
Cibicom A/S

Banestrøget 19, DK-2630 Taastrup

Annual Report for 1 January - 31 December 2020

CVR No 25 59 80 08

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/4 2021

Søren Fæster
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Statement of Changes in Equity	12
Notes to the Financial Statements	13

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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

Taastrup, 29 April 2021

Executive Board

Michael Meister
CEO

Søren Fæster
CFO

Board of Directors

Rasmus Forup Helmich
Chairman

Søren Fæster

Kevin Kristoffer Ehnhuus
Iermiin

Michael Meister

Hans-Christian Ploug
Staff Representative

Søren Henry Pazdzior
Staff Representative

Independent Auditor's Report

To the Shareholder of Cibicom A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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.

Independent Auditor's Report

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 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, 29 April 2021

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: 20th financial year
Municipality of reg. office: Høje Taastrup

Board of Directors

Rasmus Forup Helmich, Chairman
Søren Fæster
Kevin Kristoffer Ehnhuus Iermiin
Michael Meister
Hans-Christian Ploug
Søren Henry Pazdzior

Executive Board

Michael Meister
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:

	2020	2019	2018	2017	2016
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Gross profit/loss	172	179	187	195	181
Operating profit/loss	54	60	66	68	62
Profit/loss before financial income and expenses	54	60	66	68	62
Net financials	-1	1	-1	0	0
Net profit/loss for the year	44	50	50	53	49
Balance sheet					
Balance sheet total	909	915	861	1.163	1.174
Equity	402	358	307	1.085	1.081
Number of employees	71	71	67	72	67
Ratios					
Return on assets	5,9%	6,6%	7,7%	5,8%	5,3%
Solvency ratio	44,2%	39,1%	35,7%	93,3%	92,1%
Return on equity	11,6%	15,0%	7,2%	4,9%	4,5%
EBITDA	123	133	139	142	133

Management's Review

Key activities

Cibicom A/S's primary 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 infrastructure
- Rental of positions for antenna systems and communication platform at Cibicom A/S' towers
- Design, implementation and operation of network infrastructure, MPLS and Internet access
- Datacenter and co-location activities
- IOT / interdevice communication solutions

Operation

Cibicom A/S operates a communication and infrastructure platform e.g., for national radio and TV broadcasting companies in Denmark performing preventative and corrective maintenance and further development of the communication infrastructure. The activities changes and/or expands as new networks are established or existing are modified.

The external environment with respect to broadcast of Radio and TV continues to be changing although finding a level of stability. 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 although there is a recognition of the benefits of having both entertainment and information broadcasted with a low latency (delay) as possible as a prerequisite for real-time usage and applications.

Antenna space rental associated with our broadcast activities and telco infrastructure business showed a stable trend during the year. The company provides services in this area to broadcasters, telecom operators and tele infrastructure providers and we will accelerate our investments into this area going forward.

Cibicom has already expanded its business into the fiber interconnect area (b2B) where we offer connectivity through our substantial backbone infrastructure. We expect this part of our business to grow substantially in the coming period.

Datacenter and co-location is another growth area where we are investing in new datacenter facilities and have high expectations for the future in the business area.

Another hi-potential business area is the IOT or Inter-device area where Cibicom is well positioned to offer a communication platform based on our current infrastructure and we are currently looking to expand our business in this area through application partners.

Cibicom A/S has for several years been running our own 24/7/365 Operations Center (NOC), with onsite staff monitoring all networks, infrastructure and other communication services continuously 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

Management's Review

375 locations all over Denmark, including a number of islands without bridge connections.

Development in the year

The income statement of the Company for 2020 shows a profit of TDKK 43,587, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 401,803.

The profit is considered satisfactory.

Special risks - operating risks and financial risks

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

Research and development

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

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 2020 of the Company and the results of the activities of the Company for the financial year for 2020 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>2020</u> TDKK	<u>2019</u> TDKK
Gross profit/loss		171.892	178.880
Staff expenses	2	<u>-48.418</u>	<u>-46.302</u>
Profit/loss before depreciation (EBITDA)		123.474	132.578
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	<u>-69.481</u>	<u>-73.031</u>
Profit/loss before financial income and expenses		53.993	59.547
Income from investments in subsidiaries	4	11.471	14.775
Financial income	5	164	43
Financial expenses		<u>-12.861</u>	<u>-13.672</u>
Profit/loss before tax		52.767	60.693
Tax on profit/loss for the year	6	<u>-9.180</u>	<u>-10.246</u>
Net profit/loss for the year		<u>43.587</u>	<u>50.447</u>

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Acquired licenses		286	411
Acquired other similar rights		2.471	5.436
Intangible assets	7	2.757	5.847
Land and buildings		325.168	323.385
Plant and machinery		51.742	69.156
Other fixtures and fittings, tools and equipment		14.238	18.632
Property, plant and equipment in progress		55.711	35.401
Masts and equipment		273.900	296.043
Property, plant and equipment	8	720.759	742.617
Investments in subsidiaries	9	48.256	36.404
Other receivables	10	2.596	2.557
Fixed asset investments		50.852	38.961
Fixed assets		774.368	787.425
Inventories		373	0
Trade receivables		5.647	24.013
Contract work in progress	11	0	8.296
Receivables from group enterprises		26.949	793
Other receivables		4.868	0
Deferred tax asset	12	32.862	30.025
Prepayments	13	7.521	8.101
Receivables		77.847	71.228
Cash at bank and in hand		56.063	56.184
Currents assets		134.283	127.412
Assets		908.651	914.837

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		38.000	38.000
Retained earnings		363.803	319.834
Equity		401.803	357.834
Provisions for pensions and similar obligations		3.696	3.696
Other provisions	17	1.739	1.725
Provisions		5.435	5.421
Mortgage loans		325.878	370.554
Lease obligations		23.330	30.522
Prepayments received from customers		5.788	8.541
Deposits		17.485	19.991
Other payables, long-term debt		5.166	1.865
Long-term debt	15	377.647	431.473
Mortgage loans	15	45.414	45.181
Lease obligations	15	7.613	7.901
Prepayments received from customers	15	4.727	5.747
Trade payables		35.810	33.590
Contract work in progress, liabilities	11	3.465	0
Payables to group enterprises		4.069	4.561
Corporation tax		14.003	11.746
Other payables	15	8.665	11.383
Short-term debt		123.766	120.109
Debt		501.413	551.582
Liabilities and equity		908.651	914.837
Subsequent events	1		
Distribution of profit	14		
Contingent assets, liabilities and other financial obligations	18		
Related parties	19		
Accounting Policies	20		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	38.000	319.834	357.834
Other equity movements	0	382	382
Net profit/loss for the year	0	43.587	43.587
Equity at 31 December	38.000	363.803	401.803

Notes to the Financial Statements

1 Subsequent events

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

	<u>2020</u> TDKK	<u>2019</u> TDKK
2 Staff expenses		
Wages and salaries	40.542	38.350
Pensions	5.097	4.908
Other social security expenses	631	988
Other staff expenses	2.148	2.056
	<u>48.418</u>	<u>46.302</u>
Average number of employees	<u>71</u>	<u>71</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. Remuneration take place in DK Infrastructure Bidco ApS.

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	3.096	2.974
Depreciation of property, plant and equipment	66.385	70.057
	<u>69.481</u>	<u>73.031</u>

Which is specified as follows:

Acquired patents	3.096	2.974
Buildings	21.852	23.795
Plant and machinery	18.121	19.687
Other fixtures and fittings, tools and equipment	4.270	4.453
Masts and equipment	22.142	22.122
	<u>69.481</u>	<u>73.031</u>

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>	
4 Income from investments in subsidiaries			
Share of profits of subsidiaries	11.471	9.350	
Badwill	<u>0</u>	<u>5.425</u>	
	<u>11.471</u>	<u>14.775</u>	
5 Financial income			
Interest received from group enterprises	164	0	
Other financial income	<u>0</u>	<u>43</u>	
	<u>164</u>	<u>43</u>	
6 Tax on profit/loss for the year			
Current tax for the year	12.017	13.253	
Deferred tax for the year	<u>-2.837</u>	<u>-3.007</u>	
	<u>9.180</u>	<u>10.246</u>	
7 Intangible assets			
	Acquired licenses <u>TDKK</u>	Acquired other similar rights <u>TDKK</u>	Total <u>TDKK</u>
Cost at 1 January	1.240	90.681	91.921
Additions for the year	<u>6</u>	<u>0</u>	<u>6</u>
Cost at 31 December	<u>1.246</u>	<u>90.681</u>	<u>91.927</u>
Impairment losses and amortisation at 1 January	829	85.245	86.074
Amortisation for the year	<u>131</u>	<u>2.965</u>	<u>3.096</u>
Impairment losses and amortisation at 31 December	<u>960</u>	<u>88.210</u>	<u>89.170</u>
Carrying amount at 31 December	<u>286</u>	<u>2.471</u>	<u>2.757</u>
Including assets under finance leases amounting to	<u>22</u>	<u>0</u>	<u>22</u>

Notes to the Financial Statements

8 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Masts and equipment	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	519.179	318.761	40.788	35.401	499.321	1.413.450
Additions for the year	22.020	670	1.528	44.567	0	68.785
Disposals for the year	0	0	0	-24.257	0	-24.257
Transfers for the year	1.611	91	-1.702	0	0	0
Cost at 31 December	<u>542.810</u>	<u>319.522</u>	<u>40.614</u>	<u>55.711</u>	<u>499.321</u>	<u>1.457.978</u>
Impairment losses and depreciation at 1 January	195.794	249.605	22.156	0	203.279	670.834
Depreciation for the year	21.852	18.121	4.270	0	22.142	66.385
Transfers for the year	-4	54	-50	0	0	0
Impairment losses and depreciation at 31 December	<u>217.642</u>	<u>267.780</u>	<u>26.376</u>	<u>0</u>	<u>225.421</u>	<u>737.219</u>
Carrying amount at 31 December	<u>325.168</u>	<u>51.742</u>	<u>14.238</u>	<u>55.711</u>	<u>273.900</u>	<u>720.759</u>
Including assets under finance leases amounting to	<u>4.481</u>	<u>4.687</u>	<u>2.833</u>	<u>18.068</u>	<u>0</u>	<u>30.069</u>

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
9 Investments in subsidiaries		
Cost at 1 January	21.629	0
Additions for the year	<u>0</u>	<u>21.629</u>
Cost at 31 December	<u>21.629</u>	<u>21.629</u>
Value adjustments at 1 January	14.775	0
Net profit/loss for the year	11.471	9.350
Badwill	0	5.425
Other equity movements, net	<u>381</u>	<u>0</u>
Value adjustments at 31 December	<u>26.627</u>	<u>14.775</u>
Carrying amount at 31 December	<u>48.256</u>	<u>36.404</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Net profit/loss for the year</u>
Cibicom Services A/S	Taastrup	2.001.100	100%	45.867	9.463
Cibicom Mobility ApS	Taastrup	5.000.100	100%	2.389	-2.058

10 Other fixed asset investments

	<u>Other receiv- ables</u> <u>TDKK</u>
Cost at 1 January	2.556
Additions for the year	96
Disposals for the year	<u>-56</u>
Cost at 31 December	<u>2.596</u>
Carrying amount at 31 December	<u>2.596</u>

Notes to the Financial Statements

	<u>2020</u> TDKK	<u>2019</u> TDKK
11 Contract work in progress		
Selling price of work in progress	4.267	25.602
Payments received on account	<u>-7.732</u>	<u>-17.306</u>
	<u>-3.465</u>	<u>8.296</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	8.296
Prepayments received recognised in debt	<u>-3.465</u>	<u>0</u>
	<u>-3.465</u>	<u>8.296</u>

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
12 Deferred tax asset		
Deferred tax asset at 1 January	30.025	27.019
Amounts recognised in the income statement for the year	2.837	3.007
Amounts recognised in equity for the year	<u>0</u>	<u>-1</u>
Deferred tax asset at 31 December	<u>32.862</u>	<u>30.025</u>
Intangible assets	-607	-1.286
Property, plant and equipment	29.690	28.192
Lease obligations	2.834	2.998
Contract work in progress	-466	-1.074
Amortization	6	3
Other debts	813	813
Other provisions	592	380
Transferred to deferred tax asset	<u>-32.862</u>	<u>-30.025</u>
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	<u>32.862</u>	<u>30.025</u>
Carrying amount	<u>32.862</u>	<u>30.025</u>

The Company's deferred tax asset amounts to TDKK 32.862 (2019: TDKK 30.025). 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.

13 Prepayments

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

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
14 Distribution of profit		
Retained earnings	43.587	50.447
	43.587	50.447

15 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:

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
Mortgage loans		
After 5 years	147.877	187.482
Between 1 and 5 years	178.001	183.072
Long-term part	325.878	370.554
Within 1 year	45.414	45.181
	371.292	415.735
Lease obligations		
Between 1 and 5 years	23.330	30.522
Long-term part	23.330	30.522
Within 1 year	7.613	7.901
	30.943	38.423
Prepayments received from customers		
Between 1 and 5 years	5.788	8.541
Long-term part	5.788	8.541
Other prepayments from customers	4.727	5.747
	10.515	14.288
Deposits		
Between 1 and 5 years	17.485	19.991
Long-term part	17.485	19.991
Within 1 year	0	0
	17.485	19.991

Notes to the Financial Statements

15 Long-term debt (continued)

	2020	2019
	TDKK	TDKK
Other payables, long-term debt		
Between 1 and 5 years	5.166	1.865
Long-term part	5.166	1.865
Other short-term payables	8.665	11.383
	13.831	13.248

16 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	3.696	3.696
	3.696	3.696

17 Other provisions

Other provisions	1.739	1.725
	1.739	1.725

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
18 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	320.924	324.995
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.745	1.597
Between 1 and 5 years	2.194	1.632
	3.939	3.229
Lease commitments in the non-cancellable periode	1.042	1.042
Other contractual obligation	9	9

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 company has issue a letter of support for one of its subsidiary valid until 31 March 2022.

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 un-earned 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 2020.

Notes to the Financial Statements

19 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

20 Accounting Policies

The Annual Report of Cibicom A/S for 2020 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 2020 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

20 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

20 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 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

20 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

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

20 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

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.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and manage-

Notes to the Financial Statements

20 Accounting Policies (continued)

ment.

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 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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$