

Clear Channel Danmark A/S

Wildersgade 8, 4

1408 København K

CVR no. 13537607

Annual report 2019

Approved at the Company's annual general meeting on August 28 2020

Chairman:



.....
Rolf Kenneth Ek

Contents

Statement by Management	2
Independent auditor's report	3
Company data	5
Management's review	6
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Clear Channel Danmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of its operations for the financial year 1 January – 31 December 2019.

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

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

Executive Board:

Maj-Britt Brøchner-Mortensen
Country Manager

Board of Directors:



Rolf Kenneth Ek
Chairman

Michael Peter Saunter

Maj-Britt Brøchner-Mortensen

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Clear Channel Danmark A/S for the financial year 1 January – 31 December 2019.


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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of its operations for the financial year 1 January – 31 December 2019.

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

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

Executive Board:



Maj-Britt Brøchner-Mortensen
Country Manager

Board of Directors:

Rolf Kenneth Ek
Chairman

Michael Peter Saunter



Maj-Britt Brøchner-Mortensen

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Clear Channel Danmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of its operations for the financial year 1 January – 31 December 2019.

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

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

Executive Board:

Maj-Britt Brøchner-Mortensen
Country Manager

Board of Directors:



Rolf Kenneth Ek
Chairman

Michael Peter Saunter

Maj-Britt Brøchner-Mortensen

Independent auditor's report

To the shareholders of Clear Channel Danmark A/S

Opinion

We have audited the financial statements of Clear Channel Danmark A/S for the financial year 1 January – 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 August 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Reedtz
MNE24830

Company data

The Company

Clear Channel Danmark A/S

Wildersgade 8, 4.

1408 København K

Company reg. no. 13 53 76 06

Established: 2 October 1989

Domicile: Copenhagen

Financial year: 1 January – 31 December

Board of Directors

Rolf Kenneth Ek

Michael Peter Saunter

Maj-Britt Brøchner-Mortensen

Managing Director

Maj-Britt Brøchner-Mortensen

Auditors

EY

Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

2000 Frederiksberg

Management's review

Financial highlights

DKKt	2019	2018	2017	2016	2015
Key figures					
Gross profit	25.950	41.499	36.210	38.513	27.838
Operating profit/loss	-7.080	-3.754	-20.494	-7.083	-43.946
Profit/loss from net financials	-290	-333	-296	-352	-1.131
Profit/loss for the year	-7.370	-4.087	-20.790	-7.435	-45.077
Balance sheet					
Total assets	51.996	61.019	53.661	59.089	56.254
Equity	13.169	15.539	14.627	25.416	17.851
Investments in the year	3.690	6.358	5.097	7.741	1.730
Financial ratios					
Return on assets	-12,5	-6,5	-36,4	-12,3	-68,4
Equity ratio	25,3	25,5	27,3	43,5	31,7
Return on equity	-51,3	-27,1	-103,8	-17,5	-391,8
Employees					
Average number of full-time employees	23	27	28	42	62

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines, as follows below:

Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Business activities and mission

The company carries out nationwide administration and sales of advertising campaigns from urban furniture equipment, billboards, digital media and related activities.

Business review

Outdoors share of the total media market has increased from previous years to an approximately 3.7% share. 2019 also saw an increase in market spend on outdoor advertising of about 7%.

Financial review

The year ended 31 December 2019 shows a loss of DKK -7.4 million compared to a loss of DKK -4 million in 2018.

The result is not considered satisfactory.

The balance sheet at 31 December 2019 shows an Equity of DKK 13.2 million.

The Clear Channel Group has provided funding by both an intercompany loan, a capital increase of DKK 5 million during 2019 and is providing a credit line to ensure a continued successful transformation and development of the Danish business.

Social and environmental effects

Based on current dialogue with customers, shareholders, employees, public authorities and suppliers, Clear Channel identifies the subjects and indicators that reflect the organization's key economic, environmental and social impacts. Based on these efforts, Clear Channel is able to incorporate its stakeholders' wishes for increased sustainability in the way in which it acts and communicates.

Clear Channel only uses environmentally friendly components and materials, and aims for as large a share as possible of its products to be recycled after dismantling. Therefore, the company has no negative impact on the environment.

Working closely with a number of organizations that contribute ethically and philanthropically to the society, Clear Channel endeavors to act in a positive and socially responsible manner in relation to its surrounding environment.

Post balance sheet events

In March 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic, which is still ongoing. Danish government placed significant restrictions on travel and closed businesses, resulting in an unprecedented national lock-down. Our business has been adversely affected by these developments, as the Company has experienced a sharp decline in bookings and received an unprecedented level of requests to defer or cancel current contracts. The Company is implementing and evaluating actions to strengthen its financial position and support the continuity of its platform and operations, and the Company's assessment of conditions and events, considered in the aggregate, indicate it will be able to meet its obligations as they become due within one year after the date of these financial statements. However, the extent to which COVID-19 will ultimately impact the Company's results and overall economic recovery will depend on future developments, which are highly uncertain.

Outlook

Clear Channel Danmark A/S has delivered a result impacted by extra-ordinary events and increased competition.

The company has made a strategic move in the recent years into a network with a high digital focus, while maintaining an analogue network with a solid reach. For 2020 the company will further develop its market position.

Financial statements 1 January – 31 December

Income statement

Note	DKK'000	2019	2018
	Gross profit/loss	25.950	41.499
3	Distribution costs	-11.433	-20.420
3	Administrative expenses	-21.597	-24.833
	Operating profit/loss	-7.080	-3.754
4	Financial income	66	106
5	Financial expenses	-356	-439
	Profit/loss before tax	-7.370	-4.087
	Tax for the year	0	0
6	Profit/loss for the year	-7.370	-4.087

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Leasehold improvement	497	794
	Plant and machinery	22.552	24.462
	Fixtures and fittings, tools and equipment	184	271
	Property, plant and equipment under construction	7.256	6.208
		<u>30.489</u>	<u>31.735</u>
	Other receivables	1.500	1.500
		<u>1.500</u>	<u>1.500</u>
	Total non-current assets	<u>31.989</u>	<u>33.235</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	2.313	1.579
		<u>2.313</u>	<u>1.579</u>
	Receivables		
	Trade receivables	7.872	13.374
	Receivables from group entities	3.234	5.100
	Other receivables	1.112	917
8	Prepayments	2.426	247
		<u>14.644</u>	<u>19.683</u>
	Cash	3.050	6.567
	Total current assets	<u>20.007</u>	<u>27.784</u>
	TOTAL ASSETS	<u>51.996</u>	<u>61.019</u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	10.600	10.550
	Retained earnings	2.569	4.989
	Total equity	13.169	15.539
	Long-term liabilities		
10	Other provisions	12.905	16.606
	Total long-term liabilities	12.905	16.606
	Short-term liabilities		
11	Deferred Income	1.529	917
	Trade payables	10.518	19.061
12	Payables to group entities	9.125	1.156
	Other payables	4.750	7.740
	Total short-term liabilities	25.922	28.874
	Total liabilities	38.827	28.874
	TOTAL EQUITY AND LIABILITIES	51.996	61.019

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Total
Equity at 1 January 2019	10.550	4.989	15.539
Capital Increase	50	4.950	5.000
Profit or loss for the year brought forward	0	-7.370	-7.370
Equity at 31 December 2019	10.600	2.569	13.169

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Clear Channel Danmark A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium sized reporting class C entities.

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

Reporting currency

The financial statement is presented in Danish kroner.

Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared, The entity's cash flows are part of the consolidated cash flow statement.

Foreign currency translation

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

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

Income statement

Revenue

Income from the sale is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Gross Margin

With reference to section 32 of the Financial Statements Act, the items "Revenue" and "Production cost" are consolidated into one item called "Gross margin".

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions as well as amortisation and depreciation.

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses as well as amortisation and depreciation.

Amortization/depreciation and write-downs

The item includes depreciation and write-downs of property, plant and equipment. Depreciation is provided using the straight-line method on the basis of the cost and the below assessment of the useful lives of assets.

	Useful lives	Scrap values
Leasehold improvements	5-8 years	0
Technical equipment	15 years	0
Other fixtures and fittings, tools and equipment	3-5 years	0

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a charge in accounting estimates.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, plant and machinery and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Individual components of plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use.

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to affect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by provisions for impairment losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash

Available funds comprise cash at bank and in hand.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Provisions

Provisions comprise anticipated costs related to restructuring and claims made on the company. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Financial liabilities

Financial liabilities are recognized on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method. Other debt is subsequently measured at amortized cost corresponding to the nominal unpaid debt.

Deferred income

Deferred income recognized as a liability comprises payments received concerning income in subsequent reporting years

Financial statements 1 January – 31 December

Notes

2 Events after the balance sheet date

In March 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic, which is still ongoing. Danish government placed significant restrictions on travel and closed businesses, resulting in an unprecedented national lock-down. Our business has been adversely affected by these developments, as the Company has experienced a sharp decline in bookings and received an unprecedented level of requests to defer or cancel current contracts. The Company is implementing and evaluating actions to strengthen its financial position and support the continuity of its platform and operations, and the Company's assessment of conditions and events, considered in the aggregate, indicate it will be able to meet its obligations as they become due within one year after the date of these financial statements. However, the extent to which COVID-19 will ultimately impact the Company's results and overall economic recovery will depend on future developments, which are highly uncertain.

Preliminary charges have been raised following the decisions of the DCCA and the DCAT. Those decisions are currently pending on appeal before the Maritime and Commercial High Court.

DKK'000	2019	2018
3 Distribution cost and Administrative expenses		
Wages and salaries	10.592	19.401
Pensions	660	583
Other social security costs	65	89
	<u>11.317</u>	<u>20.073</u>
Staff costs are recognised in the financial statements as follows:		
Production	1.669	2.546
Distribution	7.649	12.352
Administration	1.999	5.175
	<u>11.317</u>	<u>20.073</u>
Average number of full-time employees	<u>23</u>	<u>27</u>
Staff costs include remuneration of Management totalling DKK 2.207 thousand, and pensions totalling DKK 109 thousand.		
4 Financial income		
Interest income, group entities	12	9
Other financial income	54	97
	<u>66</u>	<u>106</u>
5 Financial expenses		
Interest expenses, group entities	167	182
Other interest expenses	189	257
	<u>356</u>	<u>439</u>

Financial statements 1 January – 31 December

Notes			2019	2018	
DKK'000					
6	Proposed distribution of the results				
	Allocated from results brought forward		-7.370	-4.087	
			<u>-7.370</u>	<u>-4.087</u>	
7	Property, plant and equipment				
			Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
DKK'000	Leasehold improvements	Plant and machinery			
Cost at 1 January 2019	3.894	158.160	13.409	6.208	181.671
Additions	0	0	0	3.690	3.690
Transferred	0	2.642	0	-2.642	0
Disposals	0	0	0	0	0
Cost at 31 December 2019	<u>3.894</u>	<u>160.802</u>	<u>13.409</u>	<u>7.256</u>	<u>185.361</u>
Depreciation and impairment losses at 1 January 2019	3.100	133.698	13.138	0	149.936
Impairment losses	0	0	0	0	0
Depreciation	297	4.552	87	0	4.936
Disposals	0	0	0	0	0
Depreciation and impairment losses at 31 December 2019	<u>3.397</u>	<u>138.250</u>	<u>13.225</u>	<u>0</u>	<u>154.872</u>
Carrying amount at 31 December 2019	<u>497</u>	<u>22.552</u>	<u>184</u>	<u>7.256</u>	<u>30.489</u>
8	Prepayments				
	Other prepaid expenses		2.426	247	
			<u>2.426</u>	<u>247</u>	

Prepayments include prepaid expenses relating to cars, leasing and rent etc.

Financial statements 1 January – 31 December

Notes DKK'000	2019	2018
9 Share capital		
Share capital 1 January 2019	10.550	10.500
Cash capital increase	50	50
	10.600	10.550

The share capital comprises 10,600 shares of DKK 1,000 nominal value each. All shares rank equally.

Within the latest 5 years, the following changes in the share capital have taken place:

2019: Capital increase paid in cash nom. DKK 50 tDKK at a price of 10 tDKK

2018: Capital increase paid in cash nom. DKK 50 tDKK at a price of 10 tDKK

2017: Capital increase paid in cash nom. DKK 100 tDKK at a price of 10 tDKK

2016: Capital increase paid in cash nom. DKK 111 tDKK at a price of 14 tDKK

2015: Capital increase paid in cash nom. DKK 1 tDKK at a price of 3.577 tDKK

2015: Capital increase paid in cash nom. DKK 1 tDKK at a price of 2.200 tDKK

10 Other provisions

Other provisions totals 12.905 tDKK consisting of provisions for claims, totalling 12.464 tDKK and 441 tDKK in holiday provision regarding new Holiday legislation, to be paid out to Feriefonden 2021. The claims are expected to be settled in the coming 1-3 financial years.

11 Deferred income

Deferred income consists of payments received from customers, that may not be recognized until the subsequent financial year

1.529	917
1.529	917

12 Payables to group entities

The company has received a comfort letter from its parent company, which includes a credit facility of DKK 200 million. The company's ability to fund working capital expenditures, debt service and other obligations is depending on the parent company's ability to support the company with credit facility.

Financial statements 1 January – 31 December

Notes

13 Contractual obligations and contingencies, etc.		
DKK'000	<u>2019</u>	<u>2018</u>
Other contingent liabilities		
Guarantee commitments	1.500	1.500
Other financial obligations		
Rent and lease obligations	72.658	46.305

Operating lease commitments

The Company has 4 operational lease contracts, included in the above obligations, which have up to 48 months left.

Claims

The Company has been notified of a claim for damages based in the alleged loss due to violation of Danish Law. The Company rejects the claim and will defend itself against that claim.

14 Related parties

Clear Channel Danmark A/S' related parties comprise the following:

Control

Majority Shareholder (100%)
Clear Channel Outdoor Holdings Inc.
San Antonio, Texas
USA

The consolidated financial statement can be obtained at www.sec.gov.

Related party transactions

The Company have had the following transactions with related parties:

DKK'000	<u>2019</u>	<u>2018</u>
Services bought from parent company	2.718	4.101
Services bought from sister company	5.678	9.251
Services sold to sister company	360	991
Interest income from parent company	12	9
Interest expenses to parent company	167	182
Receivable from parent company	3.234	5.100
Debt to parent company	9.125	1.156