

**Dansk Beredskabskommunikation A/S**  
**Annual Report for the period**  
**01.01.2020 - 31.12.2020**

Sydvestvej 21  
DK-2600 Glostrup

CVR No.: 26 21 08 95

Approved on the company's ordinary shareholder meeting 13 July 2021

As chairman

---

Henrik Blume

**CONTENTS**

**Page**

**Declarations**

Statement by the Board of Directors and the Executive Board	3
Independent auditor's report	4-5

**Management's review**

Company details	6
Financial highlights	7
Management's review	8-9

**Financial statements for the period 1 January - 31 December**

Income statement	10
Balance sheet	11-12
Equity statement	13
Notes to the financial statements	14-20

## 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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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, 13 July 2021

#### *Executive Board :*

---

Klavs Berthelsen

#### *Board of Directors*

---

Henrik Blume  
Chairman

---

Daniel Pekofske

---

Klavs Berthelsen

---

Michael Kaae

**Independent auditor's report****To the shareholders of Dansk Beredskabskommunikation 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 Dansk Beredskabskommunikation 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 ("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 Financial 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**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance 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 judgment and maintain professional skepticism 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.

Hellerup, 13 July 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No.: 33 77 12 31

Bo Schou-Jacobsen  
State Authorised Public Accountant  
mne28703

Anders Røjleskov  
State Authorised Public Accountant  
mne28699

**Management's review**

**Company details**

Dansk Beredskabskommunikation A/S  
Sydvestvej 21  
DK-2600 Glostrup

Telephone:	70 11 61 12
Website:	<a href="http://www.dbkas.dk">www.dbkas.dk</a>
E-mail:	<a href="mailto:info@dbkas.dk">info@dbkas.dk</a>
CVR No.:	26 21 08 95
Established:	01.09.2001
Registered office:	Glostrup
Financial year:	01.01 - 31.12

**Board of Directors**

Henrik Blume - Chairman  
Daniel Pekofske  
Klavs Berthelsen  
Michael Kaae

**Executive Board**

Klavs Berthelsen

**Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup  
CVR No.: 33 77 12 31

## Management's review

## Financial highlights

DKKm	2020	2019	2018	2017	2016
<b>Principal figures</b>					
Revenue	176,2	211,9	201,6	200,2	198,2
Ordinary operating profit	51,2	85,3	48,3	50,7	36,4
Net from financial income and expenses	-0,9	-1,4	-1,5	-1,2	-1,7
<b>Profit for the year</b>	<b>37,7</b>	<b>65,7</b>	<b>36,5</b>	<b>38,6</b>	<b>27,1</b>
<b>Assets and liabilities</b>					
Non-current assets	40,8	59,0	77,2	124,6	176,1
Investments in property, plant and equipment	0,0	0,0	0,0	0,0	21,1
Current assets	214,9	187,3	166,5	179,8	168
<b>Total assets</b>	<b>255,7</b>	<b>246,3</b>	<b>243,7</b>	<b>304,4</b>	<b>344,1</b>
Share capital	1,5	1,5	1,5	1,5	1,5
<b>Equity</b>	<b>176,5</b>	<b>138,8</b>	<b>73,1</b>	<b>77,1</b>	<b>68,6</b>
Provisions	36,0	34,5	33,0	31,6	30,4
Non-current liabilities	0,9	0,3	26,8	87,9	149,8
Current liabilities	42,4	72,7	110,7	107,7	95,3
<b>Financial Ratio</b>					
Operating margin	29,1	40,3	24	25,3	18,4
Return on invested capital	3280,2	5464,4	3094,2	3247,9	2331,8
Gross margin	49,9	57,1	58,1	56,6	57,2
Current ratio	507,0	257,6	187	166,9	176,2
Solvency ratio	69	56,4	40	25,3	19,9

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 2019".

## 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>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>

## Management's review

### 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 2020, 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 terminated on the 14th May 2020. The Danish State exercised the option in April 2019 for extension with 1 year. In December 2020 The Danish State entered into a contract for operating the network to 31st December 2024.

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

### Development in activities and financial position

#### Revenue

In 2020, revenue amounted to 176.2 DKKm versus 211.9 DKKm in 2019. The decrease in revenue of 35.7 DKKm, approx. 17%, refer that significant amount of prepayments was utilized by the end of May 2020. The result is in line with Management assessment in 2019 Annual Report.

#### Profit after tax

In 2020, the profit of the year is 37.7 DKKm versus 65.7 DKKm in 2019. The result is on line with Management outlook in 2019 Annual Report

In 2020, the company continued it's focus on cost control and continued to perform programs that allow the organization to maintain effectiveness and value of operational cost at similar level. Further the company has invested in new solutions that improve and expand customers use of the network and the services offered.

#### Balance

##### Deferred Tax

Based on the current outlook and continuation of Deliveries after Contract Termination to 2024, Management has recognised a deferred tax asset of 6 DKKm by year-end 2020.

##### Equity

Equity at year-end 2020 amounts to 176.5 DKKm.

#### Cash Flow

The company's cash flow position is very strong. The cash available by the end of 2020 amounted to 36 DKKm. The company has made cash available to Motorola in the amount of 162 DKKm.

#### Subsequent events

Reference is made to note 13 in the financial statements.

#### Outlook 2021

Management's expectation for 2021 is revenue below the 2020 level. The decrease in revenue is based upon that the remaining part of the prepayments received in previous years is utilized in 2021 in accordance with SINE contract. 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.

The company will deliver services on the SINE contract to the Danish State in accordance with the contract. In December 2020, the company signed contract with the Danish State for Deliveries after Contract Termination up to 31st December 2024.

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 2021 and forward.



The company will participate in the upcoming tender for a new contract with the Danish State for supply of Emergency and Rescue Communication to the Danish Emergency Services.

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 2021 that is equal or below 2020 level.

### **Risk factors**

#### **Operating and financial risks**

The primary operations of the company is the SINE contract, which expires in 2021. If the company is not able generate additional income and to win the re-tender this will have significant impact on the operations of the company in the future. At present, no information about when the SINE contract will go into a new tender is available. The signed contract of 17 December 2020 will continue to 31st December 2024.

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 24 employees in 2020 versus 22 employees in 2019.

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 and ISO27001.

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.

#### **Uncertainty relating to recognition and measurement**

Due to the uncertainty relating to the extension of the current SINE contract significant accounting estimates have been made in relation to recognition and measurement of depreciation and provision for decommissioning of technical equipment, and of deferred tax assets.

We refer to note 2 for further description of uncertainty relating to recognition and measurement.

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

<b>Income statement</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Revenue		176.195.488	211.895.945
External costs		-88.313.501	-90.899.187
<b>GROSS PROFIT</b>		<b>87.881.987</b>	<b>120.996.758</b>
Employee costs	3	-18.423.689	-17.433.357
Depreciation and write down on tangible asset	4	-18.255.030	-18.255.031
<b>OPERATING PROFIT</b>		<b>51.203.268</b>	<b>85.308.370</b>
Financial income	5	1.349.946	333.557
Financial expenses		-2.272.371	-1.693.134
<b>Financial items, net</b>		<b>-922.425</b>	<b>-1.359.577</b>
<b>PROFIT BEFORE TAX</b>		<b>50.280.843</b>	<b>83.948.794</b>
Tax on profit for the year	6	-12.549.184	-18.272.308
<b>PROFIT AFTER TAX</b>		<b>37.731.659</b>	<b>65.676.486</b>
<b>Proposed profit appropriation</b>	7		

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

<b>Balance sheet</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>			
<b>Property, plant and equipment</b>	4		
Technical equipment		34.048.193	51.072.292
Decommissioning Costs		2.461.867	3.692.800
		<b>36.510.060</b>	<b>54.765.092</b>
<b>Investments</b>	8		
Deposits		4.324.189	4.279.848
<b>Total non-current assets</b>		<b>40.834.249</b>	<b>59.044.940</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Trade receivables		4.755.552	28.994.114
Receivables from group enterprises		162.549.746	120.949.711
Other receivables		7.396	0
Deferred tax asset	9	6.000.000	6.000.000
Prepayments		4.803.596	8.297.791
		<b>178.116.290</b>	<b>164.241.616</b>
Cash at bank and in hand		36.796.978	23.018.429
<b>Total current assets</b>		<b>214.913.268</b>	<b>187.260.045</b>
<b>TOTAL ASSETS</b>		<b>255.747.517</b>	<b>246.304.985</b>

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

<b>Balance sheet</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Equity and liabilities</b>			
<b>EQUITY</b>			
Share capital		1.501.546	1.501.546
Retained earnings	7	175.028.150	137.296.491
<b>Total equity</b>		<b>176.529.696</b>	<b>138.798.037</b>
<b>LIABILITIES</b>			
<b>Provisions</b>			
Provisions for decommissioning costs		35.962.021	34.495.944
<b>Total provisions</b>		<b>35.962.021</b>	<b>34.495.944</b>
<b>Non-current liabilities</b>			
Prepayments received from customers	10	863.846	298.611
<b>Total non-current liabilities</b>		<b>863.846</b>	<b>298.611</b>
<b>Current liabilities</b>			
Trade payables		6.368.586	8.517.633
Debt to group enterprises		6.881.788	6.258.124
Tax payables to group enterprises		11.930.426	18.272.308
Other payables		13.954.331	8.441.854
Prepayments received from customers	10	3.256.823	31.222.474
<b>Total current liabilities</b>		<b>42.391.954</b>	<b>72.712.393</b>
<b>Total liabilities</b>		<b>43.255.800</b>	<b>73.011.004</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>255.747.517</b>	<b>246.304.985</b>

Contractual obligations and contingencies	11
Collaterals	12
Related parties transactions	13
Subsequent Events	14

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

**Equity statement**

	Share capital	Retained earnings	Total equity
Equity 1 January 2020	1.501.546	137.296.491	138.798.037
Transferred, cf. note 6, distribution of profit	0	37.731.659	37.731.659
Equity 31 December 2020	<u>1.501.546</u>	<u>175.028.150</u>	<u>176.529.696</u>

**Company capital**

	<u>2020</u>	<u>2019</u>
1.501.546 shares of 1 DKK, or multiples hereof	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 2020 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 financial statements are presented in DKK.

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.

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	4 years
---------------------	---------

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.

Depreciations in 2020 are 18,3 DKKm similar to 2019. The depreciation refer to annually Management assessment of the depreciation period and to align it with extension of the contract including the period of services after contract expiration. The contract will continue to 31st December 2024.

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 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. Uncertainty relating to recognition and measurement**

Uncertainty relating to recognition and measurement comprise the assessment of the extension of the current SINE operations. It is Management assessment that the current operations will continue until minimum 2024 before a new SINE tender is awarded to a supplier and a new solution can take over. The estimates and judgements effect the measurement of technical equipment including the depreciations and provision for decommissioning as well as deferred tax assets.

For further description of the circumstances related to deferred tax assets please refer to note 9 Deferred Tax Assets.

<b>3. Employee costs</b>	<b>2020</b>	<b>2019</b>
Wages and salaries	17.053.973	16.117.870
Pensions	1.318.026	1.265.754
Other social security costs	51.690	49.733
	<u>18.423.689</u>	<u>17.433.357</u>
Average number of full-time employees	<u>24</u>	<u>22</u>

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

<b>4. Property, plant and equipment</b>	<b>Technical Equipment</b>	<b>Decommissioning costs</b>	<b>Total</b>
Cost 1 January	466.622.427	25.777.191	492.399.618
Cost 31 December	<u>466.622.427</u>	<u>25.777.191</u>	<u>492.399.618</u>
Depreciation 1 January	415.550.134	22.084.391	437.634.525
Annual depreciation	17.024.097	1.230.933	18.255.030
Annual depreciations 31 December	<u>432.574.231</u>	<u>23.315.324</u>	<u>455.889.557</u>
Carrying value 31 December	<u>34.048.196</u>	<u>2.461.867</u>	<u>36.510.061</u>

<b>5. Financial income</b>	<b>2020</b>	<b>2019</b>
Interest from group enterprises	742.858	333.557
Income from currency translations	607.088	0
	<u>1.349.946</u>	<u>333.557</u>

<b>6. Tax for the year</b>	<b>2020</b>	<b>2019</b>
Adjustment of deferred tax for the year	0	0
Current tax for the year	11.930.426	18.272.308
Correction of annual tax in previous years	618.758	0
	<u>12.549.184</u>	<u>18.272.308</u>

**7. Proposed distribution of profit**

<b>At disposal:</b>		
Profit for the year	37.731.659	65.676.485
Retained earnings	<u>137.296.491</u>	<u>71.620.006</u>
Total disposal	<u>175.028.150</u>	<u>137.296.491</u>

**FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER****Notes to the financial statements**

<b>Distribution of profit of the financial year</b>	<b>2020</b>	<b>2019</b>
Retained earnings	175.028.150	137.296.491
Proposed dividend	0	0
	<u>175.028.150</u>	<u>137.296.491</u>

<b>8. Deposits</b>	<b>2020</b>	<b>2019</b>
Balance at January 1	4.279.848	4.226.717
Adjustment	44.342	53.131
Balance at December 31	<u>4.324.190</u>	<u>4.279.848</u>

**9. Deferred tax**

Balance at 1 January	<u>6.000.000</u>	<u>6.000.000</u>
Balance at 31 December	<u>6.000.000</u>	<u>6.000.000</u>

Deferred taxes relate to:  
Technical Equipment

	<u>6.000.000</u>	<u>6.000.000</u>
--	------------------	------------------

At 31 December 2020 the company has an estimated deferred asset of 47.3 DKKm (2019: 47.0 DKKm). Management estimates that the recognized tax asset of 6 DKKm will be utilized in the period 2021-2024. The recognition of the deferred tax asset is based on Management expectations according to budgets and forecasts of the result of the future operations and is subject to uncertainty.

<b>10. Prepayments liabilities</b>	<b>2020</b>	<b>2019</b>
Prepayments are distributed as follows:		
0-1 year	3.256.823	31.222.474
1-5 years	863.846	298.611
	<u>4.120.669</u>	<u>31.521.085</u>

The amount is recognized as income over the contractual period running up to 4 years.

Customers payments	94.650	94.650
Deferred Revenue	4.026.019	31.426.435
	<u>4.120.669</u>	<u>31.521.085</u>

**11. Contractual obligations and contingencies****Contingent liabilities (DKK)**

Obligation due 0-1 year	25.467.682	28.187.435
Obligation due 1-5 year	76.129.754	4.865.389
Obligation past 5 year	0	35.644
Total rental and leasing obligations	<u>101.597.436</u>	<u>33.088.468</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 Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax. The total amount of tax payables is included in the Annual Report of Motorola Solutions Danmark A/S that is the administration Company in relation to the joint taxation.

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

### Notes to the financial statements

#### 12. Collaterals

There are issued guarantees towards the Danish State of 84.2 DKKm (2019: 87.5 DKKm).

#### 13. Related party transactions

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

#### Controlling interest

Motorola Solutions Inc., 500 W. Monroe Street Chicago, IL 60661, USA.

#### Ownership

Motorola Solutions Inc., 500 W. Monroe Street Chicago, IL 60661, USA, which holds a majority of the share capital, which is the nearest parent company where consolidation is reported.

The ultimate parent company for consolidation is Motorola Solutions Inc., 500 W. Monroe Street Chicago, IL 60661, USA

The consolidated financial statements of Motorola Solutions Inc. are available at the Company's address or on the Company's website <http://investors.motorolasolutions.com/>.

#### 14. Subsequent events

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