

**Dansk Beredskabskommunikation A/S**  
**Annual Report for the period**  
**01.01.2018 - 31.12.2018**

Sydvestvej 21  
2600 Glostrup

CVR No.: 26 21 08 95

Approved on the company's ordinary shareholder meeting 27th May 2019

As chairman



Henrik Blume

<b>CONTENTS</b>	<b>Page</b>
<b>Declarations</b>	3
Statement by the Board of Directors and the Executive Board	3
Independent auditor's report	4-6
<b>Management's review</b>	7
Company details	7
Financial highlights	8
Operating review	9-11
<b>Financial statements for the period 1 January - 31 December</b>	<b>12</b>
Income statement	12
Balance sheet	13-14
Equity statement	15
Notes to the financial statements	16-23

## Declarations

### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Dansk Beredskabskommunikation A/S for the financial year 1 January – 31 December 2018.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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

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

Glostrup, 27th May 2019

#### *Executive Board:*



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Klavs Berthelsen

#### *Board of Directors*



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Henrik Blume  
Chairman

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Simon Smith



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Klavs Berthelsen



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Michael Kae

## **Independent auditor's report**

### **To the shareholders of Dansk Beredskabskommunikation A/S**

#### **Opinion**

We have audited the financial statements of Dansk Beredskabskommunikation A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity, cash flow statement 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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 that 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.

## **Independent auditor's report**

### **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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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**

### **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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27th May 2019

### **KPMG**

Statsautoriseret Revisionspartnerselskab

CVR No. 25 57 81 98



Henrik Kyhnav  
State Authorised  
Public Accountant  
mne40028

## **Management's review**

### **Company details**

Dansk Beredskabskommunikation A/S  
Sydvestvej 21  
2600 Glostrup

Telephone: 70 11 61 12  
Telefax/ Fax: 43 48 81 48  
Website: [www.dbkas.dk](http://www.dbkas.dk)  
E-mail: [info@dbkas.dk](mailto:info@dbkas.dk)  
CVR No.: 26 21 08 95  
Established: 01.01.2001  
Registered office: Glostrup  
Financial year: 01.01 - 31.12

### **Board of Directors**

Simon Smith  
Henrik Blume  
Klavs Berthelsen  
Michael Kaae

### **Executive Board**

Klavs Berthelsen

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28

2100 Copenhagen  
Danmark

### **Annual general meeting**

The annual general meeting is to be held on 27th May 2019.

## Management's review

### Financial highlights

DKKm	2018	2017	2016	2015	2014
<b>Principal figures</b>					
Revenue	201,6	200,2	198,2	195,0	186,0
Ordinary operating profit	48,3	50,7	36,4	46,1	39,2
Net from financial income and expenses	-1,5	-1,2	-1,7	-2,5	-2,1
<b>Profit for the year</b>	<b>36,5</b>	<b>38,6</b>	<b>27,1</b>	<b>33,0</b>	<b>27,3</b>
<b>Balance sheet</b>					
Non-current assets	77,2	124,6	176,1	214,5	263,2
Current assets	207,0	179,8	168,1	195,1	197,1
<b>Total assets</b>	<b>284,2</b>	<b>304,4</b>	<b>344,1</b>	<b>409,7</b>	<b>460,7</b>
Share capital	1,5	1,5	1,5	1,5	1,5
<b>Equity</b>	<b>113,7</b>	<b>77,1</b>	<b>68,6</b>	<b>91,5</b>	<b>58,5</b>
Provisions	33,0	31,6	30,4	29,2	28,0
Non-current liabilities other than provisions	26,8	87,9	149,8	209,2	267,6
Current liabilities other than provisions	110,7	107,7	95,3	79,7	106,2
<b>Financial Ratio</b>					
Operating margin	24,0	25,3	18,4	23,6	21,1
Return on invested capital	3094,2	3247,9	2331,8	2953,2	2511,2
Gross margin	58,1	56,6	57,2	56,2	56,7
Current ratio	187,0	166,9	176,2	244,8	185,1
Solvency ratio	40,0	25,3	19,9	22,3	12,6

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' Guide lines on the calculation of financial ratios "Recommendations and Financial Ratios 2018".

### Definitions

<i>Operating margin</i>	<i>Operating profit x 100</i>
	<i>Revenue</i>
<i>Return on invested capital</i>	<i>Operating profit x 100</i>
	<i>Average invested capital</i>
<i>Invested capital</i>	<i>Operating intangible assets and property, plant and equipment plus net working capital</i>
<i>Gross margin</i>	<i>Gross profit x 100</i>
	<i>Revenue</i>
<i>Current ratio</i>	<i>Current assets x 100</i>
	<i>Current liabilities</i>
<i>Solvency ratio</i>	<i>Equity at year end x 100</i>
	<i>Total equity and liabilities at year end</i>



## **Operating review**

Dansk Beredskabskommunikation A/S is 99,4 % owned subsidiary of Motorola Solutions Inc., 500 East W. Monroe Street, Chicago, IL 60661, USA.

In accordance with the The Companies Statutory Act section 71, note that the company is included as part of the Annual Report for Motorola Solutions Inc.

## **Principal activities of the company**

The company's main activity is to operate the Danish nationwide emergency service known as SINE. The operation of the network is based on license granted by the Danish Authorities (Energistyrelsen) to operate a public Tetra radio communication network.

The company's activities relate to operate, maintenance and expansion of the network. In addition, the company enhanced with new services and offer these services to the users of the network and other add on services that can support and increase the user's advantages in their day to day use of the network. The DBK customers are the Danish State, public- and commercial customers.

In 2018, DBK has continued the optimization of the nationwide SINE network so the network users have seen additional improvement in the quality of voice and coverage of the communication.

The SINE contract with the Danish State has a contractual period of 10 years from 2010 with option for extension.

The network covers more than 99% of Denmark's territorial ground.

## **Development in activities and financial position**

### **Revenue**

The company's turnover in 2018 amounted to 201.6 DKKm versus 200.2 DKKm in 2017. The increase in turnover of 1.4 DKKm, approx. 0.7%, refer to the increase in the demand for Tetra products and services in the Danish market. The result is in line with Management opinion in 2017 Annual Report.

### **Result after tax**

In 2018, the net profit of the year is a surplus of 36.5 DKKm versus 2017 surplus of 38.6 DKKm.

In 2018, the company has continued its focus on cost control and continued to perform programs that allow the organization to maintain effectiveness and value of operational cost at similar level.

Equity amounts to 113.7 DKKm after distribution of profit for the year.

## **Cash Flow**

The company's cash flow position is very strong. The cash available by the end of 2018 amounted to 39,6 DKKm. The company has made cash available to Motorola in the amount of 95 DKKm.

## **Significant events after the balance sheet date**

After the balance sheet date, no subsequent events, which have significant impact on the Company's financial position, have occurred.

## **Outlook 2019**

Management's expectation for 2019 is a turnover below the 2018 level. The decrease in revenue is based upon the assumption that the market for subscribers will decrease. The overall outlook is that the operation of the SINE network will continue to generate earnings and positive cash flow and by that further increase the cash flow position.

In April 2019 the company received the confirmation form the Danish State that they have exercised the option for 1 year extension of the SINE contract. The contract now continues to May 2021.

It is Management's view that the continued collaboration with Motorola Solutions will lead to further services, which can be offered to the company customers and by that generate further orders for delivery in 2019 and forward.

The company's result will also in the future depend on the SINE contract revenue. Overall, it is Management's view that the company will reach a result in 2019 that is close to 2018 level.

## **Risk factors**

### **Financial risk**

As part of the Motorola Solutions Inc. Group and their strong financial position and cash flow, the company is very limited exposed to changes in the interest level.

### **Credit risk**

The company has no significant risks towards individual customers or partners.

### **Environmental risk**

The company operates a nationwide communication network. The environmental risk of operating the network is very small for the surrounding environment as the network solely uses electricity for being functional.

## **Knowledge**

The company had an average of 23 employees in 2018 versus 21 employees in 2017.

The company has continued its education and learning programs with the purpose of maintaining and strengthening the employees' personal and professional development. The programs include technical, management, environmental and security programs.

It is essential for the company to continue to maintain and attract highly experienced people with expertise skills related to mobile communication and operation of wireless network.

To ensure a high and competent product quality the company is certified with ISO9001:2015.

In 2018 the company also was audited in ISO27001 and certification was received early 2019

In continuation a number of employees are certified with ITIL.

The use of ISO9001 2015, ISO 27001 and ITIL requires a high level of competence and the company continue with additional investments with the aim of further increasing the qualification level of the employees.

The development and knowledge increase to employees are done through the education program that is updated at a regular basis to ensure that the latest knowledge regarding core competences for running an operator business and Tetra technology is available.

**FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31  
DECEMBER**

<b>Income</b>	<b>Notes</b>	<b>Notes</b>	<b>2018</b>	<b>2017</b>
Revenue			201.595.632	200.215.208
External costs			-84.429.006	-80.766.781
<b>GROSS PROFIT</b>			<b>117.166.626</b>	<b>119.448.427</b>
Employee costs	2		-17.303.833	-16.773.806
Depreciation and write down on tangible asset	3		-51.543.616	-51.969.960
<b>ORDINARY OPERATING PROFIT</b>			<b>48.319.178</b>	<b>50.704.661</b>
Financial income	4		231.931	308.662
Financial expenses			-1.772.156	-1.476.489
<b>Financial profit</b>			<b>-1.540.224</b>	<b>-1.167.827</b>
<b>PROFIT BEFORE TAX</b>			<b>46.778.954</b>	<b>49.536.834</b>
Tax on profit for the year	5		-10.313.531	-10.923.716
<b>PROFIT AFTER TAX</b>			<b>36.465.423</b>	<b>38.613.118</b>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

<b>Balance</b>	<b>Notes</b>	<b>2018</b>	<b>2017</b>
<b>Assets</b>			
<b>Property, plant and equipment</b>	<b>3</b>		
Technical equipment		73.020.121	124.385.940
Assets under construction		0	177.797
		<u>73.020.121</u>	<u>124.563.737</u>
<b>Investments</b>			
Deposits		4.226.717	4.218.364
<b>Total non-current assets</b>		<u><b>77.246.838</b></u>	<u><b>128.782.101</b></u>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Trade receivables		19.579.814	19.850.416
Receivables from group enterprises		95.131.845	59.763.490
Other receivables		26.769	0
Deferred tax	<b>6</b>	46.536.400	39.587.818
Prepayments		6.127.636	3.085.263
		<u>167.402.465</u>	<u>122.286.987</u>
Cash at bank and in hand		39.555.730	53.349.509
<b>Total current assets</b>		<u><b>206.958.195</b></u>	<u><b>175.636.496</b></u>
<b>TOTAL ASSETS</b>		<u><b>284.205.033</b></u>	<u><b>304.418.597</b></u>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

Balance	Notes	2018	2017
<b>Equity and</b>			
<b>EQUITY</b>			
Share capital		1.501.546	1.501.546
Retained earnings	7	112.156.406	75.690.984
<b>Total equity</b>		<b>113.657.952</b>	<b>77.192.530</b>
<b>LIABILITIES</b>			
<b>Provisions</b>			
Provisions for decommissioning costs		33.089.634	31.632.824
<b>Total provisions</b>		<b>33.089.634</b>	<b>31.632.824</b>
<b>Non-current liabilities other than provisions</b>			
Prepayments received from customers	8	26.777.678	87.853.154
<b>Total non-current liabilities other than provisions</b>		<b>26.777.678</b>	<b>87.853.154</b>
<b>Current liabilities</b>			
Trade payables		2.050.453	6.606.693
Debt to affiliated companies		7.729.196	18.592.104
Corporate tax		17.191.833	6.537.337
Other payables		14.744.946	11.676.221
Prepayments received from customers	8	68.963.341	64.327.734
<b>Total current liabilities</b>		<b>110.679.768</b>	<b>107.740.089</b>
<b>Total liabilities</b>		<b>137.457.447</b>	<b>195.593.243</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>284.205.033</b>	<b>304.418.597</b>
Contractual obligations and contingencies	9		
Collaterals	10		
Related parties transactions	11		

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

<b>Equity statement</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
Equity 1 Jan. 2018	1.501.546	75.690.984	77.192.530
Proposed Dividend Transferred, cf. distribution of profit			0
		36.465.423	36.465.423
Equity 31 Dec. 2018	<u>1.501.546</u>	<u>112.156.407</u>	<u>113.657.953</u>

There have not been any changes to the share capital during the last 5 years.

<b>Company capital</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
1.501.546 shares of 1 DKK, or multiples	1.501.546	1.501.546
	<u>1.501.546</u>	<u>1.501.546</u>

All shares have the same rights.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

The annual report of Dansk Beredskabskommunikation A/S for the year 2018 has been prepared in accordance with the provisions applying to reporting class C medium entities under the Danish Financial Statements Act.

In accordance with the Danish Financial Statements Act section 86(4), the company's cash flow statement is omitted because the financial statements are included in the consolidated financial statements of Motorola Solutions Inc.

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

#### **General recognition and measurement**

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

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, applying a constant effective interest rate during the term. Amortized cost is calculated as initial cost after deduction of any principal repayments as well as additions / deduction of the accumulated amortization of the difference between cost and nominal amount.

The recognition or measurement takes into account predictable losses and risks arising before year-end reporting and which prove or disprove matters that existed at the balance sheet date.

#### **General recognition and measurement**

Revenue is being recognized in the income statement as it occurs, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. In addition, costs incurred for the year's earnings, including depreciation, write-down and provisions as well reversals due to changes in accounting estimates of amounts previously recognized in the income statement.



## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

##### **Conversion of foreign currency**

Transactions in foreign currencies have been converted at the internal standard rate at transaction date. Receivables and payables that are payable in foreign currencies are converted to the internal standard rates, which approximately correspond to the official exchange rates applicable at the balance sheet date. Capital gains and losses, both realized and unrealized, are included in financial items in the income statement.

##### **Income statement**

###### **Revenue**

Revenue from the sale of airtime and related services are recognized in the income statement if the risk has been transferred to the buyer before the end of year and that the income can be reliably received. Prepayments for services to the network are being accrued over the term of the contract. Net revenue is recognized excluding VAT and taxes charged on the behalf of third parties.

###### **External costs**

External cost includes costs incurred to generate revenue for the year. This includes direct and indirect external costs for delivery of services, including the services of other telecommunications companies and bad debts.

###### **Employee costs**

Staff costs include costs incurred during the year for management and administration of the company, including costs for administrative staff.

###### **Financial income and expenses**

Financial income and expenses include interest, debt and foreign currency transactions, write-down of financial assets and liabilities, surcharges and refunds under tax-on-account scheme etc. Furthermore, financial expenses include amortization of decommissioning provisions.

###### **Income tax expense**

The tax for the year which consist of joint taxation contributions for the year and changes in deferred tax, is recognized in the income statement.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

##### **Tangible fixed assets**

Technical equipment is measured at cost less accumulated depreciation and write-down.

Cost includes purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. For internally constructed assets, the cost includes direct and indirect costs of materials, components, sub-contractors and salary.

Straight-line depreciation is based on the following assessment of the expected useful life:

Technical equipment	10-12 years
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Profit or loss on disposal of tangible fixed assets is calculated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognized in the income statement under other operating income or other operating expenses.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively

Profit or loss on disposal of tangible assets is calculated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognized in the income statement under depreciation.

##### **Decommissioning practice**

Cost for decommissioning of technical equipment in connection with contract expiration is capitalized and is depreciated on a straight line basis over the remaining lifetime of the contract. The correspondent liability is shown in the balance sheet as provision and is amortized over the remaining lifetime of the contract.

##### **Impairment of fixed assets**

The carrying value of intangible and tangible fixed assets is tested annually for indications of impairment beyond what is expressed through depreciation. If there are indications of impairment, an impairment test is performed for each asset or group of assets. Write-down is made to the recoverable amount if this is lower than the carrying value.

##### **Accounts receivable**

Receivables are measured at amortized cost. Write-down is made to meet expected losses based on an individual assessment of the receivables.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **1. Accounting policies**

#### **Income tax and deferred tax**

Current tax payables and current tax receivables are recognized in the balance sheet as tax calculated on the taxable income, adjusted for tax on prior years' taxable income 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 value of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that under legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallize as current tax.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected realizable value of the asset, either by set-off against tax on future revenue or by set-off against deferred tax liabilities within the same legal tax entity.

Changes in deferred tax due to change in tax rate is recognized in the income statement.

#### **Provisions**

Provisions comprise anticipated costs related to decommissioning obligations. Provisions are recognized when as a result of past events, the company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realizable value. The obligation is measured at net present value using the effective internal interest rate if the obligation is expected to be settled into the future.

#### **Liabilities other than provisions**

Other liabilities are measured at net realizable value.

#### **Prepayments received from customers**

Prepayments included under liabilities include payments received concerning income relating to the subsequent years.

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

2. Employee costs	2018	2017
Wages and salaries	15.967.711	15.508.133
Pensions	1.285.884	1.217.455
Other social security costs	50.238	48.218
	<u>17.303.833</u>	<u>16.773.806</u>
Average number of full-time employees	<u>23</u>	<u>21</u>

According to the Danish Financial Statement Act, § 98B, paragraph. 2 salary to the Executive Board is not provided. Management is part of a group established international option program. The Board of Directors receives no remuneration.

### 3. Property, plant and equipment

	Technical Equipment	Assets under construction	Decommissioning costs	Total
Cost 1 January 2018	466.444.629	177.797	25.777.191	492.399.617
Annual additions	177.797	-177.797	0	0
Cost 31 December 2018	<u>466.622.426</u>	<u>0</u>	<u>25.777.191</u>	<u>492.399.617</u>
Depreciation 1 January 2018	350.457.998	0	17.377.882	367.835.880
Adjustment 1 January	-319.758	0	0	-319.758
Annual depreciation	48.387.797	0	3.475.577	51.863.374
Annual depreciations 31 December 2018	<u>398.526.037</u>	<u>0</u>	<u>20.853.459</u>	<u>419.379.496</u>
Carrying value 31 December 2018	<u>68.096.389</u>	<u>0</u>	<u>4.923.732</u>	<u>73.020.121</u>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

<b>4. Financial income</b>	<b>2018</b>	<b>2017</b>
Interest from group companies	231.931	308.662
	<u>231.931</u>	<u>308.662</u>
<b>5. Tax for the year</b>	<b>2018</b>	<b>2017</b>
Adjustment of deferred tax for the year	6.948.582	6.023.621
Current tax for the year	-17.191.833	-16.947.337
Correction of annual tax in previous years	-70.280	0
	<u>-10.313.531</u>	<u>-10.923.716</u>
<b>6. Deferred tax</b>	<b>2018</b>	<b>2017</b>
Balance at 1 January	39.587.818	33.564.197
Adjustment of deferred tax for previous years	70.280	0
Adjustment of deferred tax for the year	6.878.302	6.023.621
Balance at 31 December	<u>46.536.400</u>	<u>39.587.818</u>
Deferred taxes relate to:		
Technical equipment	<u>46.536.400</u>	<u>39.587.818</u>
<b>7. Proposed profit appropriation</b>		
<b>At disposal:</b>		
Profit for the year	36.465.423	38.613.118
Retained earnings	<u>75.690.984</u>	<u>37.077.866</u>
Total disposal	<u>112.156.407</u>	<u>75.690.984</u>
<b>Distribution of profit of the financial year</b>		
Retained earnings	112.156.407	75.690.984
Proposed dividend	0	0
	<u>112.156.407</u>	<u>75.690.984</u>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

#### 8. Prepayments received from customers

The amount is recognized as income over the contractual period running up to 8 years.

#### 9. Contractual obligations and contingencies

Contingent liabilities (DKK)	2018	2017
Obligation due 0-1 year	27.268.395	23.708.516
Obligation due 1-5 year	4.353.441	6.364.470
Obligation past 5 year	104.856	412.983
Total rental and leasing obligations	<u>31.726.692</u>	<u>30.485.969</u>

The amounts for rent and lease obligations include the total liability of antenna positions, facility and cars for a number of contracts covering various periods up to and including 2024.

The company is jointly taxed with other Danish group enterprises. As a jointly taxed company which is not wholly owned, the Company has limited and secondary liabilities for Danish corporation taxes within the joint taxation

#### 10. Collaterals

There are issued guarantees towards the Danish State of 83.2 DKKm (2017: 83.6 DKKm)

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31

### Notes to the financial statements

#### 11. Related party transactions

<b>Related party transactions (TDKK)</b>	<b>2018</b>
Purchase of goods & services from group	24.531
	<u>24.531</u>

Purchases of product and service are bought from group enterprises on normal commercial terms and conditions.

The company's balances with group enterprises at December 31, 2018 are recognized in the balance sheet. Interest income and expenses with respect to group enterprises are disclosed in note 4. Further, balances with group enterprises comprises trade balance related to purchase and sale of goods and services.

Purchases of goods and services from group enterprises consist of facility service, infrastructure, software and terminals.

#### **Controlling interest**

Motorola Solutions Inc., 500 W. Monroe Street Chicago, IL 60661, USA, which holds a majority of the The consolidated financial statements of Motorola Solutions Inc. are available at the Company's address or

#### **Other related parties**

Group of companies under Motorola Solutions Inc.