DK Infrastructure Topco ApS

Banestrøget 19, DK-2630 Taastrup

Annual Report for 17 October - 31 December 2018

CVR No 39 95 15 41

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 9 /5 2019

Søren Fæster
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of DK Infrastructure Topco ApS for the financial year 17 October - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Taastrup, 9 May 2019

Executive Board

Martin Nicholas Calderbank CEO	Kevin Kristoffer Ehnhuus Iermiin CEO

Independent Auditor's Report

To the Shareholders of DK Infrastructure Topco ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 17 October - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DK Infrastructure Topco ApS for the financial year 17 October - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 9 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen	Michael Krath
State Authorised Public Accountant	State Authorised Public Accountant
mne28703	mne34155

Company Information

The Company	DK Infrastructure Topco ApS Banestrøget 19 DK-2630 Taastrup CVR No: 39 95 15 41 Financial period: 17 October - 31 December Municipality of reg. office: Høje Taastrup
Executive Board	Martin Nicholas Calderbank Kevin Kristoffer Ehnhuus Iermiin
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group
	2018
	TDKK
Key figures	
Profit/loss	
Revenue	23.855
Gross profit/loss	-13.629
Profit/loss before financial income and expenses	-24.895
Net financials	-11.629
Net profit/loss for the year	-34.578
Balance sheet	
Balance sheet total	835.008
Equity	65.421
Cash flows	
Cash flows from:	
- investing activities	-708.691
including investment in property, plant and equipment	-3.072
Number of employees	67
Ratios	
Return on assets	-3,0%
Solvency ratio	7,8%
Return on equity	-105,7%

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

Management's Review

Key activities

Parent Company's purpose is to own shares in other companies.

The principal activities of the group are:

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

Radio and TV broadcasting network operation

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

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

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

Management's Review

The past year and follow-up on development expectations from last year

In 2018, ownership to Cibicom A/S and Digital Radio Cibicom A/S have been aquired to DK Infrastructure Bidco ApS. The management has made the purchase price allocation and as part of the purchase price allocation, fair value adjustments have only been made to buildings and masts. For the remaining assets and liabilities the book values have been assessed to approximate their fair values.

Below the group chart is shown and the following will focus on Cibicom A/S and Digital Radio Cibicom A/S. Cibicom Services A/S has been acquired in 2019 and is not recognised in the consolidated financial statements.

The group´s expectation to 2018 were focused at two important areas; i) securing the continuation of commercial DTT after April 2020 and ii) securing more opportunities within mission-critical network operations.

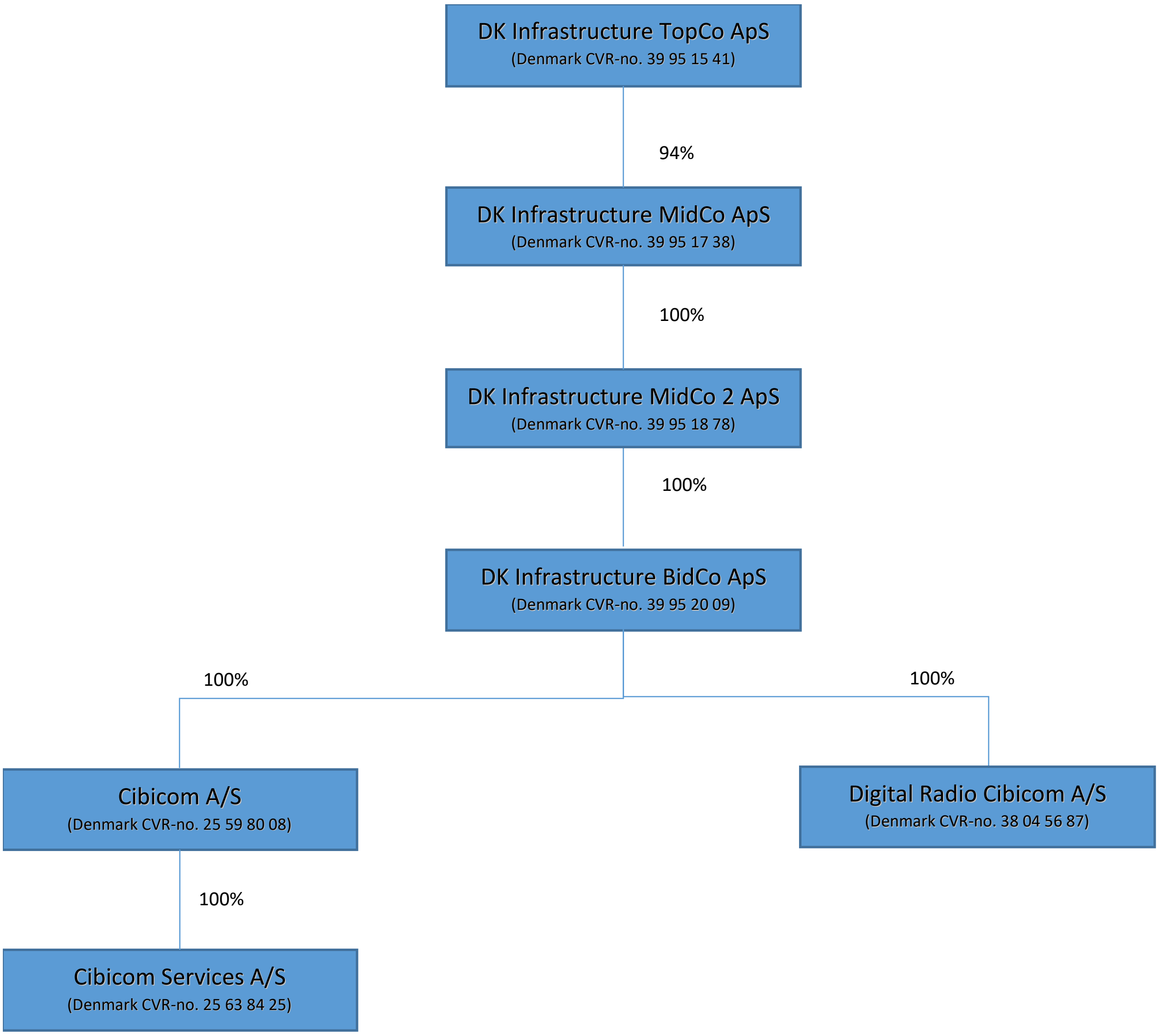
The group successfully secured a managed service regarding DTT distribution with Boxer TV A/S that had regained the commercial DTT distribution license (valid from April 2020) from the Danish state. The contract involves the modification of the national DTT network to DVB-T2 technology and free-up the 700 MHz spectrum currently in use. The 700 MHz spectrum is allocated formobile networks starting April 2020.

In 2018, the group secured a contract with Falck A/S regarding the operation of Falck A/S'national mission critical radio network.

Overall, the expectations to 2018 have been met in full.

Management's Review

Group chart



Development in the year

The income statement of the Group for 2018 shows a loss of TDKK 34,578, and at 31 December 2018 the balance sheet of the Group shows equity of TDKK 65,421.

In 2018 there has been non-recurring costs regarding transaction costs at TDKK 27.936

Operating risks

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

Management’s Review

Antenna space rental

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

Material activities during the year

In 2018 the group secured a contract with Falck A/S regarding the operation and maintenance of Falck A/S’ national radio based paging system used for communications with volunteers and off-duty firefighters. The paging system involves 190 tower positions all over Denmark. The contract included the takeover of a number of Falck A/S’ field service personal that over the times had been involved in the maintaining the paging system.

In 2018 the group began the investigation of Internet-of-things (IOT) technology as suitable for the use of the group´s high towers. As a result of the investigation and positive market feedback, the group launch its IOT server platform based on the LoRaWan IOT technology and began installations of LoRaWan IOT antenna systems in a number of its 300m high towers. The group plan to complete full national light outdoor coverage (>95%) in early 2019. IOT business it in its development in Denmark butthe potential is interesting as the group´s high towers seems to be a differentiator in the growing IOT market.

During 2018, the group has been working on becoming ISO 27001 certified (information andsecurity) in order to support the group ability to success in operation excellence of mission-critical networks. The group expects to succeed with the certification in early 2019.

Research and development

Due to the increasing interest from the market for the group’ IOT connectivity services using LoRaWan technogly, The group has increased resources with development of robust services. As an example the group expect to look into geolocation technology that can be used for tracking applications.

Management's Review

External environment

The external environment with respect to broadcast of radio and TV is in a change. The key drivers for TV broadcast are the decline in flow-tv penetration ('cable cutting and shaping') and the shift from DTT distribution to stream technology and on-demand. DTT distribution as a platform is still dependent on public service TV broadcast activity (free-to-air) and the outlook long term is uncertain. The national public service broadcaster (DR) will reduce the number of channels in April 2020 as the freeing up of the700 MHz spectrum leads to less capacity for DTT distribution for public service content. On the otherhand, the free-to-air of public service content is complementary to the increase penetration of on-demand subscriptions (streaming services). However, a decline in number of households using DTT is expected in the years to come.

Regarding broadcast of radio, there is a starting change from FM to DAB underway. FM will still be very widespread used in the years to come, but new radio formats only distributed on DAB (+internetdistribution) is expected. For a start, however, parallel distribution on FM and DAB will be dominant in the next few years.

Income Statement 17 October - 31 December

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Revenue		**23.855**	**0**
Other external expenses		-37.484	-25
Gross profit/loss		**-13.629**	**-25**
Staff expenses	2	-5.089	0
Profit/loss before depreciation		**-18.718**	**-25**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-6.177	0
Profit/loss before financial income and expenses		**-24.895**	**-25**
Income from investments in subsidiaries	5	0	-32.567
Financial income	6	0	950
Financial expenses	7	-11.629	-950
Profit/loss before tax		**-36.524**	**-32.592**
Tax on profit/loss for the year	8	1.946	6
Net profit/loss for the year		**-34.578**	**-32.586**
Special items	4		

Balance Sheet 31 December

Assets

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Acquired other similar rights		8.402	0
Intangible assets	9	**8.402**	**0**
Land and buildings		318.561	0
Plant and machinery		79.785	0
Other fixtures and fittings, tools and equipment		18.035	0
Property, plant and equipment in progress		6.424	0
Masts and equipment		294.310	0
Property, plant and equipment	10	**717.115**	**0**
Investments in subsidiaries	11	0	61.669
Receivables from group enterprises	12	0	109.263
Other receivables	12	2.540	0
Fixed asset investments		**2.540**	**170.932**
Fixed assets		**728.057**	**170.932**
Trade receivables		6.446	0
Contract work in progress	13	324	0
Other receivables		22	0
Deferred tax asset	14	40.578	6
Prepayments	15	5.516	0
Receivables		**52.886**	**6**
Cash at bank and in hand		**54.065**	**0**
Currents assets		**106.951**	**6**
Assets		**835.008**	**170.938**

Balance Sheet 31 December

Liabilities and equity

	Note	Group	Parent Company
		2018	2018
		TDKK	TDKK
Share capital		942	942
Retained earnings		60.708	60.708
Equity attributable to shareholders of the Parent Company		**61.650**	**61.650**
Minority interests		3.771	0
Equity		**65.421**	**61.650**
Other provisions	17	3.696	0
Provisions		**3.696**	**0**
Credit institutions		422.000	0
Prepayments received from customers		8.885	0
Payables to group enterprises		97.806	97.806
Deposits		21.052	0
Other payables		114.204	11.457
Long-term debt	18	**663.947**	**109.263**
Credit institutions	18	39.082	0
Prepayments received from customers	18	5.558	0
Trade payables		30.606	0
Corporation tax		20.667	0
Other payables	18	6.031	25
Short-term debt		**101.944**	**25**
Debt		**765.891**	**109.288**
Liabilities and equity		**835.008**	**170.938**
Subsequent events	1		
Distribution of profit	16		
Contingent assets, liabilities and other financial obligations	21		
Related parties	22		
Accounting Policies	23		

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 17 October	0	0	0	0	0
Cash payment concerning formation of entity	50	150	200	0	200
Cash capital increase	892	93.144	94.036	5.763	99.799
Net profit/loss for the year	0	-32.586	-32.586	-1.992	-34.578
Equity at 31 December	**942**	**60.708**	**61.650**	**3.771**	**65.421**

Parent Company

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 17 October	0	0	0	0	0
Cash payment concerning formation of entity	50	150	200	0	200
Cash capital increase	892	93.144	94.036	0	94.036
Net profit/loss for the year	0	-32.586	-32.586	0	-32.586
Equity at 31 December	**942**	**60.708**	**61.650**	**0**	**61.650**

Cash Flow Statement 17 October - 31 December

	Note	Group 2018 TDKK
Net profit/loss for the year		-34.578
Adjustments	19	15.860
Change in working capital	20	20.013
Cash flows from operating activities before financial income and expenses		**1.295**
Financial expenses		-11.629
Cash flows from operating activities		**-10.334**
Purchase of property, plant and equipment		-3.072
Business acquisition		-705.619
Cash flows from investing activities		**-708.691**
Raising of loans from credit institutions		461.082
Raising of loans from group enterprises		97.806
Raising of loans from other payables		114.203
Minority interests		5.763
Cash capital increase		94.236
Cash flows from financing activities		**773.090**
Change in cash and cash equivalents		**54.065**
Cash and cash equivalents at 17 October		0
Cash and cash equivalents at 31 December		**54.065**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		54.065
Cash and cash equivalents at 31 December		**54.065**

Notes to the Financial Statements

1 Subsequent events

After the end of the financial year the group has acquired the technology service company Cibicom Services A/S, the Danish subsidiary of the Relacom Group.

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

2 Staff expenses

	Group	Parent Company
	2018	2018
	TDKK	TDKK
Wages and salaries	4.295	0
Pensions	397	0
Other social security expenses	112	0
Other staff expenses	285	0
	5.089	**0**
Including remuneration to the Executive Board	**386**	**0**
Average number of employees	**67**	**0**

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

	Group	Parent Company
Amortisation of intangible assets	247	0
Depreciation of property, plant and equipment	5.930	0
	6.177	**0**

4 Special items

The profit for the year has been negatively affected by one-off costs at TDKK 27.936 in connection with acquisitions of subsidiaries. The costs are included in Other external expenses.

Notes to the Financial Statements

		Parent Company
		2018
		TDKK
5	**Income from investments in subsidiaries**	
	Share of losses of subsidiaries	-32.567
		-32.567

		Group	Parent Company
		2018	2018
		TDKK	TDKK
6	**Financial income**		
	Interest received from group enterprises	0	950
		0	**950**
7	**Financial expenses**		
	Interest paid to group enterprises	850	850
	Other financial expenses	10.774	100
	Exchange adjustments, expenses	5	0
		11.629	**950**
8	**Tax on profit/loss for the year**		
	Current tax for the year	824	0
	Deferred tax for the year	-2.770	-6
		-1.946	**-6**

Notes to the Financial Statements

9 Intangible assets

Group

	Acquired other similar rights
	TDKK
Cost at 17 October	0
Additions for the year	8.649
Cost at 31 December	8.649
Impairment losses and amortisation at 17 October	0
Amortisation for the year	247
Impairment losses and amortisation at 31 December	247
Carrying amount at 31 December	**8.402**

10 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Masts and equipment
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 17 October	0	0	0	0	0
Additions for the year	320.530	81.579	18.363	6.424	296.149
Cost at 31 December	320.530	81.579	18.363	6.424	296.149
Impairment losses and depreciation at 17 October	0	0	0	0	0
Depreciation for the year	1.969	1.794	328	0	1.839
Impairment losses and depreciation at 31 December	1.969	1.794	328	0	1.839
Carrying amount at 31 December	**318.561**	**79.785**	**18.035**	**6.424**	**294.310**

Notes to the Financial Statements

11 Investments in subsidiaries

	Parent Company
	2018
	TDKK
Cost at 17 October	0
Additions for the year	94.236
Cost at 31 December	94.236
Value adjustments at 17 October	0
Net profit/loss for the year	-32.567
Value adjustments at 31 December	-32.567
Carrying amount at 31 December	**61.669**

Reference is made to the group chart in Management´s Review for a specification of recognised subsidiaries in the group.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
DK Infrastructure Midco ApS	Taastrup	1.000.000	94,24%	65.441	-34.559

12 Other fixed asset investments

	Group	Parent Company
	Other receiv-ables	Receivables from group enterprises
	TDKK	TDKK
Cost at 17 October	0	0
Additions for the year	2.540	109.263
Cost at 31 December	2.540	109.263
Impairment losses at 17 October	0	0
Impairment losses at 31 December	0	0
Carrying amount at 31 December	**2.540**	**109.263**

Notes to the Financial Statements

	Group	Parent Company
	2018	2018
	TDKK	TDKK

13 Contract work in progress

	Group 2018 TDKK	Parent Company 2018 TDKK
Selling price of work in progress	470	0
Payments received on account	-146	0
	324	**0**

14 Deferred tax asset

	Group 2018 TDKK	Parent Company 2018 TDKK
Deferred tax asset at 1 December	37.808	0
Amounts recognised in the income statement for the year	2.770	6
Deferred tax asset at 31 December	**40.578**	**6**

The Company's deferred tax asset amounts to TDKK 40.578. 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.

15 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions ect.

16 Distribution of profit

	Group 2018 TDKK	Parent Company 2018 TDKK
Minority interests' share of net profit/loss of subsidiaries	-1.992	0
Retained earnings	-32.586	-32.586
	-34.578	**-32.586**

Notes to the Financial Statements

	Group	Parent Company
	2018	2018
	TDKK	TDKK

17 Other provisions

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.

	Group 2018 TDKK	Parent Company 2018 TDKK
Other provisions	3.696	0
	3.696	**0**

18 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:

	Group 2018 TDKK	Parent Company 2018 TDKK
Credit institutions		
After 5 years	238.000	0
Between 1 and 5 years	184.000	0
Long-term part	422.000	0
Within 1 year	38.000	0
Other short-term debt to credit institutions	1.082	0
Short-term part	39.082	0
	461.082	**0**
Prepayments received from customers		
Between 1 and 5 years	8.885	0
Long-term part	8.885	0
Other prepayments from customers	5.558	0
	14.443	**0**
Payables to group enterprises		
After 5 years	630.697	97.806
Between 1 and 5 years	-532.891	0
Long-term part	97.806	97.806
Within 1 year	0	0
	97.806	**97.806**

Notes to the Financial Statements

18 Long-term debt (continued)

	Group	Parent Company
	2018	2018
	TDKK	TDKK
Deposits		
After 5 years	1.270	0
Between 1 and 5 years	19.782	0
Long-term part	21.052	0
Within 1 year	0	0
	21.052	**0**
Other payables		
After 5 years	114.204	11.457
Long-term part	114.204	11.457
Other short-term payables	6.031	25
	120.235	**11.482**

19 Cash flow statement - adjustments

Financial expenses	11.629
Depreciation, amortisation and impairment losses, including losses and gains on sales	6.177
Tax on profit/loss for the year	-1.946
	15.860

20 Cash flow statement - change in working capital

Change in receivables	10.687
Change in trade payables, etc	9.326
	20.013

Notes to the Financial Statements

	Group	Parent Company
	2018	2018
	TDKK	TDKK

21 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

	Group 2018 TDKK	Parent Company 2018 TDKK
The carrying amount of land and buildings is	318.561	0
The following assets have been placed as security with other payables: Other payables have security in the shares of DK Infrastructure Midco 2 ApS. The carryring amount of the shares is	65.496	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	Group 2018 TDKK	Parent Company 2018 TDKK
Within 1 year	1.932	0
Between 1 and 5 years	1.957	0
	3.889	**0**
Lease commitments in the non-cancellable periode	4.845	0
Other contractual obligation	1.069	0

Other contingent liabilities

The group companies have provided recourse guarantee commitments to credit institution.

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 Cibicom A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

22 Related parties

	Basis
Controlling interest	
DK Infrastructure Holding S.á r.l., 51, avenue J.F. Kennedy, LU-1855 Luxembourg	Owns 100 % of the share capital of the company.

Transactions

All transactions with related partis have been carried out on an arm's length basis.

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of DK Infrastructure Topco ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

It is the company's first financial year and therefore no comparative figures.

The Consolidated and Parent Company Financial Statements for 2018 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DK Infrastructure Topco ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

23 Accounting Policies (continued)

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid. Expenses for consultants ect. directly related to the acquisitions are recognised in the income statement. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Minority interests

Minority interests form part of the Group’s total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group 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 Group.

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

Notes to the Financial Statements

23 Accounting Policies (continued)

the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

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 Group.

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 Group. 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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 entreprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intangible fixed acquired is measured at cost less accumulated.

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

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

23 Accounting Policies (continued)

when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Production buildings	10-40	years
Plant and machinery	5-20	years
Masts and equipment	11-30	years
Other fixtures and fittings	2-15	years

Depreciation period and residual value are reassessed annually.

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 deduction or addition of unrealised intercompany profits or losses and 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

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

Contract work in progress

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

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

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 Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

23 Accounting Policies (continued)

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

Loans, such as 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.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items

Notes to the Financial Statements

23 Accounting Policies (continued)

included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

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