DK Infrastructure Topco ApS

Industriparken 35, DK-2750 Ballerup

Annual Report for 2023

CVR No. 39 95 15 41

The Annual Report was presented and adopted at the Annual General Meeting of the company on 25/6 2024

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 1 January - 31 December 2023.

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

In our opinion the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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.

Ballerup, 25 June 2024

Executive Board

Kevin Ehnhuus Iermiin CEO	Tobias Bayer CEO

Independent Auditor's report

To the shareholder 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 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 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 1 January - 31 December 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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.

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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Parent 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 Group´s and the Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 25 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Michael Krath
State Authorised Public Accountant
mne34155

Company information

The Company	DK Infrastructure Topco ApS Industriparken 35 2750 Ballerup CVR No: 39 95 15 41 Financial period: 1 January - 31 December Municipality of reg. office: Ballerup
Executive Board	Kevin Ehnhuus Iermiin Tobias Bayer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Company	Residence	Ownership
DK Infrastructure Topco ApS	**Ballerup**	
DK Infrastructure Midco ApS	Ballerup	91 %
DK Infrastructure Midco ApS	Ballerup	100 %
DK Infrastructure Bidco ApS	Ballerup	100 %
Cibicom A/S	Ballerup	100 %
Cibicom Services A/S	Ballerup	100 %
Cibicom Supply A/S	Ballerup	100 %
Cibicom Mobility A/S	Ballerup	100 %
Telpartner A/S	Ballerup	100 %
Telpartner Sverige AB	Stockholm	90 %
Digital Radio Cibicom A/S	Ballerup	100 %
Cibisom Property A/S	Ballerup	100 %
Sense Solutions ApS	Ballerup	90 %

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	471,038	512,125	350,550	392,465	353,755
Gross profit	236,151	209,009	210,096	224,235	231,063
EBITDA before non-recurring items	139,331	145,106	135,731	140,528	152,484
Profit before financial income and expense	44,825	39,079	52,506	64,889	72,790
Profit/loss of financial income and expenses	-57,103	-44,448	-39,211	-38,500	-35,505
Net profit/loss for the year	-16,704	-7,916	23,312	23,180	33,854
Balance sheet					
Balance sheet total	1,127,200	1,080,558	933,560	913,419	907,146
Investment in property, plant and equipment	128,765	50,997	74,450	54,142	52,322
Equity	123,383	148,966	149,115	124,996	102,624
Cash flows					
Cash flows from:					
- investing activities	-132,322	-153,576	-97,326	-75,091	-40,822
Number of employees	150	146	140	138	131
Ratios					
Return on assets	4.3%	3.6%	5.6%	7.1%	8.0%
Solvency ratio	10.9%	13.8%	16.0%	13.7%	11.3%
Return on equity	-12.3%	-5.3%	17.0%	20.4%	41.2%

Management's review

Key activities

The 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 communication platform at Cibicom A/S' towers
- Design, implementation and operation of network infrastructure, MPLS and Internet access
- Datacenter and co-location activities
- We have our own mast-design for own deployment and re-sell where we offer the complete turn-key solution incl installation and service
- Mobile- and other device 'swap', installation and maintenance in own and 3rd party masts throughout the Nordics and related geographies
- Complete indoor communication solutions including passive and active DAS offerings, critical communication solution based on 450Mhz technology etc.
- IOT / interdevice communication solutions
- IOT Solutionsdesign and implementation

The Cibicom Group operates under the brands "Cibicom", "Cibicom Services", "Telpartner Denmark", Telpartner Sweden" and "Sense Solutions".

Operation

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

The external environment with respect to broadcast of Radio and TV is in a better position than anticipated few years back. This is driven by the continuous relevance of real-time information, especially within news and sports. There is a recognition of the benefits of having both entertainment and information broadcasted with a low latency (delay) which streaming will not be able to provide. Also, coverage and robustness which this technology provides has only become even more relevant with the current geopolitical situation and as a reminder to the capabilities of the infrastructure a country needs. Cibicom Group is pleased that we in 2023 has secured the TV broadcast operations (DTT) with the major operators up until 30th June 2030 and Cibicom Group is planning to work for a further extension of the TV broadcast operations (DTT) in the coming years, due to the coverage and robustness of this technology.

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

The Cibicom Group has through 2023 made further solid expansion into the fiber interconnect area (b2B) where we offer connectivity through our substantial backbone infrastructure. We are satisfied with the development in this area and expect this part of our business to grow substantially in the coming period.

Management's review

Datacenter and co-location are another growth area where we are seeing a successful uptake as we are further expanding our customer-base through renewal of our 02.22 SKI Public Purchase Agreement in order to further make colocation offer available to municipalities and public authorities with mission critical and colocation needs.

Our IOT or Inter-device communication is very well positioned to offer a communication platform based on our current infrastructure and in 2023 Cibicom Group with our Partner have been awarded two significant contracts relating to the establishment and operation of an IOT-network to remotely monitor and manage water usage and/or invoicing.

The Cibicom Group has for several years been running our own 24/7/365 Operations Center (NOC), with onsite staff monitoring all networks, infrastructure and other communication services continuously and provide services related to handling incidents and dispatching fields service personal.

Monitoring covers all geographic locations where the Cibicom Group has placed its equipment, which is more than 375 locations all over Denmark, including a number of islands without bridge connections. All operations are run with a high focus on security and compliance and the Cibicom Group continue to invest in improving this area to be market leading.

Development in the year

The income statement of the Group for 2023 shows a loss of TDKK 16,704, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 123,382. EBITDA for the year is below last year and expectations due to higher electricity cost and investments in new business areas such as Datacenter and Network.

Targets and expectations for the year ahead

We expect to improve EBITDA due to increased activity but as a result of increased depreciation and interest payments we expect net profit/loss for the year to be in line with 2023.

Data ethics policy

The Cibicom Group does not use advanced technologies such as artificial intelligence or machine learning. The Cibicom Group handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies. With the limited processing of data, it is the Cibicom Group's assessment that there is no need for a policy on data ethics. The Cibicom Group will continuously assess whether a policy is necessary.

Special risks - operating risks and financial risks

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

Research and development

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

Management's review

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

Business model
Please, refer to the paragraph Operation above for a description of the Cibicom Group's business model.

Environment and climate change, risks and policies
The Cibicom Group's only material risk related to the environment and climate change relates to emissions of carbon arising from producing the electricity we consume when providing our services. Here we source only 100% certified "green" electricity.

We have mapped our impacts on society with respect to the environment and climate change, indicating that special focus should be given to the consumption of energy. Cibicom Group has continued the work to overlook and ensure compliance with environmental regulations as well as discussing opportunities to further reduce the footprint of the Cibicom Group, also due to the coming implications on ESG-reporting in Corporate Social Reporting Directive. The Cibicom Group will continue the work in 2024.

2023 efforts and results
Cibicom Group being annually independently ESG audited since 2019 has continued the work in relation to minimizing future risks and expanding the Cibicom Group's focus on management and control of the Cibicom Group's suppliers in relation to compliance with the Cibicom Group's Supplier Code of Conduct, which also constitutes preparation for the future reporting measures, in , accordance with the Corporate Social Reporting Directive and the upcoming NIS2 directive on IT security, etc.

In 2023 Cibicom Group transformed the 2022 "Cibicom" UN Global Compact membership to a Cibicom Group membership, after which the Cibicom Group thus committed itself further and publicly in accordance with the Global Compact and the 10 principles on human and labour rights, ecofriendliness measures and the fight against all forms of corruption and bribery:
• Respect for and no violation of human rights (Principles 1-2)
• Support freedom of association and collective bargaining and prevent all forms of forced and child labour and discrimination (Principles 3-6)
• Focus on environmental challenges, environmental responsibility and the development and dissemination of environmentally-friendly technologies (Principles 7-9)
• Combating corruption, extortion and bribery (Principle 10), under which the Cibicom Group must also submit a COP, (Communication and Progress) with work on this in the coming years.

In 2023, the Cibicom Group's second Sustainability Report for 2022, containing a Climate Account for our CO_2 emissions, was published and, among other things, forwarded to a number of major international customers, as documentation for our ESG activities, including a number of ESG goals for the Cibicom Group materialized, and the following have thus been selected as decisive for the Cibicom Group in 2023:

Target 1 – Climate footprint:
The Cibicom Group will reduce CO_2 emissions (climate footprint) by 50% by 2030 with 2019 as the baseline, and this is in line with the subsidiary, Cibicom Services A/S's commitment to the Ericsson Supplier Climate Action.

Target 2 – Diversity:
The Cibicom Group will, on average, focus on diversity (on all fronts, such as education, age etc.) and gender diversity towards 2030 and thus have an overall target for Diversity of 25/75 in general in the Cibicom Group companies.

Target 3 – Employee satisfaction:
Towards 2030, the Cibicom Group will seek to achieve an average employee satisfaction of 80%, as good employee well-being is the foundation for a strengthened Cibicom Group, including creating good and open employee well-being, happy employees who both internally and externally protect, look after the company, which thus has a better foundation for being able to act properly and honestly in all business relationships.

Management's review

The Cibicom Group quality-certifications is continued and upheld in 2023:
• ISO/IEC 27001:2013 – Information Security Management system
• DS/EN ISO 9001:2015 – Quality Management system
• ISAE3402 Type 2 – Assurance Reports on Controls at a Service Organisation for datacentres
• KLS-EL – Electrical quality management system
• DS/EN ISO 9001:2015 – Quality Management System
• DS/ISO 45001:2018 – Health and Safety management system
• DS/EN ISO 14001:2015 – Environmental Management system.
• KLS-EL – Electrical quality management system

Regarding the Cibicom Group's data centers, focus was also in 2023 to constantly identifying opportunities for buying more efficient equipment for cooling purposes.

Human rights, social and employee conditions, risks and policies
The Cibicom Group's growth is based on a sustainable and responsible approach to our surroundings, and our employees are crucial for our success in this respect. Therefore, we focus on the health, safety and wellbeing of our employees and work.

There are severe health and safety risks related to maintenance of masts since employees need to work at high altitude when performing technical work. Apart from this, no other material risks have been identified with respect to health and safety.

As a regional Group doing business in Denmark, the Cibicom Group have not identified any risks with respect to human rights, which in our market is regulated and secured by the authorities. In particular, this includes the protection of personal data (GDPR), however, the Cibicom Group have a GDPR policy and have worked the requirements into a Code of Conduct, which along with requirements regarding climate change, environmental issues, social conditions and anti-corruption is part of contracts with suppliers. The Cibicom Group will continue the work in 2024 on the specific topic.

Results:
As direct results of Cibicom Groups work with social- and employee engagement in the year 2023 Cibicom Group has achieved a score from 79 to 87 in the annual employee well-being survey.

Anti-corruption, risks and policies
The Cibicom Group tolerates no form of corruption. Measures have been introduced to ensure that no employees accept any kind of bribery and do not give nor accept especially advantageous offers from persons, agents, intermediaries or other third parties. This also includes offers, hospitality, contributions or sponsorships, which if accepted will be announced transparently.

No other severe risks have been identified with respect to corruption in the Cibicom Group's line of business, among its customers or in the marketplace in general. However, with the zero-tolerance policy, the Cibicom Group continue to train and update key individuals in the organization, especially within management, procurement and sales.

Further, the Cibicom Group has implemented an updated whistleblower system per 17. December 2023 allowing for both internal and external stakeholders to report incidents and issues they may have experienced. The Cibicom Group will continue the work in 2024 on the specific topic.

2023 efforts and results
Both the anti-corruption policy and the whistleblower system continues in force. No whistleblower cases were reported in 2023.

Management's review

Statement on gender composition, cf. section 99b of the Financial Statements Act

Target for the supreme management body, the Executive Board
The Executive Board of the companies contains two members, which are all men. The Group has set a target for the Executive Board to have one female member no later than in 2025. The target was not reached in 2023 since the general assembly did not find it relevant to make changes to the existing Executive Board. The Group will continue the work in 2024 on the specific topic

	2023
Top management	
Total number of members	2
Underrepresented gender %	0%
Target figure %	25%
Year for meeting target	2025
Other management levels	
Total number of members	9
Underrepresented gender %	22%
Target figure %	25%
Year for meeting target	2025

Other management levels / Group Management in Cibicom Group consists of Cibicom's C-level positions as well as some Group functions.

Policy to increase the underrepresented gender on all management levels
The Cibicom Group's growth is based on a sustainable and responsible approach to our surroundings, and the employees are crucial for our success. In addition, it is the Cibicom Group's policy to increase the representation of the underrepresented gender on all management levels in our organization.

The line of business, Cibicom Group is part of, is generally challenged by an uneven gender split among the employees. The very specific technical qualifications the Cibicom Group needs are primarily held by male applicants. Even so, Cibicom Group has a strong focus on gender equality when recruiting new employees, and the company always request having a shortlist of both female and male candidates.

In the year 2023 Cibicom Group has intensified the actions to secure more applicants and new hires of the underrepresented gender and we believe that having the CEO in Cibicom Group will attract mores hirings from the underrepresented gender.

The Cibicom Group will continue the work in 2024 on the specific topic.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 31 December 2023 of the Cibicom Group and the results of the activities of the Cibicom Group for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

Reference is made to note 25 in the Financial Statements.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	471,038	512,127	0	0
Work on own account recognised in assets		15,255	12,740	0	0
Other operating income		0	119	0	0
Expenses for raw materials and consumables		-144,724	-193,228	0	0
Other external expenses	2	-105,418	-122,749	8,821	-26,853
Gross profit		**236,151**	**209,009**	**8,821**	**-26,853**
Staff expenses	3	-115,137	-102,503	0	0
Earnings Before Interest Taxes Depreciation and Amortization		**121,014**	**106,506**	**8,821**	**-26,853**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-72,263	-67,427	0	0
Profit/loss before financial income and expenses		**48,751**	**39,079**	**8,821**	**-26,853**
Income from investments in subsidiaries	5	0	0	-23,371	18,022
Financial income	6	228	323	16,560	15,012
Financial expenses	7	-57,331	-44,771	-16,483	-14,971
Profit/loss before tax		**-8,352**	**-5,369**	**-14,473**	**-8,790**
Tax on profit/loss for the year	8	-8,352	-2,547	-1,540	-1,001
Net profit/loss for the year	9	**-16,704**	**-7,916**	**-16,013**	**-9,791**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		8,613	8,119	0	0
Acquired other similar rights		9,774	17,162	0	0
Goodwill		38,569	42,643	0	0
Development projects in progress		2,232	427	0	0
Intangible assets	10	**59,188**	**68,351**	**0**	**0**
Land and buildings		353,186	367,836	0	0
Plant and machinery		213,665	133,340	0	0
Other fixtures and fittings, tools and equipment		22,961	19,033	0	0
Leasehold improvements		0	0	0	0
Property, plant and equipment in progress		2,154	0	0	0
Prepayments for property, plant and equipment		249,213	251,569	0	0
Property, plant and equipment	11	**841,179**	**771,778**	**0**	**0**
Investments in subsidiaries	12	0	0	135,883	166,685
Other receivables	13	2,616	2,749	0	0
Fixed asset investments		**2,616**	**2,749**	**135,883**	**166,685**
Fixed assets		**902,983**	**842,878**	**135,883**	**166,685**
Raw materials and consumables		20,595	25,718	0	0
Inventories		**20,595**	**25,718**	**0**	**0**
Trade receivables		74,448	79,961	0	0
Contract work in progress	14	18,090	34,101	0	0
Receivables from group enterprises		0	0	178,041	161,584
Other receivables		5,153	14,972	0	0
Deferred tax asset	15	47,507	52,419	0	0
Corporation tax		2,146	0	0	136
Prepayments	16	33,102	11,008	0	0
Receivables		**180,446**	**192,461**	**178,041**	**161,720**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		**23,176**	**19,501**	**69**	**156**
Current assets		**224,217**	**237,680**	**178,110**	**161,876**
Assets		**1,127,200**	**1,080,558**	**313,993**	**328,561**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		942	942	942	942
Reserve for net revaluation under the equity method		0	0	42,293	73,095
Retained earnings		107,968	131,411	65,675	58,316
Equity attributable to shareholders of the Parent Company		**108,910**	**132,353**	**108,910**	**132,353**
Minority interests		14,473	16,613	0	0
Equity		**123,383**	**148,966**	**108,910**	**132,353**
Other provisions	17	3,696	3,696	0	0
Provisions		**3,696**	**3,696**	**0**	**0**
Mortgage loans		221,841	270,770	0	0
Lease obligations		100,219	60,804	0	0
Prepayments received from customers		0	643	0	0
Payables to group enterprises		158,426	143,836	158,425	143,856
Deposits		18,439	18,495	0	0
Other payables		201,200	176,644	18,647	16,916
Long-term debt	18	**700,125**	**671,192**	**177,072**	**160,772**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Mortgage loans	18	48,946	48,589	0	0
Credit institutions		71,528	20,792	0	0
Lease obligations	18	34,875	23,533	0	0
Prepayments received from customers	18	1,909	0	0	0
Trade payables		111,066	109,293	24,676	33,586
Contract work in progress	14	3,853	7,809	0	0
Payables to group enterprises	18	0	0	2,933	1,850
Corporation tax		0	613	402	0
Other payables	18	27,279	45,483	0	0
Deferred income	19	540	592	0	0
Short-term debt		**299,996**	**256,704**	**28,011**	**35,436**
Debt		**1,000,121**	**927,896**	**205,083**	**196,208**
Liabilities and equity		**1,127,200**	**1,080,558**	**313,993**	**328,561**

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Statement of changes in equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	942	131,411	132,353	16,613	148,966
Exchange adjustments	0	-300	-300	-30	-330
Fair value adjustment of hedging instruments, beginning of year	0	0	0	-905	-905
Tax on adjustment of hedging instruments for the year	0	0	0	199	199
Other equity movements	0	-7,130	-7,130	-713	-7,843
Net profit/loss for the year	0	-16,013	-16,013	-691	-16,704
Equity at 31 December	**942**	**107,968**	**108,910**	**14,473**	**123,383**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	942	73,095	58,316	132,353
Exchange adjustments	0	0	-300	-300
Equity movements in subsidiaries	0	0	-7,130	-7,130
Net profit/loss for the year	0	-30,802	14,789	-16,013
Equity at 31 December	**942**	**42,293**	**65,675**	**108,910**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		-16,704	-7,916
Adjustments	20	137,388	107,557
Change in working capital	21	-5,223	26,665
Cash flow from operations before financial items		**115,461**	**126,306**
Financial income		228	145
Financial expenses		-57,221	-45,047
Cash flows from ordinary activities		**58,468**	**81,404**
Corporation tax paid		-6,000	-989
Other adjustments		-8,065	0
Cash flows from operating activities		**44,403**	**80,415**
Purchase of intangible assets		-3,754	-77,587
Purchase of property, plant and equipment		-128,766	-75,824
Fixed asset investments made etc		-58	-220
Sale of property, plant and equipment		0	55
Sale of fixed asset investments made etc		306	0
Business acquisition		-50	0
Cash flows from investing activities		**-132,322**	**-153,576**
Repayment of mortgage loans		-48,572	-7,255
Reduction of lease obligations		-25,543	-19,525
Raising of loans from credit institutions		50,736	20,780
Lease obligations incurred		76,196	36,534
Raising of payables to group enterprises		14,590	20,250
Raising of other long-term debt		23,857	161
Sale of treasury shares		0	-771
Cash flows from financing activities		**91,264**	**50,174**
Change in cash and cash equivalents		**3,345**	**-22,987**
Cash and cash equivalents at 1 January		19,501	42,368
Exchange adjustment		330	120
Cash and cash equivalents at 31 December		**23,176**	**19,501**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		23,176	19,501
Cash and cash equivalents at 31 December		**23,176**	**19,501**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Revenue, Denmark	415,639	431,335	0	0
Revenue, exports	55,399	80,792	0	0
	471,038	**512,127**	**0**	**0**
Business segments				
Radio and TV Broadcasting	178,218	185,628	0	0
Installation and services on Towers	163,092	227,404	0	0
Other revenues	129,728	99,095	0	0
	471,038	**512,127**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Special items include significant income and expenses not directly attributable to the Company's recurring operating activities such as material restructurings, impairments and reversal hereof, acquisition and integration costs and gains and losses on disposal of activities and non-current assets.				
One-off costs included in Other external costs	2,432	26,735	-8,914	26,735
	2,432	**26,735**	**-8,914**	**26,735**

Notes to the Financial Statements

3. Staff Expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	98,093	87,350	0	0
Pensions	10,779	9,600	0	0
Other social security expenses	2,029	1,674	0	0
Other staff expenses	4,236	3,879	0	0
	115,137	**102,503**	**0**	**0**
Average number of employees	**150**	**146**	**0**	**0**

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Amortisation of intangible assets	12,917	10,013	0	0
Depreciation of property, plant and equipment	59,346	57,414	0	0
	72,263	**67,427**	**0**	**0**

5. Income from investments in subsidiaries

	Parent company	
	2023	2022
	TDKK	TDKK
Share of profits	-23,371	18,022
	-23,371	**18,022**

6. Financial income

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	0	0	16,547	15,008
Other financial income	150	279	13	4
Exchange gains	78	44	0	0
	228	**323**	**16,560**	**15,012**

7. Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	14,741	13,422	14,741	13,386
Other financial expenses	42,184	31,186	1,742	1,585
Exchange adjustments, expenses	2,041	163	0	0
Exchange loss	-1,635	0	0	0
	57,331	**44,771**	**16,483**	**14,971**

8. Income tax expense

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	1,611	-873	1,540	1,001
Deferred tax for the year	6,791	3,420	0	0
Adjustment of tax concerning previous years	-50	0	0	0
	8,352	**2,547**	**1,540**	**1,001**

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK

9. Profit allocation

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Reserve for net revaluation under the equity method	0	0	-30,802	18,022
Minority interests' share of net profit/loss of subsidiaries	-691	1,877	0	0
Retained earnings	-16,013	-9,793	14,789	-27,813
	-16,704	**-7,916**	**-16,013**	**-9,791**

10. Intangible fixed assets

Group

	Acquired licenses	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	9,104	31,310	46,720	427
Additions for the year	1,145	0	804	1,805
Cost at 31 December	10,249	31,310	47,524	2,232
Impairment losses and amortisation at 1 January	985	14,148	4,077	0
Amortisation for the year	651	7,388	4,878	0
Impairment losses and amortisation at 31 December	1,636	21,536	8,955	0
Carrying amount at 31 December	**8,613**	**9,774**	**38,569**	**2,232**

The development projects concern the development of new products. The projects have been carried forward from last year and it is expected to continuously complete projects in connection with introduction to the market. Marketing begins when the projects are completed. The projects proceed according to plan through the use of the resources that Management has set aside for the development. The software is expected to be sold to a built-up customer portfolio. Prior to the initiation of the projects, the Company asked its customer portfolio about the need for the product, which was well received.

Notes to the Financial Statements

11. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Prepayments for property, plant and equipment
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	450,279	206,982	34,854	0	330,595
Additions for the year	7,249	96,965	8,624	2,154	13,774
Cost at 31 December	457,528	303,947	43,478	2,154	344,369
Impairment losses and depreciation at 1 January	82,443	73,642	15,821	0	79,045
Depreciation for the year	21,899	16,640	4,696	0	17,190
Impairment and depreciation of sold assets for the year	0	0	0	0	-1,079
Impairment losses and depreciation at 31 December	104,342	90,282	20,517	0	95,156
Carrying amount at 31 December	**353,186**	**213,665**	**22,961**	**2,154**	**249,213**
Including assets under finance leases amounting to	0	112,471	0	0	0

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

12. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	93,590	92,819
Additions for the year	0	771
Cost at 31 December	93,590	93,590
Value adjustments at 1 January	73,095	47,942
Disposals for the year	0	-619
Net profit/loss for the year	-21,363	18,641
Other equity movements, net	0	7,131
Reversals for the year of revaluations in previous years	-9,439	0
Value adjustments at 31 December	42,293	73,095
Carrying amount at 31 December	**135,883**	**166,685**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
DK Infrastructure Midco ApS	Ballerup	1.000	91%
DK Infrastructure Midco 2 ApS	Ballerup	1.000	100%
DK Infrastructure Bidco ApS	Ballerup	1.000	100%
Cibicom A/S	Ballerup	38.000	100%
Digital Radio Cibicom A/S	Ballerup	500	100%
Cibicom Services A/S	Ballerup	2.001	100%
Cibicom Property A/S	Ballerup	500	100%
Cibicom Mobility ApS	Ballerup	5.000	100%
Cibicom Supply A/S	Ballerup	400	100%
Sense Solutions ApS	Ballerup	40	90%
Telpartner A/S	Ballerup	4.050	100%
Telpartner Sverige AB	Stockholm	50	90%

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

Notes to the Financial Statements

13. Other fixed asset investments

Group

	Other receivables
	TDKK
Cost at 1 January	2,749
Additions for the year	174
Disposals for the year	-307
Cost at 31 December	2,616
Carrying amount at 31 December	**2,616**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
14. Contract work in progress				
Selling price of work in progress	89,401	63,522	0	0
Payments received on account	-76,281	-37,230	0	0
	13,120	**26,292**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	18,090	34,101	0	0
Prepayments received recognised in debt	-3,853	-7,809	0	0
	14,237	**26,292**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
15. Deferred tax asset				
Deferred tax asset at 1 January	52,419	60,294	0	0
Amounts recognised in the income statement for the year	-6,791	-3,420	0	0
Amounts recognised in equity for the year	1,879	-4,455	0	0
Deferred tax asset at 31 December	**47,507**	**52,419**	**0**	**0**

The Company's deferred tax asset amounts to DKK 47.507k. 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 %.

The Group is of the opinion that utilization within 3-5 years is possible. Further there are unrecognized deferred tax assets related to a subsiduary amounting to DKK 35 million.

16. Prepayments

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	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.				
Other provisions	3,696	3,696	0	0
	3,696	**3,696**	**0**	**0**
The provisions are expected to mature as follows:				
After 5 years	3,696	3,696	0	0
	3,696	**3,696**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

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 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Mortgage loans				
After 5 years	22,514	72,888	0	0
Between 1 and 5 years	199,327	197,882	0	0
Long-term part	221,841	270,770	0	0
Within 1 year	48,946	48,589	0	0
	270,787	**319,359**	**0**	**0**
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	100,219	60,804	0	0
Long-term part	100,219	60,804	0	0
Within 1 year	34,875	23,533	0	0
	135,094	**84,337**	**0**	**0**
Prepayments received from customers				
After 5 years	0	0	0	0
Between 1 and 5 years	0	643	0	0
Long-term part	0	643	0	0
Other prepayments from customers	1,909	0	0	0
	1,909	**643**	**0**	**0**
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	158,426	143,836	158,425	143,856
Long-term part	158,426	143,836	158,425	143,856
Other short-term debt to group enterprises	0	0	2,933	1,850
	158,426	**143,836**	**161,358**	**145,706**

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
18. Long-term debt				
Deposits				
After 5 years	0	1,324	0	0
Between 1 and 5 years	18,439	17,171	0	0
Long-term part	18,439	18,495	0	0
Within 1 year	0	0	0	0
	18,439	**18,495**	**0**	**0**
Other payables				
After 5 years	178,305	172,576	0	16,916
Between 1 and 5 years	22,895	4,068	18,647	0
Long-term part	201,200	176,644	18,647	16,916
Other short-term payables	27,279	45,483	0	0
	228,479	**222,127**	**18,647**	**16,916**

19. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

20. Cash flow statement - Adjustments

	Group 2023 TDKK	Group 2022 TDKK
Financial income	-228	-323
Financial expenses	57,331	44,771
Depreciation, amortisation and impairment losses, including losses and gains on sales	72,263	60,562
Tax on profit/loss for the year	8,352	2,547
Exchange adjustments	-330	0
	137,388	**107,557**

21. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	5,123	-21,086
Change in receivables	9,199	-75,088
Change in other provisions	0	-767
Change in trade payables, etc	-18,640	105,719
Fair value adjustments of hedging instruments	-905	17,887
	-5,223	**26,665**

22. Contingent assets, liabilities and other financial obligations

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	353,186	365,622	0	0
The following assets have been placed as security for lease obligations:				
The carrying amount of plant and equipment is	112,471	88,595	0	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	168,638	186,815	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,722	3,619	0	0
Between 1 and 5 years	2,965	2,891	0	0
	5,687	**6,510**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

22. Contingent assets, liabilities and other financial obligations

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 [Enter Name], 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.

23. Related parties

	Basis
Controlling interest	
DK Infrastructure Holding S.á r.l., 51, avenue J.F. Kennedy, LU-1855 Luxembourg	Owns >95 % of the share capital of the Company.

Transactions

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

24. Fee to auditors appointed at the general meeting

	Group	
	2023	2022
	TDKK	TDKK
Audit fee	669	658
Other assurance engagements	1,522	4,820
Tax advisory services	168	164
	2,359	**5,642**

25. Subsequent events

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

26. Accounting policies

The Annual Report of DK Infrastructure Topco ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 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.

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. The expenses for consultants ect. directly related to the acquisition 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.

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

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

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

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 acquistition of subsidiaries.

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

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 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.

Notes to the Financial Statements

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on business segments and geographical segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

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.

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

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.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale 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 enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Other intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 12 years.

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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
Masts and equipment	11-30 years
Plant and machinery	5-20 years
Other fixtures and fittings, tools and equipment	2-15 years
	0 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

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

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

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.

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 liabilities

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

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

Notes to the Financial Statements

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 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	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity