
Cibicom A/S

Banestrøget 19, DK-2630 Taastrup

Annual Report for 1 January - 31 December 2019

CVR No 25 59 80 08

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/4 2020

Søren Fæster
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cibicom A/S for the financial year 1 January - 31 December 2019.

The Annual Report is 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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Taastrup, 30 April 2020

Executive Board

Martin Bo Hjort Løbel
CEO

Søren Fæster
CFO

Board of Directors

Rasmus Forup Helmich
Chairman

Martin Bo Hjort Løbel

Kevin Kristoffer Ehnhuus
Iermiin

Søren Fæster

Søren Henry Pazdzior
Staff Representative

Hans-Christian Ploug
Staff Representative

Independent Auditor's Report

Opinion

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.

We have audited the Financial Statements of Cibicom 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 a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

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 about whether the Financial Statements as a whole are

Independent Auditor's Report

free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent Auditor's Report

Hellerup, 30 April 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

mne28703

Michael Krath

State Authorised Public Accountant

mne34155

Company Information

The Company

Cibicom A/S
Banestrøget 19
DK-2630 Taastrup

Telephone: + 45 70118011
E-mail: info@cibicom.dk
Website: www.cibicom.dk

CVR No: 25 59 80 08
Financial period: 1 January - 31 December
Incorporated: 1 September 2000
Financial year: 19th financial year
Municipality of reg. office: Høje Taastrup

Board of Directors

Rasmus Forup Helmich, Chairman
Martin Bo Hjort Løbel
Kevin Kristoffer Ehnhuus Iermiin
Søren Fæster
Søren Henry Pazdzior
Hans-Christian Ploug

Executive Board

Martin Bo Hjort Løbel
Søren Fæster

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2019	2018	2017	2016	2015
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Gross profit/loss	179	187	195	181	189
Operating profit/loss	60	66	68	62	74
EBITDA	133	139	142	133	145
Profit/loss before financial income and expenses	60	66	68	62	74
Net financials	1	-1	0	0	0
Net profit/loss for the year	50	50	53	49	56
Balance sheet					
Balance sheet total	915	861	1.163	1.174	1.187
Equity	358	307	1.085	1.081	1.088
Number of employees	74	67	72	67	63
Ratios					
Return on assets	6,6%	7,7%	5,8%	5,3%	6,2%
Solvency ratio	39,1%	35,7%	93,3%	92,1%	91,7%
Return on equity	15,0%	7,2%	4,9%	4,5%	5,2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

Cibicom A/S's principal activities consist of:

- Operation of radio and TV broadcasting networks and mission critical communication systems
- Design, installation and maintenance services related to the radio and TV broadcasting networks as well as other critical communication systems
- Rental of positions for antenna systems and transmitter equipment at Cibicom A/S' towers and associated buildings.

Radio and TV broadcasting network operation

Cibicom A/S operates and performs preventative and corrective maintenance for national radio and TV broadcasting networks in Denmark. The activities changes and/or expands as new networks are established or existing are modified.

Cibicom A/S has its own network operations center manned 24 hours that monitors all networks and services 24/7/365 and provide services related to handling incidents and dispatching fields service personal.

Monitoring covers all geographic locations where Cibicom has placed its equipment, which is more than 375 locations all over Denmark, including a number of islands without bridge connections.

Development in the year

The income statement of the Company for 2019 shows a profit of TDKK 50,447, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 357,834.

The profit is considered satisfactory.

Antenna space rental

Antenna space rental showed a stable trend during the year. The Company provides services in this connection to broadcasters, telecom operators and tele infrastructure providers.

Management's Review

Material activities during the year

The new company name (Cibicom A/S) was introduced in April 2019 as an outcome of the acquisition as of 1 February 2019 of Relacom A/S (today Cibicom Services A/S) and the need for a new brand as continued use of the Teracom brand in Denmark was time limited.

The acquisition of Relacom A/S have increased the focus for Cibicom to also pursue business opportunities within telecom sector in Denmark.

During 2019, Cibicom A/S continued expansion of its Internet-of-things (IOT) activities with installations of LoRaWan IOT antenna systems in a number of its 300m high towers leading to national light outdoor coverage (>95%).

The national DTT network has been upgraded extensively with DVB-T2 technology and modified in order to free-up the 700-800 MHz spectrum currently in use. The 700-800 MHz spectrum is allocated for mobile networks starting April 2020. The switch-over to DVB-T2 and free-up of the 700-800 MHz spectrum is planned for 31 March 2020. Because of the COVID-19 situation the planned switch-over is now 2 June 2020.

In early 2019, Cibicom A/S became ISO27001 certified (information and security).

Special risks - operating risks and financial risks

Operating risks are in general evaluated as being low. No financial risks short term have been identified.

Research and development

Cibicom A/S continues to priorities resources to ensure a broad knowledge base and competencies in-house to support business development within several business segments such as IOT technology, datacenter services and mission-critical services.

Targets and expectations for the year ahead

The external environment with respect to broadcast of TV continues to be changing. The key drivers for TV broadcast are still the decline in flow-tv penetration ('cable cutting and shaping') and the shift from DTT distribution to stream technology and on-demand.

Even with Boxer TV continuing its TV distributing using DTT, the DTT distribution as a platform is still dependent on public service TV broadcast activity (free-to-air). The planned upgrade to DVB-T2 technology on the contrary, means that the DTT capacity will be maintained even that the 700-800 MHz Spectrum is free-up to mobile networks in April 2020.

Regarding broadcast of radio, there is an increased interest for distribution using DAB. Cibicom (via Digital Radio Cibicom) signed distributions agreements with 3 new radio stations (NRJ, MTV and dk4) who went live on air in 2019 using Cibicom's national DAB network.

Management's Review

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

Reference is made to note 1 in the Financial Statements.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Gross profit/loss		178.880	187.331
Staff expenses	2	<u>-46.302</u>	<u>-47.582</u>
Profit/loss before depreciation (EBITDA)		132.578	139.749
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	<u>-73.031</u>	<u>-74.244</u>
Profit/loss before financial income and expenses		59.547	65.505
Income from investments in subsidiaries	4	14.775	0
Financial income		43	79
Financial expenses		<u>-13.672</u>	<u>-1.229</u>
Profit/loss before tax		60.693	64.355
Tax on profit/loss for the year	5	<u>-10.246</u>	<u>-14.278</u>
Net profit/loss for the year		<u>50.447</u>	<u>50.077</u>

Balance Sheet 31 December

Assets

	Note	2019 TDKK	2018 TDKK
Acquired licenses		411	0
Acquired other similar rights		5.436	8.402
Intangible assets	6	5.847	8.402
Land and buildings		323.385	345.314
Plant and machinery		69.156	79.785
Other fixtures and fittings, tools and equipment		18.632	18.035
Property, plant and equipment in progress		35.401	6.424
Masts and equipment		296.043	318.058
Property, plant and equipment	7	742.617	767.616
Investments in subsidiaries	8	36.404	0
Other receivables	9	2.557	2.540
Fixed asset investments		38.961	2.540
Fixed assets		787.425	778.558
Trade receivables		24.013	6.442
Contract work in progress	10	8.296	324
Receivables from group enterprises		793	577
Deferred tax asset	11	30.025	27.019
Prepayments	12	8.101	5.516
Receivables		71.228	39.878
Cash at bank and in hand		56.184	42.134
Currents assets		127.412	82.012
Assets		914.837	860.570

Balance Sheet 31 December

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		38.000	38.000
Retained earnings		319.834	269.387
Equity		357.834	307.387
Provisions for pensions and similar obligations	14	3.696	3.696
Other provisions	15	1.725	1.611
Provisions		5.421	5.307
Mortgage loans		370.554	0
Credit institutions		0	422.000
Lease obligations		30.522	0
Prepayments received from customers		8.541	8.885
Deposits		19.991	19.782
Other payables, long-term debt		1.865	0
Long-term debt	16	431.473	450.667
Mortgage loans	16	45.181	0
Credit institutions	16	0	39.082
Lease obligations	16	7.901	0
Prepayments received from customers	16	6.747	5.206
Trade payables		32.590	24.359
Payables to group enterprises		4.561	121
Corporation tax		11.746	20.667
Other payables	16	11.383	7.774
Short-term debt		120.109	97.209
Debt		551.582	547.876
Liabilities and equity		914.837	860.570
Subsequent events	1		
Distribution of profit	13		
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	38.000	269.387	307.387
Net profit/loss for the year	0	50.447	50.447
Equity at 31 December	38.000	319.834	357.834

Notes to the Financial Statements

1 Subsequent events

Cibicom is a healthy business. Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020.

The implications of COVID-19 will have a great impact on the Danish and global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. Management has not subsequently identified any material remeasurements of assets and liabilities.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2019</u> TDKK	<u>2018</u> TDKK
2 Staff expenses		
Wages and salaries	38.350	40.026
Pensions	4.908	3.962
Other social security expenses	988	943
Other staff expenses	2.056	2.651
	<u>46.302</u>	<u>47.582</u>
Average number of employees	<u>74</u>	<u>67</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The Company's Executive Board is employed at DK Infrastructure Bidco ApS. And remuneration take place in DK Infrastructure Bidco ApS.

Notes to the Financial Statements

	2019 <u>TDKK</u>	2018 <u>TDKK</u>	
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment			
Amortisation of intangible assets	2.974	2.983	
Depreciation of property, plant and equipment	70.057	71.261	
	<u>73.031</u>	<u>74.244</u>	
Which is specified as follows:			
Acquired patents	2.974	2.983	
Buildings	23.795	23.652	
Plant and machinery	19.687	21.772	
Other fixtures and fittings, tools and equipment	4.453	3.821	
Masts and equipment	22.122	22.016	
	<u>73.031</u>	<u>74.244</u>	
4 Income from investments in subsidiaries			
Share of profits of subsidiaries	9.350	0	
Badwill	5.425	0	
	<u>14.775</u>	<u>0</u>	
5 Tax on profit/loss for the year			
Current tax for the year	13.253	17.860	
Deferred tax for the year	-3.007	-3.582	
	<u>10.246</u>	<u>14.278</u>	
6 Intangible assets			
	Acquired licenses <u>TDKK</u>	Acquired other similar rights <u>TDKK</u>	Total <u>TDKK</u>
Cost at 1 January	0	90.681	90.681
Additions for the year	420	0	420
Transfers for the year	820	0	820
Cost at 31 December	<u>1.240</u>	<u>90.681</u>	<u>91.921</u>

Notes to the Financial Statements

6 Intangible assets (continued)

	Acquired licenses TDKK	Acquired other similar rights TDKK	Total TDKK
Impairment losses and amortisation at 1 January	0	82.280	82.280
Amortisation for the year	9	2.965	2.974
Transfers for the year	820	0	820
Impairment losses and amortisation at 31 December	829	85.245	86.074
Carrying amount at 31 December	411	5.436	5.847
Including assets under finance leases amounting to	38	0	38

7 Property, plant and equipment

	Land and buildings TDKK	Plant and machinery TDKK	Other fixtures and fittings, tools and equipment TDKK	Property, plant and equipment in progress TDKK	Masts and equipment TDKK	Total TDKK
Cost at 1 January	517.315	309.703	36.558	6.424	499.214	1.369.214
Additions for the year	1.864	9.058	6.583	35.401	107	53.013
Disposals for the year	0	0	-1.357	-6.599	0	-7.956
Transfers for the year	0	0	-996	175	0	-821
Cost at 31 December	519.179	318.761	40.788	35.401	499.321	1.413.450
Impairment losses and depreciation at 1 January	171.999	229.918	18.523	0	181.156	601.596
Depreciation for the year	23.795	19.687	4.453	0	22.122	70.057
Transfers for the year	0	0	-820	0	0	-820
Impairment losses and depreciation at 31 December	195.794	249.605	22.156	0	203.278	670.833
Carrying amount at 31 December	323.385	69.156	18.632	35.401	296.043	742.617
Including assets under finance leases amounting to	1.277	5.804	5.654	24.562	0	37.297

Notes to the Financial Statements

	2019 <u>TDKK</u>	2018 <u>TDKK</u>
8 Investments in subsidiaries		
Cost at 1 January	0	0
Additions for the year	<u>21.629</u>	<u>0</u>
Cost at 31 December	<u>21.629</u>	<u>0</u>
Value adjustments at 1 January	0	0
Net profit/loss for the year	9.350	0
Badwill	<u>5.425</u>	<u>0</u>
Value adjustments at 31 December	<u>14.775</u>	<u>0</u>
Carrying amount at 31 December	<u>36.404</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Cibicom Services A/S	Taastrup	2.001.100	100%	36.404	9.173

9 Other fixed asset investments

	Other receiv- ables <u>TDKK</u>
Cost at 1 January	2.541
Additions for the year	25
Disposals for the year	<u>-9</u>
Cost at 31 December	<u>2.557</u>
Carrying amount at 31 December	<u>2.557</u>

Notes to the Financial Statements

	2019	2018
	TDKK	TDKK
10 Contract work in progress		
Selling price of work in progress	25.602	470
Payments received on account	-17.306	-146
	8.296	324
11 Deferred tax asset		
Deferred tax asset at 1 January	27.019	23.437
Amounts recognised in the income statement for the year	3.006	3.582
Deferred tax asset at 31 December	30.025	27.019
Intangible assets	-1.286	-1.848
Property, plant and equipment	28.979	28.080
Lease obligations	2.998	0
Contract work in progress	-1.074	-26
Amortization	-3	0
Other debts	813	813
Non-deductible provision for penalties	-380	0
Transferred to deferred tax asset	-30.025	-27.019
	0	0
Deferred tax asset		
Calculated tax asset	30.025	27.019
Carrying amount	30.025	27.019

The Company's deferred tax asset amounts to TDKK 30.025 (2018: TDKK 27.019). The majority of the deferred tax asset amount is due to temporary differences in tax depreciations concerning fixed assets. The deferred tax assets has been computed based on a tax rate of 22 %.

Management has found it fair to recognise the tax asset at its full value as it is expected to be utilised according to the Company's budgets and future projects.

Notes to the Financial Statements

12 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, interest and salary as well.

	<u>2019</u> TDKK	<u>2018</u> TDKK
13 Distribution of profit		
Extraordinary dividend paid	0	775.000
Retained earnings	<u>50.447</u>	<u>-724.923</u>
	<u>50.447</u>	<u>50.077</u>

14 Provisions for pensions and similar obligations

The company must pay civil servant pensions to current and former employees. Other provisions of TDKK 3,696 have been recognized for expected pension payments.

Provisions	<u>3.696</u>	<u>3.696</u>
	<u>3.696</u>	<u>3.696</u>

15 Other provisions

Other provisions	<u>1.725</u>	<u>1.611</u>
	<u>1.725</u>	<u>1.611</u>

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 <u>TDKK</u>	2018 <u>TDKK</u>
Mortgage loans		
After 5 years	187.482	0
Between 1 and 5 years	183.072	0
Long-term part	<u>370.554</u>	<u>0</u>
Within 1 year	45.181	0
	<u>415.735</u>	<u>0</u>
Credit institutions		
After 5 years	0	238.000
Between 1 and 5 years	0	184.000
Long-term part	<u>0</u>	<u>422.000</u>
Within 1 year	0	38.000
Other short-term debt to credit institutions	0	1.082
Short-term part	<u>0</u>	<u>39.082</u>
	<u>0</u>	<u>461.082</u>
Lease obligations		
Between 1 and 5 years	30.522	0
Long-term part	<u>30.522</u>	<u>0</u>
Within 1 year	7.901	0
	<u>38.423</u>	<u>0</u>
Prepayments received from customers		
Between 1 and 5 years	8.541	8.885
Long-term part	<u>8.541</u>	<u>8.885</u>
Other prepayments from customers	6.747	5.206
	<u>15.288</u>	<u>14.091</u>
Deposits		
Between 1 and 5 years	19.991	19.782
Long-term part	<u>19.991</u>	<u>19.782</u>
Within 1 year	0	0
	<u>19.991</u>	<u>19.782</u>

Notes to the Financial Statements

16 Long-term debt (continued)

	<u>2019</u> TDKK	<u>2018</u> TDKK
Other payables, long-term debt		
Between 1 and 5 years	1.865	<u>0</u>
Long-term part	<u>1.865</u>	0
Other short-term payables	11.383	<u>7.774</u>
	<u>13.248</u>	<u>7.774</u>

Notes to the Financial Statements

	2019 TDKK	2018 TDKK
17 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with an accounting value	324.995	345.314
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.597	1.932
Between 1 and 5 years	1.632	1.957
	3.229	3.889
Lease commitments in the non-cancellable periode	1.033	4.845
Other contractual obligation	9	1.069

Other contingent liabilities

The company has entered into few lease agreements with recovery obligations. The likelihood of a claim for restoration being assessed is considered to be low, and therefore no provision has been recognized for this.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of DK Infrastructure Topco ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no further security and contingent liabilities at 31 December 2019.

Notes to the Financial Statements

18 Related parties

	<u>Basis</u>
Controlling interest	
DK Infrastructure Bidco ApS, Banestrøget 19, DK-2630 Taastrup	Owns 100% of the share capital of the company.
DK Infrastructure Midco 2 ApS, Banestrøget 19, DK-2630 Taastrup	Parent company for DK Infrastructure Bidco ApS

Transactions

All of the Company's transactions have been carried out on an arm's length basis.

Consolidated Financial Statements

The company is included in the consolidated financial statements of the following companies:

<u>Name</u>	<u>Place of registered office</u>
DK Infrastructure Topco ApS	DK-2630 Taastrup
DK Infrastructure Bidco ApS	DK-2630 Taastrup

Notes to the Financial Statements

19 Accounting Policies

The Annual Report of Cibicom A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of DK Infrastructure Bidco ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of DK Infrastructure Bidco ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable

Notes to the Financial Statements

19 Accounting Policies (continued)

assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

19 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services have been rendered to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

19 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intangible fixed assets acquired is measured at cost less accumulated amortisation.

Intangible fixed assets comprise the right of use for joint equipment on the master. The right of use is amortized on a straight-line basis over the 12-year contractual term of the rights.

Licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Licences are amortised over the licence period; however not exceeding 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	7-40 years
Plant and machinery	5-20 years
Masts and equipment	11-30 years
Other fixtures and fittings	2-15 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

19 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is

Notes to the Financial Statements

19 Accounting Policies (continued)

negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and licenses.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

19 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$