digital transformation that Tusass is undergoing, and it will help make customer servicing better and faster. The plan for 2022 is to implement the boxes to a greater extent in more Greenlandic cities, allowing them to also enjoy this new way of easily and quickly picking up packages and mail.



Distribution of Turnover in the It Branch in 2021



IT Services and Other Services

Tusass has a broad business portfolio that covers more than telephony, internet, and postal services. Combined this area constitutes 21% of the company's total turnover in 2021.

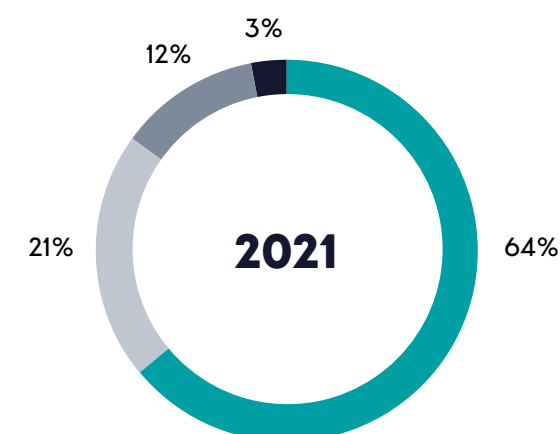
IT Services

In addition to telephony and internet, Tusass Business offers IT-services to the large Greenlandic business customers too. Tusass Business focuses particularly on three main areas that combined with telephony and internet connections gives the customers a solid foundation for becoming a part of the digitalization in Greenland:

- Hosting
- Business telephony
- Network solutions

In 2021, focus has primarily been in two areas.

- The production of an ISAE3402 type 1 audit statement that documents to our customers that we follow best practices within security, regarding our IT service supply within



network and hosting. This statement will be part of the competitive parameter for the branch in 2022.

- The implementation of Tusass Flow, which is an IP-based corporate telephony product that tie telephony with platforms like Teams and Outlook. The product is based on flat rate prices like we know from the internet, and the system is much more secure and monitored against fraud.

All of this continues to support to goal of becoming the corporate customers professional and safe choice regarding IT.

International Customers and Services

Tusass has a department that tailors telecommunication services for both large domestic and international customers, where the tasks amongst others are:

- Emergency and security service for the Danish Government
- Weather service for DMI and ICAO
- Telecommunication for Naviar

- Distribution of radio and TV for the Greenlandic Government

In 2021, the VHF and the medium wave transmitters on sites along the coast have been updated to the latest equipment for the Emergency and security service for the Danish government.

The contract regarding distribution of radio and TV in Greenland for the Greenlandic Government was not renegotiated in 2020, and the contract has been extended for another year at the end of 2021.

This was the last year the contract could be extended, and a new contract has been signed near the turn of the year 2021/2022 valid for 12 years from January 1, 2022, and includes an upgrade of the DVB-T system to a new and more up-to-date system.

Tusass handles the supply of Danmarkshavn under the service contract with DMI. The station is supplied by ship every second year. 2021 was a supply year, which is reflected in the turnover in the branch.

Wholesale

There are a minor number of internet providers, who buy wholesale connections at Tusass and resell them in the shape of their own private and business products.

The wholesale branch sells three main types of connections for the corporate customers that combined gives the opportunity to supply internet products to their customers, in 2020 constituting about 2.7 % of turnover compared to 2.5 % in 2020.

- Global IP – which is capacity on the submarine cables between Greenland and the world.

- National IP – which is capacity on Tusass' networks in Greenland.

- BSA-connections – which are the connection from the network to the individual customer.

The private actors' demand for capacity in 2020 has roughly followed the same growth rate as seen with Tusass own retail customers.

Turnover has increased by 3% from 2020 to 2022 and thus constitutes 21.0 million DKK.

In 2021, prices for connections to the customer based on 4G-technology has been produced instead of the regular wire-based connections (BSA-connections). This is to ensure competitors the opportunity to offer internet in the locations, where Tusass solely bases internet supply on the mobile network.

Risks and Security

Identification and mitigation of risks is an important activity in a telecommunications company. At Tusass, risk management is worked on at the company level and at the project level. Risks can be of the business, operational, security or financial kind. The importance of risks is estimated based on a combination of the potential effect of the risks and the likelihood they occur. The Board and the committees under the Board continually evaluate risks that are brought up through reporting by the management, the auditor, or other relevant sources.

Generally speaking, Tusass’ risk universe can be split into the following categories

The most important risks and insecurities at Tusass includes – but are not limited to – the following:

Strategic Risks	Operational Risks	Financial Risks	Compliance, IT Security and Informational Security
Strategic risks arise from the lack of response to changes in the organizations external financial, political, and environmental context.	Operational risks with importance to security of supply in Greenland, whether related to operations or construction.	Financial risks relate to all forms of finance – including the risk that the organization lack the liquidity to survive etc.	The sector is covered by legislation and the compliance thereof as well as particularly risks related to cyber security, personal data etc.

Strategic Risks

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

Declining Amounts of Mail	Strategic Risks
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Description

With the government introduction of public digital mail – which Tusass fully supports – the company has already experienced large drops in mail volumes in 2021. This means that the business model made for the postal branch faces challenges and will need new logistics processes, partners, and systems.

The package sector is logistically related to the mail sector, despite minor process differences. The main difference is that mail is a concession business, while the packages market is fully liberalized and with many actors in the market.

Potential Consequence

Inability to restructure the mail business to be a primarily package-driven business may mean loss of cooperation agreements and consequently lost revenue and market shares. This can have negative consequences for the customers for example in the form of scaled-down Tusass centers outside of Nuuk.

Mitigating Measures

In 2021, the profile for the business branch is focused on trade and logistics rather than mail.

Partnerships are actively sought within the package market outside of Denmark too, as a replacement for the declining mail volumes. It has the positive side effect that Greenland is opened more to international e-trade.

Additionally, digitalization of the branch has been sped up with a new management profile, which makes Tusass to the most attractive last-mile operator in a very competitive package market.

Technological Development and Legacy Systems	Strategic Risks
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Description

Tusass continue to offer many services based on technology that has been phased-out in much of the world. This goes for the old phone centrals that operate the landline telephony and ISDN connections.

Spare parts for the systems and maintenance competencies are very difficult to find today, and prices are high.

Potential Consequence

Errors and breakdowns cannot be repaired due to lack of spare parts, which can lead to critical disruptions of the customers' connections. Furthermore, old technology is poorly protected towards cyberattacks and costly to secure today.

Mitigating Measures

Over the coming year, a large focus will be placed on closing products and services on legacy platforms. This goes for landline telephony for instance.

A project to improve monitoring of dataflow in the systems has begun, to increase protection against cyberattack and fraud.

Operational Risks

Operational risks are of great importance for Tusass. Being responsible for all telecommunications infrastructure, security of supply is crucial not only for the company but for Greenland. Operational risks are related to incidents that may affect the infrastructure and the availability and quality of Tusass' services. Risks can for example 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.

Submarine Cable Tear		Operational Risks
Description Greenland's telecommunications infrastructure is dependent on two international sea cables from Qaqortoq and Nuuk to Iceland and Canada respectively, 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.	Mitigating Measures Tusass has entered into a service agreement with a submarine cable provider for improved availability of a repair ship in the event of a submarine cable tear.	
	In collaboration with the fishing industry, Tusass has made both campaign material and 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.	
Potential Consequence If a break occurs somewhere on these cables, it has enormous consequences for customers who cannot access the internet and for Tusass, who cannot provide the products and services that ensure the majority of earnings.		Tusass has begun an analysis of the options for creating further redundancy in the submarine cable system.
Additionally, there are considerable costs for repairs of submarine cable tears. A tear can rarely be repaired for less than 15-20 million DKK.		

Attracting and Retaining Specialist Competencies		Operational Risks
Description Attracting specialist competencies within tech and IT is a global challenge right now. Recruiting employees with competencies within areas like IP-networks, data modeling, IT-development etc. is particularly difficult.	Mitigating Measures Highly specialized systems will be supported by managed service agreements with reputable vendors with a focus on supply and cyber security.	
	Tusass actively offers youths from Greenland studying abroad the opportunity to intern at the company, as a foundation for securing future competencies at the company. Tusass actively works with recruiting and retaining in its HR strategy	
	Potential Consequence Lacking competencies in the company can lead to challenges in the form of slower business development and longer repair times in case of breakdowns.	

Financial Risks

Financial risks may arise in connection with interest rates and currency fluctuations, changes in working capital, fraud, and the like. The area is generally both well documented and controlled, and continuous checks and balancing 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 obligations in foreign currency, mainly USD and EUR. Particularly the exchange rate on USD can fluctuate, thus affecting Tusass' costs.	Mitigating Measures Interest rate and exchange rate policies are updated annually and must ensure that earnings are robust to the often-unpredictable changes in exchange rates and interest rates. At least 50 % of the loan portfolio must have a fixed interest rate (i.e., with an interest rate that is fixed form more than one year).	
	Fluctuations in interest rates can affect the company's borrowing costs if the loans are raised at variable interest rates.	
	Potential Consequence Failure to hedge exchange rates or interest rates can expose Tusass to high volatility in financial costs, and in the longer term have an impact on the company's result.	
		Larger longer-term agreements entered in foreign currency (excluding euros) are hedged, however at most with a two-year horizon. This applies for example to satellite agreements that are typically entered into in USD.



Risks Related to Compliance IT and Information Security

As the national telecommunications company, Tusass is the backbone of all telecommunications in Greenland. In this regard, the company is aware of the increased need for solid safety measures. Risks related to Compliance, IT and information security are increasing both in scope and consequences.

Personal Data Management	Compliance, IT Security, and Information Security Risks
<p>Description</p> <p>As a national telecommunications and postal company, Tusass handles significant volumes of personal data. It is the company's obligation to protect this data in accordance with all applicable laws.</p> <p>Potential Consequence</p> <p>A personal data leak as a result of poor data handling can have catastrophic consequences for the customers involved. In addition, it can have a negative influence on the reputation for – and customer perception of – Tusass with consequences for the growth in customer numbers, customers' choice of supplier, politicians' attitude to the company and Tusass' long-term viability.</p> <p>Breaches of personal data protection may also result in legal interventions against Tusass.</p>	<p>Mitigating Measures</p> <p>Tusass has hired employees tasked with ensuring compliance with relevant legislation.</p> <p>Projects have been launched to ensure GDPR compliance in Tusass, so the company can comply with this legislation if and when it is implemented in Greenland.</p>

Cyber Attack	Compliance, IT Security, and Information Security Risks
<p>Description</p> <p>It is essential for our customers that Tusass' services and products are safe and of a high quality. Malicious cyber-attacks against Tusass may have catastrophic consequences for our customers - who do not have alternatives - in the case of data loss or tampering affecting their business.</p> <p>Potential Consequence</p> <p>In addition to the business consequences such as data loss or manipulation may have for Tusass that may result in considerable costs, a cyber-attack will also have devastating consequences for the company's reputation. Additionally, this may have implications for the market share on the Greenlandic market, while international customers are expected to seek alternative solutions.</p>	<p>Mitigating Measures</p> <p>Tusass has an information security department with the task of increasing the level of security in the organization in general. Furthermore, Tusass cooperates with the relevant authorities regarding strengthening the level of security.</p> <p>Ongoing risk assessments and updating of business continuity plans are an essential part of the company's annual schedule and is taken seriously by both management and the operational departments as well.</p>



Other

Other Company Conditions

The Board

In 2021, two general assembly elected members of the board were replaced. Aviaja Karlshøj Knudsen as well as Kim Søgaard Kristensen left the board, while Eqalunnguaq Kristiansen and Tukummeq Arnaq Egede Martinsen were elected at the company's general assembly, May 18th.

Further information on the individual members of the board – including their special competencies – appears in note 20 as well as on the company's website. All five general assembly elected members of the board are seen as independent. In 2021, the board has held seven ordinary board meetings.

In 2021, the boards auditing subcommittee has held four meetings, while two meetings were held in the nominations and remunerations committee and four meetings were held in the risks and security committee.

The Board of Directors continually refer to the recommendations in "Guidelines for good corporate governance in the Greenlandic Government owned companies". In a special table on the company's website (tusass.gl/en/organization) the company's status for 2021 is explained according to the set guidelines.

Internal Auditing

On the recommendation of the Audit Committee, the Board of Directors annually considers, whether an internal audit should be performed.

It is considered that at present it is not relevant to perform one.

Regulatory Conditions

Since July 2015, other operators have been able to legally offer data and internet services via Tusass' network. There are three private operators that have a deal with Tusass Wholesale on purchasing capacity for retail sales.

Financial Conditions

At the end of 2021, the long-term debt is 13.8 million DKK (including the short term share). At the end of 2021, the five-year credit facility established at a consortium of SEB, Nykredit and GrønlandsBANKEN ended. At the beginning of the year, work began with the same consortium on financing the coming years' investments, and this facility was finalized in February 2022.

Capital Structure and Dividend

Tusass' capital structure solidity remains very high, as there is a solvency ratio of 70.1% by the end of 2021. At the same time, the net interest-bearing debt remains negative.

In 2021, the company has paid 112,6 million DKK in dividend to the Greenlandic Government, consisting of an agreed upon dividend of 87.6 million DKK as well as an extraordinary dividend of 25 million DKK prompted by the extraordinary circumstances relating to COVID-19 in the Greenlandic society.



Tax Conditions

Tusass does not expect to pay company tax in 2021. Reason being the large investments in mobile networks, transmission capacity, satellite capacity etc. made over the course of the year. These investments give the company tax deductions that surpass the taxable income. Additionally, the high dividend declaration gives

a substantial deduction in the taxable income. In 2021, the company has paid 62.7 million DKK in Greenlandic A-taxes.

Events After the End of the Fiscal Year

After the end of the fiscal year, no events that affect the estimation of the company's financial position significantly have occurred.

The Future

Security, Higher Speeds, and Everybody Connected

2021 was the first year of Tusass strategy Towards 2024. The year has largely been a planning year, where the foundation for the coming years investments and development has been laid.

Higher Speeds

The access area is one of the areas, where Tusass is ready to invest already in 2022, when select cities will be used to test premium products with higher speeds for the private customers as early as the first half of the year.

Some places this requires improvements in the basic infrastructure on the satellite and radio chain connections, while other places already have a large focus on reducing some of the bottleneck problems in the city networks. Here, customers experience too volatile quality in their broadband products, which are supplied through the old wire network, even though the basic infrastructure with submarine cable etc. is in place.

Security

With the summers' cyber-attack on the IP telephony, and with some of the cyber-attacks, other companies in both Greenland and the rest of the world have experienced, security is a topic that takes up more and more space on Tusass' agenda.

Replacing legacy technology and systems is

a prerequisite for creating the most secure network possible, and thus ensuring telecommunications access for Greenland. Thus, focus remain on thorough risk assessments and prioritizations of security measures as well as a thorough level of security by design, when we replace old systems or processes with newer and simpler ones.

In 2022, the work on a new hosting center will be intensified. It is important to invest in a solution that is future-proof to match Tusass' own need as well as Greenlandic companies' need for safe and secure data storage..

Everybody Connected

Tusass has a clearly formulated goal in the company's strategy to ensure that everyone who wants to, has access to the internet. This is no simple tasks and requires focus on multiple areas simultaneously.

- The product portfolio must continue being simplified. Products offered to private customers must be particularly simple. Thus allowing the customers to easily identify the advantages of each product, allowing them to choose the right solution. In this regard, Tusass is tasked with ensuring that products are designed in a way that everyone has the option of buying them.

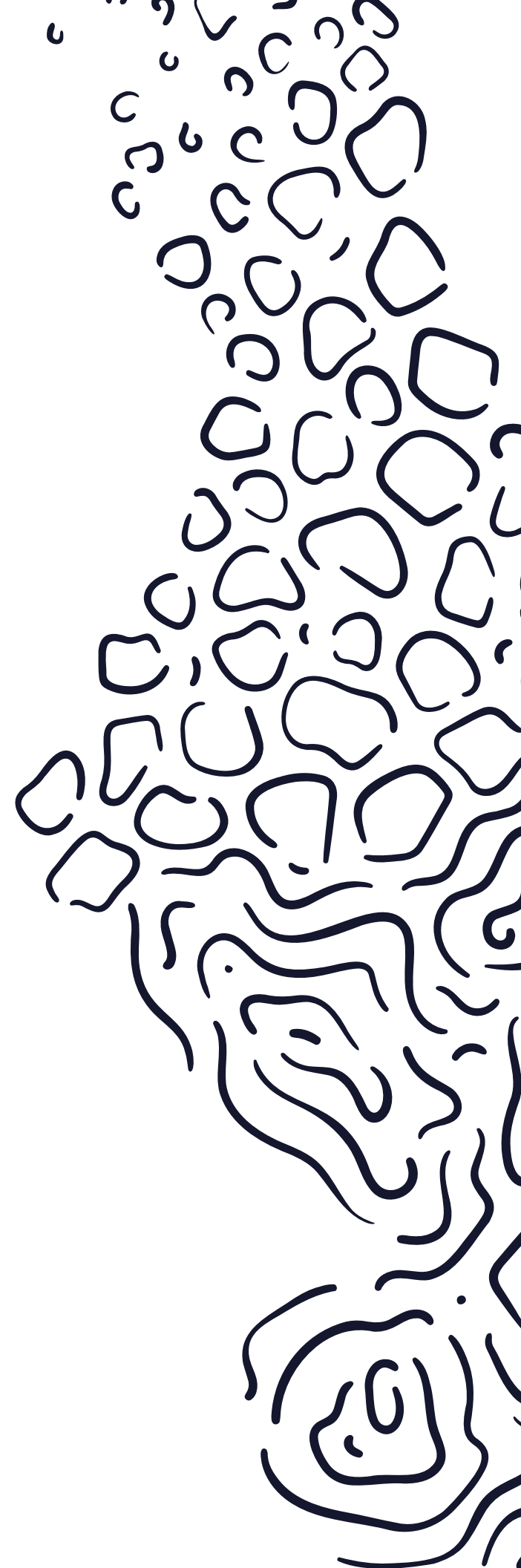
- The old billing-based products will be phased out, and this process will be accelerated in 2022. The landline products and the billing based mobile subscriptions are all build on a more complex system world – and in some cases older technology – where minutes, texts and megabytes are counted and billed individually. For Tusass to achieve the full effect of the simplification agenda that the company has worked on for the last five years – as well as more secure, simpler, cheaper, and safer core systems – this type of products must be transformed into the flat rate world that the customers have already received so well.

Over the last five years, customers have experienced large price reductions on both mobile phone and internet products. Over the coming years, customers should not expect price reductions along the same lines, while the focus is on increased security and simplification of the core systems. These efforts require large investments and a large focus from both management and employees. The efforts are likewise the prerequisite for Tusass being able to offer better and cheaper products in the future.

Expected Result 2022

Security measures – physical as well as cyber security – are elements of Tusass' cost structure that necessarily leads to a number of large, fixed, costs. However, they are necessary to allow Tusass to ensure a sound development of both the infrastructure and the security.

Thus, Tusass expects a gross result in the range of 100 – 110 million DKK in 2022, which is on par with 2021.



Management Statement

The Board of Directors and the Executive Group has processed and approved the annual report on this day for the fiscal year January 1st – December 31st, 2021, for Tusass LC.

The annual report is submitted in accordance with the law on annual reports.

It is our perception that the annual report gives a true and fair presentation of the company and the company's assets, liabilities and financial position per December 31, 2021, as well as of the result of the company's activities and cash flow for the fiscal year January 1 – December 31, 2021.

The annual report is submitted for the general assembly's approval.

Nuuk, March 30, 2022

Management



Kristian Reinert Davidsen
CEO

Board Members

Stine Bosse
Chairman of the Board

Inaluk Brandt
Vice-Chairman of the Board

Ulrik Blidorf

Tukummeq Arnaq Egede Martinsen

Egalunnguaq Abel Kristiansen

Jørgen Rosbach

Emil Kleemann

Ole Zeeb Andersen

The Independent Auditor's Statement

Conclusion

It is our perception that the company's group report and annual report gives a true and fair presentation of the company's group and the company's assets, liabilities and financial position per December 31st, 2021, as well as of the result of the company's group and the company's activities and cash flow for the fiscal year January 1 – December 31, 2021, in accordance with the Financial Statements Act.

We have audited the group annual report and the company annual report for Tusass LC for the fiscal year January 1 – December 31, 2021, which includes result statement, balance, equity statement and notes – including applied accounting policies for the group as well as the company as well as cash flow statement for the group ("Financial accounting").

Basis of Conclusion

We have conducted our audit in compliance with international standards on auditing and the additional requirements in effect in Denmark. Our responsibility according to these standards and requirements are described in the audit report's section Auditors responsibility for auditing the financial accounting. We are independent of the company in accordance with international ethical rules for auditors (IESBA Code) and the additional requirements in effect in Denmark, just as we have met our

other ethical obligations in accordance with these requirements and the IESBA Code. It is our perception that the achieved proof of audit is sufficient and suitable as the basis for our conclusion.

Statement on The Management Statement

The management is responsible for the management statement.

Our conclusion on the financial accounting does not include the management statement, and we in no way express any form of conclusion on the certainty of the management statement.

In addition to our audit of the financial account, it is our responsibility to read the management statement and, in that regard, consider, if the management statement is significantly inconsistent with the financial accounting or our knowledge gained through the audit or in any other way seems to contain significant misinformation.

Our responsibility is furthermore to consider, if the management statement contains the required information according to the annual report law.

Based on the conducted work, it is our perception that the management statement is in

compliance with the group report and the annual report and has been produced in accordance with the requirements in the annual report law. We have not found significant misinformation in the management statement.

The Management's Responsibility For the Financial Accounting

The management is responsible for producing a group report and an annual report that gives a true and fair presentation in accordance with the annual report law. Management also has the responsibility for the internal control that the management regard as necessary to producing a financial accounting without significant misinformation, regardless of this is a result of fraud or errors.

By producing the financial accounting, the management is responsible for estimating the groups and the company's ability to continue operations; to inform on measures regarding continued operations when relevant; as well as produce the financial account on the bases of the financial account principle of continued operations, unless the management either intends to liquidate the group or the company, cease operations or do not have another realistic alternative than to do so.

Auditor's Responsibility for Auditing The Financial Account

Our objective is to achieve a high degree of certainty that the financial account in its entirety is without significant misinformation, regardless of this being a result of fraud or errors, and to give an auditor's statement with a conclusion. A high degree of certainty is a high level of security – but not a guarantee – that the audit is being conducted in accordance with international standards on auditing and the additional requirements in effect in Denmark, will always

uncover significant misinformation, when such exists. Misinformation can arise as a result of fraud or mistakes and can be perceived as significant, if it is reasonable to expect that they have individually or combined have an influence on the financial decision that the users make on the basis of the financial accounting.

As part of an audit being conducted in compliance with international standards on auditing and the additional requirements in effect in Denmark, we conduct professional estimation and maintain professional skepticism during the audit.

Additionally:

- We identify and estimate the risk of serious misinformation in the financial accounting, regardless of this being result of fraud or errors, create and carry out auditing procedures as a reaction to these risks as achieve proof of audit that is sufficient and suitable as a basis for our conclusion. The risk of not noticing significant misinformation as a result of fraud is higher than by significant misinformation as a result of errors, as fraud can include collusion, forgery, conscious omissions, deception, or disregard of internal control.
- We achieve understanding of the internal control with relevance to the audit to be able to create auditing procedures that are suitable under the circumstances, but not the be able to express a conclusion on the efficiency of the company's internal control.
- We evaluate if the applied accounting practice – that is used by the management – is suitable as well as if the accounting estimations and related information that management has produced are reasonable.

■ We conclude if the management's production of the financial accounting is suitable based on the accounting principle of continued operation, as well as if there on the basis of the achieved proof of audit is significant uncertainty related to events or conditions that can create reasonable doubt on the group's and the company's ability to continue operations. If we conclude that there is significant uncertainty, we have to bring attention in our auditor's statement to this information in the financial account or – if such information is insufficient – to modify our conclusion. Our conclusions are based on the proof of audit achieved to the date of our auditor's statement. However, future events or conditions can lead to company no longer being able continue operations.

- We consider the combined presentation, structure and content of the financial accounting – including note information – and if the financial accounting reflects the underlying transactions and events in such a way that a true and fair description is being given.
- We achieve a sufficient and suitable proof of audit for the financial information for the companies or business activities in the group for the purpose of expressing a conclusion on the group statement. We are responsible for leading, supervising and completing the group audit. We alone are responsible for our audit conclusion.

We communicate with the top management on amongst other things the planned extent and the timing of the audit as well as significant auditory observations – including any significant shortcomings in internal control that we identify during the audit.

Hellerup, March 30th 2022

PricewaterhouseCoopers

State Authorized Chartered auditing
partner company
CVR-nr. 33 77 12 31

Tue Stensgård Sørensen

Chartered Auditor
mne32200

Jess Kjær Mogensen

Chartered Auditor
mne21360

Applied Accounting Policies

Generally

The annual report for Tusass LC is submitted in accordance with the Greenlandic annual report law's provisions for accounting class D.

Generally, on Recognition And Measurement

Assets are recognized in the balance, when it is likely that future economic advantages will flow to the company, and the assets value can be reliably measured.

At first recognition, assets and liabilities are measured at cost. Measurements after initial recognition happens as described for each accounting item below.

At recognition and measurement, regards are being taken towards predictable risks and losses that arise prior to the submission of the annual report, and the confirm or refute conditions that existed on the day of balance.

In the result overview, income and costs are recognized with the amounts that concerns the fiscal year. Value regulations of financial assets and liabilities are recognized in the result overview as financial income or financial costs.

Profits or Losses At Disposal of Capital Shares

Profits or losses at the disposal of or liquidation of subsidiaries are tallied as the difference between the sales sum or the liquidation sum and the accounting value of the net assets at the time of either the disposal or liquidation, including

non-depreciated goodwill as well as expected costs of sales or liquidation.

Conversion of Foreign Currency

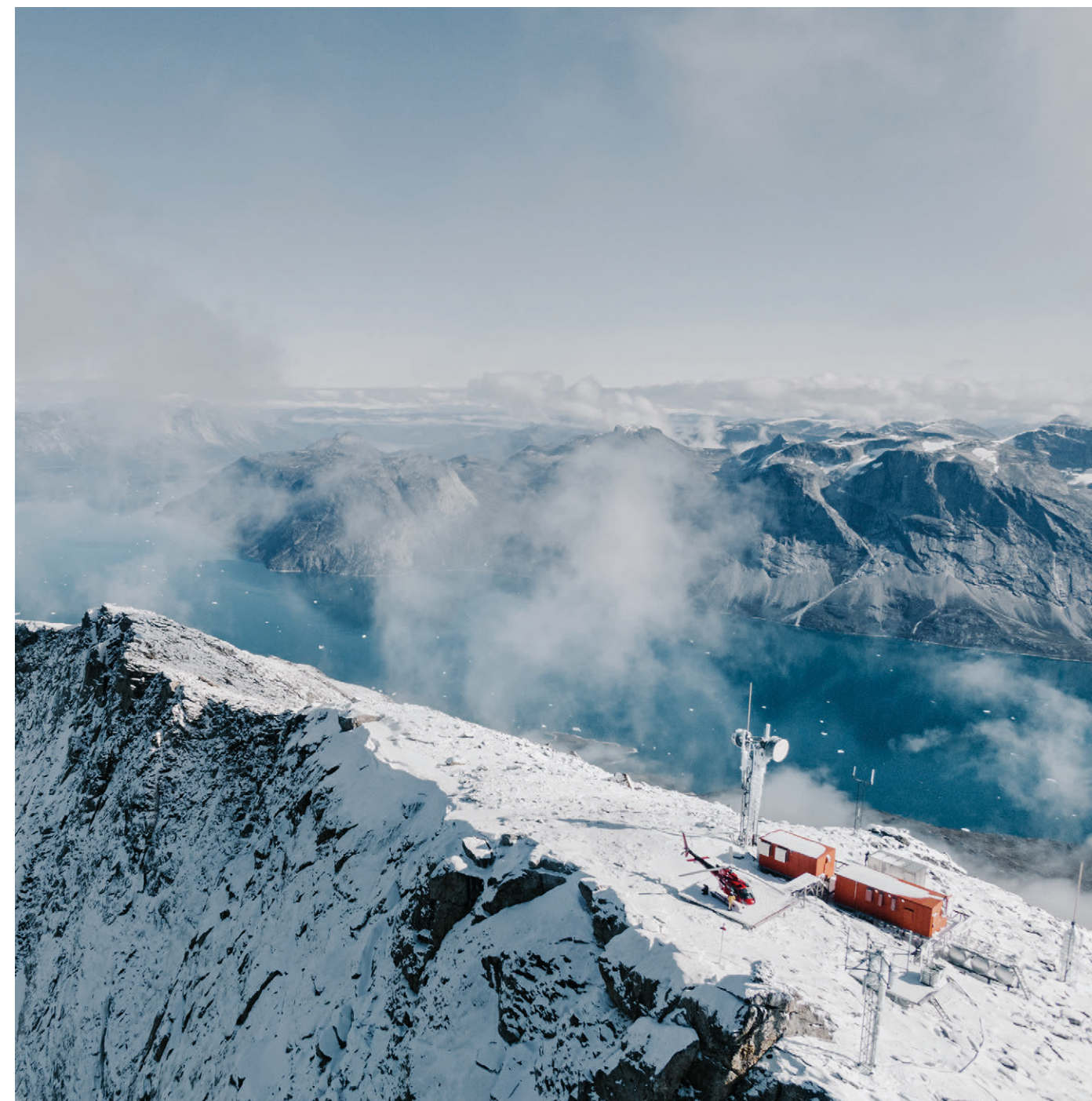
Transactions in foreign currency are being converted at initial recognition at the exchange rate of the transaction day. Receivables, liabilities, and other monetary items in foreign currency that is not recognized at the day of balance are converted to the exchange rate of the day of balance. Exchange rate differences arising between the day of transaction and the exchange rate at the day of payment vis-à-vis the day of balance, are recognized in the result survey as financial items. Fixed assets purchased in foreign currency are converted to historical exchange rates.

Derived Financial Instruments

Derived financial instruments are measured at initial recognition in the balance at cost and subsequently at fair value. Derived financial instruments are recognized under other receivables and other debt respectively.

Changes in the fair value of financial instruments that are classified as – and meet the conditions of – securing fair value of a recognized asset, are recognized in the result summary along with the changes in value of the secured asset or the secured liability.

Changes in fair value of derived financial instruments that are classified as – and meet the conditions of – securing future transactions,



are recognized directly on the equity. When the secured transactions are realized, the accumulated changes are recognized as part of the cost for the accounting items in question.

For the derived financial instruments that do not meet the conditions for being treated as security instruments, fair value changes are recognized continually as financial items.

Applied Accounting Policies

Net Revenue

Net Sales

The revenue includes the value of the years supplied services and goods with the subtraction of discounts that are directly related to sales. Services includes income from traffic, subscriptions, co-traffic and roaming, leasing of fixed circuits, online services, TV-distribution and setup and installation income. Goods include customer-placed equipment, mobile phones etc.

The most important sources of income are recognized in the income statement as follows:

- income from calls is recognized on the time the call is being made
- sales of prepaid products, such as prepaid cards, is postponed and listed as income in line with the consumption
- income from leasing of fixed circuits is recognized during the lease period
- income from subscribers and consumption independent services at a fixed price is recognized over the course of the subscription
- income from the sale of equipment is recognized on the time of delivery. Income from maintenance of equipment is recognized over the course of the contract
- income from mail activities is recognized on the time of sale

Ongoing works on foreign billing are recognized in the net revenue as the production is being done, so the net revenue corresponds to the sales value of the in the fiscal year completed work (production method).

Construction Production

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

The value of the construction production is tallied and consists of the direct incurred costs of wages including IPO-bonus, whereas services supplied by subcontractors are not recognized but activated directly.

Other Operational Income and Operational Expenses

Other operational income and operational expenses includes income and costs of a secondary character with regard to the company's main activities – including profit and loss by disposal of immaterial assets as well as material assets that are tallied as the difference between the sales price with the subtraction of costs of sale and the accounting value at the time of sales.

Other External Costs

Other external costs include costs of sale, advertising, administration, housing, loss on debtors etc.

Other external costs are recognized also costs relating to development projects, which do not meet the criteria for recognition in the balance sheet. Also recognized provisions for losses on work in progress at foreign expense.

Financial Items

Financial items include interest income and interest expenses, realized and unrealized capital gains and losses on receivables, debt obligations and transactions in foreign currency, etc.

Tax

The annual tax that consists of the actual tax of the year and changes in postponed taxes are recognized in the income statement with the share that can be attributable to the years result and directly to the equity with the share that can be attributable to items directly on the equity.

In Greenland, dividends are tax deductible. The tax value of the in the annual report devoted dividend is thus itemized in accordance with the above directly on the equity.

Actual tax liabilities are recognized in the balance tallied as calculated tax of the year's taxable income.

Postponed tax is recognized and measured by the balance-oriented liability method of all temporary differences between the accounting and taxable values of assets and liabilities. The taxable value of the assets is tallied based on the planned use of each asset.

Postponed tax assets – including the tax value of deferrable tax deficits – are recognized in the balance with the value in which the asset is expected to be realizable, either by offsetting of postponed tax liabilities or as net tax assets.



Balance

Immaterial Fixed Assets

Immaterial fixed assets are measured at purchasing price / cost price subtracting accumulated depreciations and impairments.

Cost price includes the purchase price, costs directly related to the purchase as well as costs for provisioning the asset until the time, when the asset is ready for deployment. For self-produced assets, the cost price includes direct and indirect costs of materials, components, sub-contractors, and wages.

IT-software is depreciated linearly over a lifetime of 2-5 years.

Immaterial fixed assets are depreciated to recoverable amount if this is lower than the accounting value.

Material Fixed Assets

Plots and buildings, production facilities and machines as well as other facilities, operational equipment and fixtures are measured at cost subtracting the accumulated depreciation and impairments. Plots are not depreciated.

Cost price includes the purchase price, costs directly related to the purchase as well as costs for provisioning the asset until the time, when the asset is ready for deployment.

For self-produced assets, the cost price includes direct and indirect costs of materials, components, subcontractors, and wages.

The depreciation basis is cost with the subtraction of the expected end-life residual value. Linear depreciation based on the following estimation of the asset's expected life is being done:

Buildings	10-50 years
Telecommunications Facilities and Machines	3-10 years
Submarine Cable	25 years
Other Facilities, Operational Material and Fixtures	3-7 years

For residential buildings, an estimated scrap value is inserted.

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

Stocks of material for construction production are being valued at the lowest value of the weighted average of the purchase price and net realization value.

Assets with a cost of less than 50 thousand DKK per unit are being expensed in the year of acquisition.

Material fixed assets are being depreciated at recoverable amount, if it is lower than the accounting value.

Scrap values are revalued annually.





Capital Share of Subsidiary and Associated Company

Capital shares of subsidiary and associated company are recognized and measured after the internal value method (equity-method), which means that capital shares are measured at the proportionate share of the companies' tallied accountable internal value, as per addition or subtraction of non-depreciated positive vis-à-vis negative goodwill and with subtraction or addition of unrealized group-internal profits and losses.

The parent company's share of the companies result after elimination of unrealized group-internal profits and losses is recognized in the income statement.

Net revaluation of capital shares in subsidiary and associated company is transferred to reserve for net revaluation of capital shares to the extent that the accounting value exceeds costs.

Other Securities and Capital Shares

Other securities include unlisted stock measured at cost.

Inventories

The item consists of inventory of goods and is measured at the weighted average of the purchase price or net realization value if this is lower. Depreciation on obsolete goods – including slowly tradable goods – is being done.

Purchasing price for goods include invoice price.

Net realization value for inventory is tallied as expected sales price with a subtraction of completion costs and costs needed to realize the sale.

Receivables

Receivables are measured at amortized cost that usually corresponds to nominal value with the subtraction of addressed expected losses.

Accruals

Asset Accruals recognized under assets include costs incurred that relates to the following fiscal year. Accruals are measured at amortized cost that usually equates to nominal value.

Equity

Dividend is recognized as a liability on the time of general assembly approval. The proposed dividend for the fiscal year is shown as a separate item under the equity.

Other Provisions

Other provisions include expected costs of reestablishing natural areas, losses on current works etc.

When it is likely that the total costs will surpass the total income on an ongoing work for future billing, provisions are made for covering the total loss expected to be incurred from the work in question.

Other Financial Provisions

Other financial provisions are recognized at amortized cost that usually equity to nominal value.

Accruals, Liability

Accruals are recognized under liabilities include received income for the income statement of the following fiscal year. Accrual items are measured at amortized cost that usually corresponds to nominal value.

Applied Accounting Policies

Cash Flow Statement

The cash flow statement for the company is presented after the indirect method and shows cash flows related to operations, investments, and financing as well as the company's liquids at the beginning and end of the year.

Cash flows related to operational activities are tallied as operational result regulated for non-constant operational items, changes in operational capital as well as paid corporate tax.

Cash flow relating to investment activities include payments related to the purchase and sale of companies and assets as well as purchase and sales of immaterial, material, and financial fixed assets.

Cash flow relating to financing activities include changes in the size or composition of the company's stock capital and related costs, as well as borrowing, payments on interest-incurring debt as well as dividend payment for shareholders.

Liquidities include cash and cash equivalents and short-term securities with insignificant price risk subtracting short-term bank debt.

Applied Accounting Policies

Key Figures

Key figures are produced in accordance with The Danish Financial Analysts Organization'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 Ration	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 2021

(In Thousands of DKK)	2021	2020	Note
Net revenue	786,062	802,178	1
Construction production	8,055	10,990	
Other operating income	10,448	9,877	
Costs of goods and foreign services	(101,031)	(93,966)	2
Other external costs	(249,860)	(229,882)	3
Gross Profit	453,674	499,197	
Employee costs	(195,423)	(186,961)	4
Depreciations	(141,875)	(137,381)	5
Other operating costs	(2,114)	(3,187)	
Result of Primary Operation	114,262	171,668	
Result after tax in associated company	177	366	
Operational Result	114,439	172,034	
Financial income	237	314	6
Financial costs	(2,679)	(5,351)	7
Result Before Tax	111,997	166,997	
Tax of the year's result	(29,679)	(44,254)	8
The Year's Result	82,318	122,743	
Proposal for Result Disposition:			
Dividend for the fiscal year	87,600	112,600	
Extraordinary dividend for the year	0	25,000	
Transferred surplus or deficit	(5,459)	(15,223)	
Regulation of reserve for net revaluation	177	366	
Disposition Total	82,318	122,743	

Balance as of 12.31.2021 – Assets

(In Thousands of DKK)	2021	2020	Note
IT-software	6,371	10,823	
Immaterial fixed assets under development	853	2,200	
Immaterial Fixed Assets	7,224	13,023	9
Buildings	308,361	323,206	
Telecommunications facilities	817,038	821,240	
Other facilities, operational material and fixtures	23,156	25,942	
Material fixed assets under construction	62,926	78,713	
Material Fixed Assets	1,211,481	1,249,101	10
Capital shares in affiliated company	6,290	6,114	
Other securities and capital shares	320	320	
Financial Fixed Assets	6,610	6,434	11
Total Fixed Assets	1,225,315	1,268,558	
Inventories	14,087	10,221	
Receivables from sales	42,108	39,081	
Other receivables	23,471	14,568	
Accruals	111,500	119,438	12
Receivables	177,079	173,087	
Liquids	99,252	105,453	
Total Current Assets	290,418	288,761	
Total Assets	1,515,733	1,557,319	

Balance as of 12.31.2021 – Liabilities

(In Thousands of DKK)	2021	2020	Note
Share capital	150,000	150,000	13
Premium fund	180,357	180,357	
Reserve for net revaluation	1,198	1,021	
Transferred surplus	779,100	761,345	
Proposed dividend for the fiscal year	87,600	112,600	
Total Equity	1,198,255	1,205,323	
Postponed tax	195,546	189,082	14
Other provisions	1,500	1,500	
Total Provisions	197,046	190,582	14
Public loans	1,701	1,701	15
Debt, Mortgage institutes	11,374	12,098	
Long-Term Liabilities	13,075	13,799	
Short-term share of long-term debt	724	726	15
Debt, Bank	0	49,825	
Received prepayments from customers	4,653	1,667	
Suppliers of goods and services	34,122	50,221	
Other debt	67,858	45,176	
Short-Term Liabilities	107,357	147,615	
Total Debt Obligations	120,432	161,414	
Total Liabilities	1,515,733	1,557,319	

Mortgaging and eventuality liabilities etc.

17

Other notes

18-20

Equity Statement as of 12.31.2021

(In Thousands of DKK)	Share capital	Premium fund	Net revaluation of capital shares	Transferred result	Proposed dividend for the fiscal year	Proposed dividend for the fiscal year	Total
Equity 01.01.2020	150,000	180,357	655	738,761	87,600	0	1,157,372
Distributed dividend relating to 2020	0	0	0	0	(87,600)	0	(87,600)
Distributed extraordinary dividend relating to 2020	0	0	0	0	0	(25,000)	(25,000)
Tax value of allocated dividend for 2020	0	0	0	36,464	0	0	36,464
The year's result	0	0	366	(15,223)	112,600	25,000	122,743
Net regulation of financial instruments	0	0	0	1,343	0	0	1,343
Equity as of 12.31.2020	150,000	180,357	1,021	761,345	112,600	0	1,205,323
Equity 01.01.2021	150,000	180,357	1,021	761,345	112,600	0	1,205,323
Distributed dividend relating to 2020	0	0	0	0	(112,600)	0	(112,600)
Tax value of allocated dividend for 2021	0	0	0	23,214	0	0	23,214
The year's result	0	0	177	(5,459)	87,600	0	82,318
Equity Per 31.12.2021	150,000	180,357	1,198	779,100	87,600	0	1,198,255

Cash Flow Statement for 2021

(In Thousands of DKK)	2021	2020	Note
Result of primary operations	114,262	171,668	
Depreciations	141,875	137,381	
Changes in operating capital	1,535	(72,786)	16
Cash Flow from Operations Before Financial Items	257,672	236,263	
Interest rate income and similar income	237	314	
Interest rate payments and similar payments	(2,679)	(5,351)	
Cash Flow from Ordinary Operations	255,230	231,226	
Paid corporate tax	0	0	
Cash Flow from Operational Activity	255,230	231,226	
Purchases of immaterial and material fixed assets	(109,155)	(117,313)	
Sale of material fixed assets	10,875	591	
Cash Flow from Investment Activities	(98,280)	(116,722)	
Installments on liabilities	(726)	(717)	
Installments on bank loans	(49,825)	(87,347)	
Paid dividend	(112,600)	(87,600)	
Extraordinary dividend	0	(25,000)	
Cash Flow from Financial Activities	(163,151)	(200,664)	
Changes in Liquids	(6,201)	(86,610)	
Liquid funds at the beginning of the year	105,453	191,763	
Liquid funds at the end of the year	99,252	105,453	



(In Thousands of DKK)	2021	2020
1 Net Revenue		
Landline phones	19,508	23,399
Internet private	142,934	141,316
Mobile phones and mobile internet	235,394	251,629
Internet business	108,580	108,391
IT services and other services	162,422	157,119
Stamp sales and postage income	90,621	94,485
Other mail activities	5,590	6,590
Wholesale	21,013	19,249
	786,062	802,178
2 Cost of Consumption of Goods and Foreign Services		
Settlement other telecommunication companies	15,111	14,164
Other consumption of goods	55,898	50,324
Mail activities	30,022	29,478
	101,031	93,966
3 Other External Costs		
Chartering costs, transportation operations	23,469	20,736
Operating and maintenance, technical facilities	70,499	51,794
Development costs	8,372	6,742
Consumables	5,459	5,741
Transponder leasing	31,308	41,055
Building costs	47,914	47,374
Administration and sales costs	62,839	56,440
	249,860	229,882
4 Employee Costs		
Wages and salaries	172,475	166,285
Pension contribution	11,893	11,647
Educational expenses	2,477	2,392
Other employee dependent expenses	8,578	6,637
	195,423	186,961

(In Thousands of DKK)	2021	2020
4 Employee Costs, Continued		
Of which total remuneration for the parent company's:		
Executive Group:		
Kristian Reinert Davidsen	3,782	4,001
Board of Directors	1,424	1,361
Average Number of Employees	369	372
Specified		
Kristian Reinert Davidsen		
Fixed wage	2,913	2,914
Pension	172	173
Bonus	569	771
Other	128	143
	3,782	4,001

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 remunerated with a fixed yearly wage incl. pension as well as a number of benefits – including among other things a company car. The CEO can achieve a bonus payment that yearly can reach up to 25 % of the fixed yearly wage. The CEO has termination and severance provisions that – by termination from the company – gives the CEO wages etc. during the termination period (12 months) and a severance package of 12 months wages. The CEO has a termination notice to the company of 6 months.

The Board of Directors

The work in the board and subcommittees is remunerated according to the remuneration policy for the boards of the fully or partially Greenlandic government owned LCs adopted by the Greenlandic Government in January 2014. Remuneration of the board amount to 365,000 DKK to the Chairman of the Board, 185,000 to the Vice Chairman of the Board vis-à-vis the president of the audit committee as well as 137,500 to the other members of the board. The company covers members' expenses for transportation, stay, etc. in relation to the board work. Board material is distributed electronically, and the company pay grants to members' office maintenance, communication and use of own IT-equipment etc. Aside from the aforementioned, no members have received further remunerations from the company.

Notes, Continued

(In Thousands of DKK)	2021	2020
5 Depreciations		
IT-software	7,536	8,294
Buildings	21,028	20,438
Telecommunications facilities	105,567	96,616
Other facilities, operational material and fixtures	7,744	12,033
	141,875	137,381
6 Financial Income		
Other financial income	58	0
Late fees, discounts etc.	179	314
	237	314
7 Financial Costs		
Interest rates of bank debt etc.	2,536	1,195
Interest rate costs, long-term debt	98	3,668
Other financial costs	45	488
	2,679	5,351
8 Tax of the Year's Result		
Actual tax	0	0
Postponed tax of the years result, liabilities	29,679	44,214
	29,679	44,214
Tax rate reconciliation		
Greenlandic tax percentage	26,5 %	26,5 %
Regulation of postponed tax regarding previous years	0,0 %	0,0 %
Regulation of postponed tax, changes in tax percentage	0,0 %	0,0 %
	26,5 %	26,5 %

Notes, Continued

(In Thousands of DKK)	2021	2020
9 Immaterial Fixed Assets		
IT-software		
Cost at beginning of the year	197,851	195,034
Additions during the year	3,084	2,817
Cost at year end	200,935	197,851
Depreciations and write-downs at beginning	(187,028)	(178,734)
The year's depreciations and write-downs	(7,536)	(8,294)
Depreciations and write-downs at year end	(194,564)	(187,028)
Accountable Value at Year End	6,371	10,823
Construction Under Development		
Cost at beginning of the year	2,200	4,622
Transferred from active	(3,085)	(2,817)
Additions during the year	1,738	395
Cost at year end	853	2,200
Accountable Value at Year End	853	2,200
10 Material Fixed Assets		
Buildings		
Cost at beginning of the year	601,171	591,525
Transferred from current	15,679	9,646
Disposals during the year	(10,000)	0
Cost at year end	606,850	601,171
Depreciations and write-downs at beginning of the year	(277,965)	(257,527)
Depreciation and write-downs on disposable assets	505	0
The year's depreciations and write-downs	(21,029)	(20,438)
Depreciations and write-downs at year end	(298,489)	(277,965)
Accounting Value at Year End	308,361	323,206

Notes, Continued

(In Thousands of DKK)	2021	2020
10 Material Fixed Assets (Continued)		
Telecommunications Facilities		
Costs at beginning of the year	2,919,938	2,824,385
Transferred from current	98,684	99,392
Disposals during the year	(33,269)	(3,839)
Transfer between fixed asset groups	3,756	0
Cost at year end	2,989,109	2,919,938
Depreciations and write-downs at beginning of the year	(2,098,698)	(2,005,548)
Depreciation and write-downs on disposable assets	32,194	3,466
The year's depreciation and write-downs	(102,266)	(96,616)
Transfer between fixed asset groups	(3,301)	0
Depreciations and write-downs at year end	(2,172,071)	(2,098,698)
Accountable Value at Year End	817,038	821,240
Other Facilities		
Costs at beginning of the year	203,152	192,023
Transferred from current	8,842	12,810
Disposals during the year	(13,467)	(1,681)
Transfer between fixed asset groups	(3,756)	0
Cost at year end	194,771	203,152
Depreciations and write-downs at beginning of the year	(177,210)	(166,857)
The year's depreciations and write-downs on disposed assets	13,340	1,681
The year's depreciations and write-downs	(11,046)	(12,034)
Transfer between fixed asset groups	3,301	0
Depreciations and write-downs at year end	(171,615)	(177,210)
Accountable Value at Year End	23,156	25,942
Assets Under Construction		
Costs at beginning of the year	78,713	83,493
Transferred from current	(123,203)	(121,847)
Additions during the year	107,418	117,067
Cost at year end	62,926	78,713
Accountable Value at Year End	62,926	78,713

Notes, Continued

(In Thousands of DKK)	2021	2020
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	1,021	655
Return of net revaluation	177	366
Net revaluation December 31 st	1,198	1,021
Accountable Value December 31st	6,290	6,113
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	11,801	21,177
Prepaid satellite, Hispasat	78,365	78,365
Other accruals	21,334	19,896
Accountable Value at Year End	111,500	119,438

Notes, Continued

(In Thousands of DKK)	2021	2020
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	200,429	201,812
Investment in associated company	318	217
Current assets etc.	913	(4,365)
Tax value of applied dividend deduction	(6,114)	(8,636)
	195,546	189,082
Balance January 1 st	189,082	180,805
Regulation of tax percentage, result statement	0	44,254
Postponed tax of the year's result	29,679	0
Tax value of allocated dividend	(23,215)	(36,464)
Regulation of postponed tax regarding derived financial instruments	0	487
Postponed Tax December 31st	195,546	189,082
14 Other Provisions		
Provisions for regulatory accounting	1,500	1,500

Notes, Continued

(In Thousands of DKK)	2021	2020
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	8,494	9,218
Installments that are due after 1 to 5 years	2,880	2,880
Long-term share	11,374	12,098
Short-term share	724	726
	12,098	12,824
16 Changes in Operational Capital		
Changes in inventory	(3,866)	2,782
Changes in receivables	(4,168)	(53,648)
Changes in supplier debt etc.	9,569	(22,570)
Changes in provisions	0	500
	1,535	(72,936)

17 Mortgaging and Collateral

The following mortgaging relates to the parent company. Priority debt is secured through mortgage in buildings. Accountable value of mortgaged buildings totals 38,859 thousand DKK.

Lease Liabilities

Tusass LC has entered into the following lease obligations:

Transponder, annual lease 3.2 million USD until 2023.

Hispasat, transponder lease for the term 2023-2028 for a total of 11.6 million USD.

Additionally, a number of short notice housing leases have been made with the intention of subletting them for personnel, where the rent due in the notice period total 0.4 million DKK.

Contingent Liabilities

Inu:It A/S has filed a lawsuit against Tusass LC demanding a total of 10.6 million DKK. Inu:It A/S claims that Tusass LC during a period from 2013-2017 has refused to provide SIP-trunks and that Inu:It A/S as a result has incurred a loss that Tusass LC is liable for. Based on a combined evaluation of the case matter, Tusass LC has chosen not to make accounting provisions regarding the lawsuit.

By order of the Greenlandic Government, Tusass LC operate activities on locations where there is a risk that buildings and installations may be shut down at a future date according to the decisions made by the Greenlandic Government. According to the Land Use Act in Greenland, it is the obligation of the right holder to handle clearing and reestablishing the area after the end of use. However, as it is the Government of Greenland that hold the supply obligation and decision-making authority regarding which cities and villages Tusass LC must service, it is currently not possible for Tusass LC to tally the extent of the obligation reliably - both regarding the actual need for clearing and reestablishment, the amount or the timing of actualization.

(In Thousands of DKK)		Parent Company	
		2021	2020
18	Remuneration for General Assembly Elected Auditors		
	Remuneration for the parent company general assembly elected auditors:		
	PWC		
	Legally required audit	795	795
	Other services	1,082	714
		1,877	1,509

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 2021

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 2021, a dividend of 112.6 million DKK has been paid to the company's owner, the Government of Greenland.

There is a continual agreement with the Government of Greenland on distribution of digital TV and radio (DVB-T). The original 10-year deal entered into force on January 1, 2010. In 2014, an amendment was made that entails that the medium wave transmission of KNR was reestablished in 2014/2015. The amendment also mean that the original deal is extended until December 31, 2021. At the end of the year 2021/2022, a new 12-year contract was signed with the Government of Greenland on DVB-T.

In 2013, a deal was made with the Government of Greenland on operating the educational network „Attat“. The deal was approved by the National 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.

There has not been made any significant transactions aside from the normal remuneration for the directors and board that is particularly detailed in note 4, Personnel costs. Additionally, the company has supplied insignificant data communication and postal services on a market basis for the company's management and board. The supply of these services has been on the same terms as for the company's other customers.

Shareholder Relations

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

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



Stine Bosse
Chairman of the Board

- Independent board member
- President of the nominations- and remunerations committee
- President of the risks and security committee
- Member of the audit committee

First elected by the general assembly in May of 2015 as the board chairman for 1 year. Most recently elected as chairman in May 2021 for 1 year.

Special Competencies

Extensive experience with top-level management and board work. A total of 7 years' experience from board work at Telecom (TDC). Board chairman experience from several boards in Greenland, Denmark and outside Denmark.

Education

Cand. jur., Strategic Agility program, Harvard Business School, USA, LinkS, Wharton University of Pennsylvania, USA and INSEAD, France.

Other Directorships

Member of the board in Allianz Group, Germany, COOP Amba and Assistancelaget AB, Sweden. Chairman of the Board for Nunaoil A/S. President of PLANBørnefonden and Europabevægelsen.



Inaluk Brandt
Vice Chairman of the Board

- Independent board member
- Member of the nominations- and remunerations committee
- Member of the audit committee

First elected by the general assembly in June 2017 for 1 year. Most recently reelected in May 2021 for 1 year.

Special Competencies

Organizational development, business development, capacity development and capacity building. Additionally, very experienced within strategy work, analysis and project management, HR and CSR.

Education

Cand.scient. in biology and religion from the University of Southern Denmark, Odense.

Current Job

Founder and partner of Visiobox Consulting Ltd.

Other Directorships

Board member of Nuuk City Development – Siorarsiorfik.



Ulrik Blidorf
Member of the Board

- Independent board member
- Chairman of the Audit Committee

First elected by the general assembly in May 2015 for 1 year. Most recently reelected in May 2021 for 1 year.

Education

Lawyer and attorney.

Current Job

Self-employed, owner of Eqqartuussissu-serisoqarfik Inuit Law.

Other Directorships

Chairman of the Health Commission. Chairman of the Board of Young Guns Futsal Club. Chairman of the Board at Royal Arctic Line.



Eqalunnguaq Kristiansen
Member of the board

- Independent board member
- Member of the risks and security committee

First elected by the general assembly May 2021 for 1 year.

Education

Firefighter, police officer.

Currently Studying

Academy Profession Degree in Leadership & Management.

Current Job

Manager at "Timi Tarnilu" at Qeqertalik Municipality



Tukummeq Arnaq Egede Martinsen
Member of the board

- Independent board member

First elected by the general assembly in May 2021 for 1 year.

Education

Bachelor Kultur og samfundshistorie, Ilisimatusarfik.

Current Job

Shared Service Center chef, INI A/S.

Other Directorships

Employee elected member of the board at Ini LC.



Emil Kleeman
Member of the board

- Employee elected member of the board
- Member of the risks and security committee

First elected as a member of the board by the employees in May 2014 for four years. Last reelected by the employees in May 2018 for four years.

Special Competencies

Extensive experience within technology – particularly in the IT business – and within telecommunications. Extensive experience with IT Security and Cyber risks. Extensive experience in advisory and consultancy company within the IT business and telecommunications. Extensive knowledge of Greenlandic conditions.

Education

IT education from the Trade School, 1992

Current Job

Head of IT, Tusass.



Jørgen Rosbach
Member of the board

- Employee elected member of the board

First elected as a member of the board by the employees in May 2018 for 4 years.

Special Competencies

Has different experiences within Tusass. Private Customer Service, Corporate IT Technician, IT&Technic IT consultant, member of the committee for fitness and former Sassarit ambassador and service-course instructor.

Education

IT-administrator Niunermik Ilinniarfik Nuuk, 2008.

Current Job

Service consultant, Tusass.



Ole Zeeb Andersen
Member of the board

- Employee elected member of the board

First elected as a member of the board by the employees in May 2018 for 4 years.

Special Competencies

Extensive experience within telecommunications. Has managed the Phone School in Aasiaat as a technician instructor. Has also contributed to establishing the former Error Service Center at Tusass, and managed it from 1998 to 2003, when the unit was made part of Customer center.

Education

Danish journeyman paper as an auto mechanic and began as a Tele technician trainee in 1981 and was trained as a Tele technician in 1983. Trained as an instructor at TELE 1987.

Current Job

Quality function in Field Service for all technicians at Tusass.





tusass

Tusass A/S

Farip Aqputaa 8
P.O. Box 1002
3900 Nuuk
Greenland

+299 34 12 55

direktionen@tusass.gl

tusass.gl