DK Infrastructure Bidco ApS

Industriparken 35, DK-2750 Ballerup

Annual Report for 1 January - 31 December 2022

CVR No 39 95 20 09

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/5 2023

Søren Fæster
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DK Infrastructure Bidco ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations for 2022.

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, 26 May 2023

Executive Board

Michael Meister
CEO

Board of Directors

Rasmus Forup Helmich Chairman	Kevin Kristoffer Ehnhuus Iermiin	Tobias Peter Bayer

Independent Auditor's Report

To the Shareholder of DK Infrastructure Bidco 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 2022 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DK Infrastructure Bidco ApS for the financial year 1 January - 31 December 2022, 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 ("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 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.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements and Parent Compa-

ny 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, 26 May 2023
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 Bidco ApS Industriparken 35 DK-2750 Ballerup CVR No: 39 95 20 09 Financial period: 1 January - 31 December Incorporated: 17 October 2018 Financial year: 5th financial year Municipality of reg. office: Ballerup
Board of Directors	Rasmus Forup Helmich, Chairman Kevin Kristoffer Ehnhuus Iermiin Tobias Peter Bayer
Executive Board	Michael Meister
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group			
	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Revenue	512.124	350.549	392.463	353.755
Gross profit/loss	236.015	216.912	224.553	231.328
Operating profit/loss	66.585	59.120	64.969	67.469
Profit/loss before financial income and expenses	66.704	59.322	65.207	73.055
Net financials	-43.111	-38.218	-37.451	-34.934
Net profit/loss for the year	21.792	31.227	24.903	35.368
Balance sheet				
Balance sheet total	1.082.677	932.373	912.365	903.829
Equity	187.108	157.395	126.168	100.883
Investment in property, plant and equipment	50.997	74.450	54.142	52.322
Number of employees	146	140	138	131
Ratios				
Return on assets	6,2%	6,4%	7,1%	8,1%
Solvency ratio	17,3%	16,9%	13,8%	11,2%
Return on equity	12,7%	22,0%	21,9%	35,1%

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.

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 2022 made further solid expansion into the fiber interconnect area

Management's Review

(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.

Datacenter and co-location are another growth area where we are seeing a successful uptake as we are further investing into this area. As a direct consequence of the success, we are seeing we have started the build-out of the datacenter in Ballerup and by the end of 2022 we started the establishment of our 4th datacenter north of Aarhus.

Another hi-potential business area is the IOT or Inter-device communication where the Cibicom Group is very well positioned to offer a communication platform based on our current infrastructure and we have only seen the relevance hereof growing in 2022.

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.

Development in the year

The income statement of the Group for 2022 shows a profit of TDKK 21,792, and at 31 December 2022 the balance sheet of the Group shows equity of TDKK 187,108.

Management is very satisfied with the performance for the Cibicom Group.

Material activities during the year

During 2022, the Cibicom Group has increased its activity through the acquisition of the company Telpartner A/S including the subsidiary Telpartner Sweden AB and the purchase of the plot north of Aarhus (Kappa) for the purpose of building the 4th datacenter for the Cibicom Group.

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.

Management's Review

Statutory statement on Corporate Social Responsibility in accordance with section 99a of the Danish financial statement 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 week seek to 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 and water as well as to sorting of waste prior to disposal. The Cibicom Group has in 2021 set up an internal Sustainability-committee to overlook and ensure compliance with environmental regulation as well as discuss opportunities to further reduce the footprint of the Cibicom Group, but also due to the coming implications on ESG-reporting in Corporate Social Reporting Directive which was adopted by the EU-Commission on 14. December 2022. The Cibicom Group will continue the work in 2023 on the specific topic.

2022 efforts and results

In addition to the Cibicom Group having been independently ESG audited since 2019, and to ensure ESG further priority, the Cibicom Group had PWC to conduct an independent review of its ESG Key Risk and Opportunities to get a concrete picture of the extent to which ESG was prioritized and could be prioritized as part of daily business operations in the future, and the report was delivered in early 2022 with a number of recommendations and next steps, which are included in the daily work of the Sustainability Committee's work.
One of the recommendations in relation to minimizing future risk was to expand 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, but also in relation to ESG and IT security, as a general preparation of the work, in all departments in the Cibicom Group, which lies ahead in terms of being able to report in accordance with the Corporate Social Reporting Directive and the upcoming NIS2 directive on IT security, etc.

One of the recommendations was also to become a signatory member of the UN Global Compact and this was implemented in April 2022, 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, eco-friendliness 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)

Management's Review

•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 2022, the Cibicom Group's first Sustainability Report for 2021, 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:

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 Cibicom Group'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.

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.

The Cibicom Group quality-certifications is continued and upheld in 2022:
•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

The process of identifying more energy efficient equipment has been continued especially with respect to more efficient transmitters and using LED lights on our masts to warn off airplanes at low altitude. Regarding the Cibicom Group's data centers focus also in 2022 continues to be on identifying opportunities for buying more efficient equipment for cooling purposes.

Within the Cibicom Group, companies have in 2022 sorted their waste to ensure it can be recycled to the best extend possible including fractions of paper, cardboard and IT equipment, which is handled by a waste handler specialized in waste of electric and electronic equipment.

Internally, the Cibicom Group in 2019 initiated a project to reduce the amount of plastic water bottles used, and in the Cibicom Group now avoid the use completely.

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 2023 on the specific topic.

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 a whistleblower system allowing for both internal and external stakeholders to report incidents and issues they may have experienced. The Cibicom Group will continue the work in 2023 on the specific topic.

2022 efforts and results

Both the anti-corruption policy and the whistleblower system continues in force. No whistleblower cases were reported in 2022.

Management's Review

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.

Special risks - operating risks and financial risks

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

Statutory statement on gender diversity in manangement in accordance with section 99b of the Danish financial statement act

Target for the supreme management body, the Board of Directors

The Board of Directors of the companies contains three members, which are all men. The Cibicom Group has set a target for the Board of Directors to have one female member no later than in 2025. The target was not reached in 2022 since the general assembly did not find it relevant to make changes to the existing Board of Directors. The Cibicom Group will continue the work in 2023 on the specific topic.

Policy to increase the underrepresented gender on other 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 this respect. In addition, it is the Cibicom Group's policy to increase the representation of the underrepresented gender on other management levels in our organization. The line of business the Cibicom Group is part of is generally challenged by an uneven gender split among the employees, but also in 2022 the Cibicom Group has continued to offer female as well as male employees continuing education, and when conducting the annual employee development meetings, the Cibicom Group has encouraged skilled employees to pursue a career and apply for promotions when openings were available. When the Cibicom Group advertise for applicants for job openings and when using recruitment firms, it is the Cibicom Group's policy to ensure, provided the qualifications are present, that the shortlist of applicants contain both female and male candidates. Also, in 2022 in connection with promoting the Cibicom Group to students, the Cibicom Group has ensured that students had the opportunity to speak with both female and male employees as role models.

Despite the continued efforts to secure more female applicants to the Cibicom Group, results remain to be seen in 2022 where the gender split on other management levels was unchanged compared to previous years.
To some extend this may be due to that the very specific technical requirements the Cibicom Group needs primarily are held by male applicants. The Cibicom Group will continue the work in 2023 on the specific topic.

Uncertainty relating to recognition and measurement

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

Management's Review

Unusual events

The financial position at 31 December 2022 of the Cibicom Group and the results of the activities of the Cibicom Group for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

Reference is made to note 1 in the Financial Statements.

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	2	**512.124**	**350.549**	**7.015**	**7.691**
Work on own account recognised in assets		12.740	19.382	0	0
Other operating income		119	202	0	0
Cost of sales		-193.228	-67.199	0	0
Other external expenses		-95.740	-86.022	-1.143	-336
Gross profit/loss		**236.015**	**216.912**	**5.872**	**7.355**
Staff expenses	3	-102.503	-95.833	-6.757	-7.408
Profit/loss before depreciation		**133.512**	**121.079**	**-885**	**-53**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-66.808	-61.757	0	0
Profit/loss before financial income and expenses		**66.704**	**59.322**	**-885**	**-53**
Income from investments in subsidiaries	5	0	0	47.238	53.359
Financial income	6	319	0	51	0
Financial expenses	7	-43.430	-38.218	-29.114	-26.435
Profit/loss before tax		**23.593**	**21.104**	**17.290**	**26.871**
Tax on profit/loss for the year	8	-1.801	10.123	4.473	4.356
Net profit/loss for the year		**21.792**	**31.227**	**21.763**	**31.227**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		8.119	775	0	0
Acquired other similar rights		17.162	0	0	0
Goodwill		42.643	0	0	0
Development projects in progress		427	0	0	0
Intangible assets	9	**68.351**	**775**	**0**	**0**
Land and buildings		367.836	289.079	0	0
Plant and machinery		133.340	137.869	0	0
Other fixtures and fittings, tools and equipment		19.033	33.501	0	0
Leasehold improvements		0	105	0	0
Property, plant and equipment in progress		0	45.866	0	0
Masts and equipment		251.569	244.932	0	0
Property, plant and equipment	10	**771.778**	**751.352**	**0**	**0**
Investments in subsidiaries	11	0	0	482.794	427.740
Other receivables	12	2.749	2.699	0	0
Fixed asset investments		**2.749**	**2.699**	**482.794**	**427.740**
Fixed assets		**842.878**	**754.826**	**482.794**	**427.740**
Inventories		**25.718**	**4.631**	**0**	**0**

Balance Sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		TDKK	TDKK	TDKK	TDKK
Trade receivables		79.961	48.540	0	0
Contract work in progress	13	34.101	14.898	0	0
Receivables from group enterprises		1.851	0	19.691	6.590
Other receivables		14.972	120	0	0
Deferred tax asset	16	53.000	60.129	0	0
Corporation tax		0	0	4.473	4.356
Prepayments	14	11.008	7.883	0	0
Receivables		**194.893**	**131.570**	**24.164**	**10.946**
Cash at bank and in hand		**19.188**	**41.346**	**3.977**	**4.534**
Currents assets		**239.799**	**177.547**	**28.141**	**15.480**
Assets		**1.082.677**	**932.373**	**510.935**	**443.220**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		1.000	1.000	1.000	1.000
Retained earnings		185.994	156.395	185.994	156.395
Equity attributable to shareholders of the Parent Company		**186.994**	**157.395**	**186.994**	**157.395**
Minority interests		114	0	0	0
Equity		**187.108**	**157.395**	**186.994**	**157.395**
Provisions for pensions and similar obligations		3.696	3.696	0	0
Other provisions	19	0	767	0	0
Provisions		**3.696**	**4.463**	**0**	**0**
Mortgage loans		270.770	280.966	0	0
Lease obligations		60.804	50.043	0	0
Prepayments received from customers		643	3.216	0	0
Payables to group enterprises		312.946	253.851	322.122	283.851
Deposits		18.495	18.334	0	0
Other payables		4.068	4.637	0	0
Long-term debt	17	**667.726**	**611.047**	**322.122**	**283.851**
Mortgage loans	17	48.589	45.649	0	0
Credit institutions		20.792	12	0	0
Lease obligations	17	23.533	17.285	0	0
Prepayments received from customers	17	0	284	0	0

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		TDKK	TDKK	TDKK	TDKK
Trade payables		75.616	43.927	193	194
Contract work in progress, liabilities	13	7.809	710	0	0
Payables to group enterprises	17	1.537	30.000	0	0
Corporation tax		1.750	1.867	0	0
Other payables	17	43.929	19.052	1.626	1.780
Deferred income	20	592	682	0	0
Short-term debt		**224.147**	**159.468**	**1.819**	**1.974**
Debt		**891.873**	**770.515**	**323.941**	**285.825**
Liabilities and equity		**1.082.677**	**932.373**	**510.935**	**443.220**

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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	1.000	156.394	157.394	0	157.394
Fair value adjustment of hedging instruments, end of year	0	10.047	10.047	0	10.047
Tax on adjustment of hedging instruments for the year	0	-2.210	-2.210	0	-2.210
Other equity movements	0	0	0	233	233
Net profit/loss for the year	0	21.763	21.763	-119	21.644
Equity at 31 December	**1.000**	**185.994**	**186.994**	**114**	**187.108**

Parent Company

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	1.000	156.394	157.394	0	157.394
Fair value adjustment of hedging instruments, end of year	0	7.837	7.837	0	7.837
Net profit/loss for the year	0	21.763	21.763	0	21.763
Equity at 31 December	**1.000**	**185.994**	**186.994**	**0**	**186.994**

Notes to the Financial Statements

1 Subsequent events

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

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2 Revenue				
Geographical segments				
Revenue, Denmark	431.334	344.798	7.015	7.691
Revenue, exports	80.790	5.751	0	0
	512.124	**350.549**	**7.015**	**7.691**
Business segments				
Radio and TV Broadcasting	185.628	201.205	0	0
Installation and services on Towers	227.404	91.908	0	0
Other revenues	99.092	57.436	7.015	7.691
	512.124	**350.549**	**7.015**	**7.691**
3 Staff expenses				
Wages and salaries	87.350	82.886	6.757	7.408
Pensions	9.600	8.713	0	0
Other social security expenses	1.674	1.133	0	0
Other staff expenses	3.879	3.101	0	0
	102.503	**95.833**	**6.757**	**7.408**
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	6.758	5.217	5.147	5.217
Board of Directors	50	50	0	0
	6.808	**5.267**	**5.147**	**5.217**
Average number of employees	**146**	**140**	**2**	**3**

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	9.394	2.905	0	0
Depreciation of property, plant and equipment	57.414	58.852	0	0
	66.808	**61.757**	**0**	**0**

	Parent Company	
	2022	2021
	TDKK	TDKK
5 Income from investments in subsidiaries		
Share of profits of subsidiaries	47.238	53.359
	47.238	**53.359**

6 Financial income

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Interest received from group enterprises	0	0	41	0
Other financial income	275	0	0	0
Exchange gains	44	0	10	0
	319	**0**	**51**	**0**

7 Financial expenses

	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Interest paid to group enterprises	29.131	26.390	29.100	26.390
Other financial expenses	14.136	11.717	14	45
Exchange adjustments, expenses	163	111	0	0
	43.430	**38.218**	**29.114**	**26.435**

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
8 Tax on profit/loss for the year				
Current tax for the year	-1.674	-150	-4.473	-4.356
Deferred tax for the year	3.475	-10.927	0	0
Adjustment of deferred tax concerning previous years	0	954	0	0
	1.801	**-10.123**	**-4.473**	**-4.356**

9 Intangible assets

Group

	Acquired licenses	Acquired other similar rights	Goodwill	Development projects in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	1.325	8.649	0	0	9.974
Additions for the year	7.779	22.661	46.101	427	76.968
Cost at 31 December	9.104	31.310	46.101	427	86.942
Impairment losses and amortisation at 1 January	549	8.648	0	0	9.197
Amortisation for the year	436	5.500	3.458	0	9.394
Impairment losses and amortisation at 31 December	985	14.148	3.458	0	18.591
Carrying amount at 31 December	**8.119**	**17.162**	**42.643**	**427**	**68.351**

The development projects concern the development of new products. The projects are expected to be completed in 2023, and marketing will begin when the projects are completed. The projects proceed according to plan through the use of the resources that the 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 product, which was well received.

Notes to the Financial Statements

10 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Masts and equipment	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	408.460	156.684	25.489	191	45.866	308.244	944.934
Additions for the year	6.354	49.777	9.087	0	0	12.623	77.841
Disposals for the year	0	0	-67	0	0	0	-67
Transfers for the year	35.465	521	343	-191	-45.866	9.728	0
Cost at 31 December	450.279	206.982	34.852	0	0	330.595	1.022.708
Impairment losses and depreciation at 1 January	60.953	57.673	11.537	108	0	63.312	193.583
Depreciation for the year	21.479	15.969	4.252	0	0	15.714	57.414
Impairment and depreciation of sold assets for the year	0	0	-67	0	0	0	-67
Transfers for the year	11	0	97	-108	0	0	0
Impairment losses and depreciation at 31 December	82.443	73.642	15.819	0	0	79.026	250.930
Carrying amount at 31 December	**367.836**	**133.340**	**19.033**	**0**	**0**	**251.569**	**771.778**
Including assets under finance leases amounting to	0	88.595	0	0	0	0	88.595

Notes to the Financial Statements

	Parent Company	
	2022	2021
	TDKK	TDKK

11 Investments in subsidiaries

	2022	2021
Cost at 1 January	734.275	734.235
Additions for the year	0	40
Disposals for the year	-22	0
Cost at 31 December	734.253	734.275
Value adjustments at 1 January	-306.535	-359.891
Disposals for the year	142	0
Net profit/loss for the year	47.097	53.356
Fair value adjustment of hedging instruments for the year	7.837	0
Value adjustments at 31 December	-251.459	-306.535
Carrying amount at 31 December	**482.794**	**427.740**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Cibicom A/S	Ballerup	38.000	100%	504.888	43.714
Digital Radio Cibicom A/S	Ballerup	500	100%	727	50
Cibicom Services A/S	Ballerup	2.001	100%	66.521	13.981
Cibicom Property A/S	Ballerup	500	100%	10.601	2.296
Cibicom Mobility ApS	Ballerup	5.000	100%	14.285	-2.221
Cibicom Supply A/S	Ballerup	400	100%	374	-8
Sense Solutions ApS	Ballerup	40	45%	-1.639	-1.420
Telpartner A/S	Ballerup	1.050	100%	35.111	15.119
Telpartner Sverige	Stockholm	50	90%	8.624	6.601

Notes to the Financial Statements

12 Other fixed asset investments

	Group
	Other receiv-ables
	TDKK
Cost at 1 January	2.700
Additions for the year	134
Disposals for the year	-85
Cost at 31 December	2.749
Carrying amount at 31 December	**2.749**

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

13 Contract work in progress

Selling price of work in progress	63.522	46.970	0	0
Payments received on account	-37.230	-32.782	0	0
	26.292	**14.188**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	34.101	14.898	0	0
Prepayments received recognised in debt	-7.809	-710	0	0
	26.292	**14.188**	**0**	**0**

14 Prepayments

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

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
15 Distribution of profit				
Minority interests' share of net profit/loss of subsidiaries	29	0	0	0
Retained earnings	21.763	31.227	21.763	31.227
	21.792	**31.227**	**21.763**	**31.227**

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
16 Deferred tax asset				
Deferred tax asset at 1 January	60.129	48.912	0	0
Amounts recognised in the income statement for the year	-3.475	10.927	0	0
Additions by acquisition, amount used in joint taxation etc.	-3.654	290	0	0
Deferred tax asset at 31 December	**53.000**	**60.129**	**0**	**0**

Deferred tax asset amounts to TDKK 53.000. 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 TDKK 46.000.

Notes to the Financial Statements

17 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		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	72.888	101.276	0	0
Between 1 and 5 years	197.882	179.690	0	0
Long-term part	270.770	280.966	0	0
Within 1 year	48.589	45.649	0	0
	319.359	**326.615**	**0**	**0**
Lease obligations				
Between 1 and 5 years	60.804	50.043	0	0
Long-term part	60.804	50.043	0	0
Within 1 year	23.533	17.285	0	0
	84.337	**67.328**	**0**	**0**
Prepayments received from customers				
Between 1 and 5 years	643	3.216	0	0
Long-term part	643	3.216	0	0
Other prepayments from customers	0	284	0	0
	643	**3.500**	**0**	**0**
Payables to group enterprises				
Between 1 and 5 years	312.946	253.851	322.122	283.851
Long-term part	312.946	253.851	322.122	283.851
Other short-term debt to group enterprises	1.537	30.000	0	0
	314.483	**283.851**	**322.122**	**283.851**

Notes to the Financial Statements

17 Long-term debt (continued)

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Deposits				
After 5 years	1.324	1.291	0	0
Between 1 and 5 years	17.171	17.043	0	0
Long-term part	18.495	18.334	0	0
Within 1 year	0	0	0	0
	18.495	**18.334**	**0**	**0**
Other payables				
Between 1 and 5 years	4.068	4.637	0	0
Long-term part	4.068	4.637	0	0
Other short-term payables	43.929	19.052	1.626	1.780
	47.997	**23.689**	**1.626**	**1.780**

18 Provisions for pensions and similar obligations

The company must pay civil servant pensions to current and former employees. Other provisions of TDKK 3.696 have been recognized for expected pension payments.

Provisions	3.696	3.696	0	0
	3.696	**3.696**	**0**	**0**

19 Other provisions

Other provisions	0	767	0	0
	0	**767**	**0**	**0**

20 Deferred income

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

Notes to the Financial Statements

21 Fee to auditors appointed at the general meeting

Reference is made to the Annual Report of DK Infrastructure Topco ApS.

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
22 Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with an accounting value excluding leasing assets	365.622	344.105	0	0
The following assets have been placed as security for lease obligations:				
Plant and equipment with an accounting value	88.595	68.830	0	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1.403	4.192	0	0
Between 1 and 5 years	730	4.215	0	0
After 5 years	0	1	0	0
	2.133	**8.408**	**0**	**0**

Other contingent liabilities

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

Cibicom A/S has committed a statement of support in favor of Sense Solutions ApS's and Cibicom Mobility ApS's other creditors, valid until 31 March 2024.

Notes to the Financial Statements

22 Contingent assets, liabilities and other financial obligations (continued)

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of DK Infrastructure Topco ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on 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 Midco 2 ApS, Industriparken 35, 2750 Ballerup	Owns 100 % of the share capital of the company.
DK Infrastructure Midco ApS, Industriparken 35, 2750 Ballerup	Parent Company for DK Infrastructure Midco 2 ApS
DK Infrastructure Topco ApS, Industriparken 35, 2750 Ballerup	Ultimate parent company

Transactions

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

Consolidated Financial Statements

The company is included in the consolidated financial statements of the following companies:

Name	Place of registered office
DK Infrastructure Topco ApS	DK-2750 Ballerup

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of DK Infrastructure Bidco ApS for 2022 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 and Parent Company Financial Statements for 2022 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of DK Infrastructure Topco ApS, the Company and the Group have not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DK Infrastructure Bidco 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.

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 acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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.

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.

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 retained earnings 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

24 Accounting Policies (continued)

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.

Revenue

Information on business segments and geographical segments 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 Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise the costs incurred in generating the year's revenue. Such costs include frequency license, electricity, rental of masts, operation and maintenance and other consumables.

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

24 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, cost of sales and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Balance Sheet

Intangible assets

Intangible fixed assets acquired is measured at cost less accumulated.

Intangible fixed assets comprise the rigth of use for joint equipment on the masts. 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 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
Plant and machinery	5-20	years
Masts and equipment	11-30	years
Other fixtures and fittings	2-15	years

The fixed assets' residual values are determined at nil.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of 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.

Notes to the Financial Statements

24 Accounting Policies (continued)

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 de-

Notes to the Financial Statements

24 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

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

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

Deferred income

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

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