

Alcatel Submarine Networks Denmark ApS

c/o Accountor Denmark A/S
Herlev Hovedgade 195
2730 Herlev

CVR No. 21606391

Annual Report 2022

23. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2023

Søren Eskildsen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Alcatel Submarine Networks Denmark ApS for the financial year 1 January 2022 - 31 December 2022.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

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

Copenhagen, 30 June 2023

Executive Board

Michael Edward Stephen
McGovern
Man. Director

Supervisory Board

Søren Eskildsen
Chairman

Michael Edward Stephen
McGovern
Member

Vincent Robert Pierre Lara
Member

Independent Auditors' Report

To the shareholder of Alcatel Submarine Networks Denmark ApS

Opinion

We have audited the financial statements of Alcatel Submarine Networks Denmark ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 30 June 2023

DELOITTE STATS-AUTORISERET

REVISIONSPARTNERSELSKAB

CVR-no. 33963556

Henrik Hartmann Olesen
State Authorised Public Accountant
mne34143

Alcatel Submarine Networks Denmark ApS

Company details

Company	Alcatel Submarine Networks Denmark ApS c/o Accountor Denmark A/S Herlev Hovedgade 195 2730 Herlev
Telephone	4544807500
CVR No.	21606391
Date of formation	1 April 1999
Registered office	Herlev
Financial year	1 January 2022 - 31 December 2022
Supervisory Board	Søren Eskildsen Michael Edward Stephen McGovern, Man. Director Vincent Robert Pierre Lara
Executive Board	Michael Edward Stephen McGovern
Auditors	DELOITTE STATS-AUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 2300 København S CVR-no.: 33963556

Management's Review

The Company's principal activities

The company has 6 employees working for Marine activities or Selling & Marketing.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 5.371.787 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 29.983.960 and an equity of DKK 29.026.670.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Alcatel Submarine Networks Denmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Income for recharged expenses is recognised as revenue when the expenses are recognised.

Gross margin

The items revenue, other operating income and recharged expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Accounting Policies

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff costs

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

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income 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.

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.

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.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2022 kr.	2021 kr.
Gross margin		5.589.340	5.612.595
Staff costs	1	-5.400.558	-5.426.264
Depreciation and amortisation	2	-5.872	-4.610
Profit before net financials and tax		182.910	181.721
Finance income	3	36.262	666
Financial expenses	4	-72.382	-68.737
Profit before tax		146.790	113.650
Tax expense on ordinary activities	5	5.224.997	3.957.369
Net profit for the year		5.371.787	4.071.019
 Proposed distribution of results			
Retained earnings		5.371.787	4.071.019
Distribution of profit		5.371.787	4.071.019

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Fixtures, fittings, tools and equipment	6	14.744	20.612
Property, plant and equipment		14.744	20.612
Fixed assets		14.744	20.612
Receivables from group enterprises		15.217.564	7.716.087
Joint taxation contribution from group enterprises		5.226.833	4.445.212
Other receivables		127.041	535.826
Receivables		20.571.438	12.697.125
Cash and cash equivalents		9.397.778	12.339.391
Current assets		29.969.216	25.036.516
Assets		29.983.960	25.057.128

Alcatel Submarine Networks Denmark ApS

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Share capital		7.500.000	7.500.000
Retained earnings		21.526.670	16.154.882
Equity		29.026.670	23.654.882
Holiday funds payable		0	387.072
Long-term liabilities other than provisions		0	387.072
Trade payables		270.718	238.002
Payables to group enterprises		0	6.320
Other payables		686.572	770.852
Short-term liabilities other than provisions		957.290	1.015.174
Liabilities other than provisions within the business		957.290	1.402.246
Liabilities and equity		29.983.960	25.057.128
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Statement of changes in Equity

	Share capital	Retained earnings	Total
Equity 1 January 2022	7.500.000	16.154.883	23.654.883
Profit (loss)		5.371.787	5.371.787
Equity 31 December 2022	7.500.000	21.526.670	29.026.670

The share capital has remained unchanged for the last 5 years.

Notes

1. Staff costs

	2022	2021
Salaries and wages	4.507.454	4.811.843
Pension contributions	446.203	414.792
Other social security costs	41.360	44.771
Other employee costs	405.541	154.858
	5.400.558	5.426.264
Average number of employees	<u>6</u>	<u>5</u>

2. Depreciation and amortisation

	2022	2021
Depreciations for the year	5.872	4.610
	5.872	4.610

3. Finance income

	2022	2021
Other finance income	36.262	666
	36.262	666

4. Financial expenses

	2022	2021
Finance expenses arising from group enterprises	54.135	46.471
Other finance expenses	18.247	22.266
	72.382	68.737

5. Tax on profit for the year

	2022	2021
Current Tax	-5.226.833	-4.443.376
Income Taxes for previous years	1.836	486.007
	-5.224.997	-3.957.369

The company has an unrecognized deferred tax asset with a book value of DKK 69.939 thousands. This relates primarily to the taxable value of plant and equipment.

Notes

6. Fixtures, fittings, tools and equipment

	2022	2021
Cost at the beginning of the year	28.558	22.238
Addition during the year, incl. improvements	0	6.320
Cost at the end of the year	28.558	28.558
Depreciation and amortisation at the beginning of the year	-7.946	-3.336
Amortisation for the year	-5.868	-4.610
Impairment losses and amortisation at the end of the year	-13.814	-7.946
Carrying amount at the end of the year	14.744	20.612

7. Contingent liabilities

The Company is jointly taxed with Nokia Denmark A/S and together with jointly taxed group entities, the Company has joint and several liability for the payment of income taxes for the income year 2013 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

The Company is involved in a pending transfer pricing audit from the authorities related to previous income years.

8. Related parties

Information about consolidated financial statements

Parent

Alcatel Submarine Networks

Domicile

France

Requisitioning of the parent company's consolidated financial statement

Alcatel Submarine Networks
Route de Villejust
91625 NOZAY
France

9. Consolidated financial statements

Pursuant to section 71 a of the Danish Financial Statements Act, the Company is included in the consolidated financial statements of Nokia Oy, Finland that can be downloaded from the Company's homepage on www.nokia.com.

The Company is wholly owned by Alcatel Submarine Networks.