

Mitel Denmark A/S

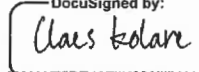
H. C. Andersen Boulevard 38 3. th, 1553 København V

CVR no. 12 10 13 92

Annual report 2021

Approved at the Company's annual general meeting on

Chair of the meeting:

DocuSigned by:

E3BE18E1T2214W1...
Claes Henrik Kolare

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Mitel Denmark A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

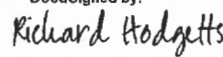
Copenhagen, 10 June 2022

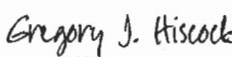
Executive Board:

DocuSigned by:

E3BE18E112214A1...
Claes Henrik Kolare
Director

Board of Directors:

DocuSigned by:

333EA5DAF4E045C...
Richard Eric Hodgetts
Chair

DocuSigned by:

874BF198C2B44D5...
Gregory James Hiscock

DocuSigned by:

E3BE18E112214A1...
Claes Henrik Kolare

Independent auditor's report

To the shareholder of Mitel Denmark A/S

Opinion

We have audited the financial statements of Mitel Denmark A/S for the financial year 1 January - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen S, 10 June 2022
Deloitte Statsautoriseret
Revisionspartnerselskab
CVR no. 33 96 35 56



Flemming Larsen
State Authorised Public Accountant
mne27790

Management's review

Company details

Name	Mitel Denmark A/S
Address, Postal code, City	H. C. Andersen Boulevard 38 3. th, 1553 København V
CVR no.	12 10 13 92
Established	1 May 1988
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Richard Eric Hodgetts, Chair Gregory James Hiscock Claes Henrik Kolare
Executive Board	Claes Henrik Kolare, Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 Copenhagen S

Management's review

Business review

Mitel Denmark A/S' primary activities are acting as trading company for the Mitel Technologies Group's products and services in Denmark.

Mitel Denmark A/S only deals with B2B. The primary targets for the company's primary activities are large companies and governmental institutions. The company deals its products and solutions through specialized dealers in Denmark.

From 1 November 2016, the company's activity is to facilitate sales to Danish customers on behalf of the group enterprise. Mitel Denmark A/S is compensated for this activity through a consignment agreement.

Financial review

The income statement for 2021 shows a profit of DKK 155 thousand against a profit of DKK 102 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 13,759 thousand.

The COVID-19 pandemic remains the most-cited risk to the global economy as it has been since WHO declared the outbreak a pandemic in March 2020. Measures taken to contain the virus including travel bans and restrictions, quarantines, shelter-in-place orders, and business limitations and shutdowns have significantly affected economic activity. In addition, these measures have resulted in supply chain disruptions, which further affected economic activity. As at the date of this report, the directors and management do not consider the COVID-19 pandemic to have had a material effect on the company's financial position. It expects that COVID-19 might have some impact in relation to expected future performance, however management believes that this will be mitigated by the fact that the company operates under a limited-risk distributor agreement. In reaching their going concern conclusion the directors and management have considered all the available information including reviewing performance since the balance sheet date and forecasts covering the period of twelve months from the date of signing the financial statements and, based upon this, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. Accordingly, the directors and management have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the report and accounts

Events after the balance sheet date

Mitel's board of directors has assessed the effects of Russian Federation attack on Ukraine on February 24, 2022 in relation to its business environment, employees and business operations. The company's business operations has not been significantly impacted by the crisis at the moment. The board and the management monitor closely the development of the crisis and update their assessment on the impact as the situation unfolds.

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December**Income statement**

Note	DKK	<u>2021</u>	<u>2020</u>
	Gross profit	2,584,363	3,343,942
2	Staff costs	-2,380,514	-3,063,638
	Profit before net financials	<u>203,849</u>	<u>280,304</u>
	Financial income	215	1,321
	Financial expenses	-3,135	-13,255
	Profit before tax	<u>200,929</u>	<u>268,370</u>
3	Tax for the year	-45,618	-166,100
	Profit for the year	<u><u>155,311</u></u>	<u><u>102,270</u></u>
	Recommended appropriation of profit		
	Retained earnings	<u>155,311</u>	<u>102,270</u>
		<u><u>155,311</u></u>	<u><u>102,270</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	14,231,231	11,918,333
	Deferred tax assets	12,874	10,368
	Other receivables	204,608	154,565
	Prepayments	74,050	0
		<u>14,522,763</u>	<u>12,083,266</u>
	Cash	<u>321,343</u>	<u>2,762,810</u>
	Total non-fixed assets	<u>14,844,106</u>	<u>14,846,076</u>
	TOTAL ASSETS	<u>14,844,106</u>	<u>14,846,076</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	2,000,000	2,000,000
	Retained earnings	11,759,208	11,603,897
	Total equity	<u>13,759,208</u>	<u>13,603,897</u>
	Liabilities other than provisions		
4	Non-current liabilities other than provisions		
	Other payables	271,574	268,553
		<u>271,574</u>	<u>268,553</u>
	Current liabilities other than provisions		
	Trade payables	224,998	240,727
	Corporation tax payable	48,124	58,832
	Other payables	540,202	674,067
		<u>813,324</u>	<u>973,626</u>
	Total liabilities other than provisions	<u>1,084,898</u>	<u>1,242,179</u>
	TOTAL EQUITY AND LIABILITIES	<u>14,844,106</u>	<u>14,846,076</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	2,000,000	11,501,627	13,501,627
Transfer through appropriation of profit	0	102,270	102,270
Equity at 1 January 2021	2,000,000	11,603,897	13,603,897
Transfer through appropriation of profit	0	155,311	155,311
Equity at 31 December 2021	2,000,000	11,759,208	13,759,208

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Mitel Denmark A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Revenue is recognised in the income statement based on a cost-plus agreement. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December**Notes to the financial statements**

DKK	<u>2021</u>	<u>2020</u>
2 Staff costs		
Wages/salaries	2,156,855	2,857,667
Pensions	212,843	202,906
Other social security costs	6,816	6,816
Other staff costs	4,000	-3,751
	<u>2,380,514</u>	<u>3,063,638</u>
	<u>2021</u>	<u>2020</u>
Average number of full-time employees	<u>3</u>	<u>5</u>
3 Tax for the year		
Tax on profit for the year	48,124	58,832
Deferred tax adjustments in the year	-2,506	9,632
Tax adjustments, prior years	0	97,636
	<u>45,618</u>	<u>166,100</u>
4 Non-current liabilities other than provisions		
Of the long-term liabilities, DKK 271,574 falls due for payment after more than 5 years after the balance sheet date.		
5 Contractual obligations and contingencies, etc.		
Other financial obligations		
Other rent and lease liabilities:		
Rent and lease liabilities	<u>314,258</u>	<u>392,892</u>
6 Collateral		
The Company has not provided any security or other collateral in assets at 31 December 2021.		