

Vodafone Enterprise Denmark A/S

c/o Lundgrens Advokatpartnerselskab, Tuborg Havnevej 12
2900 Hellerup

CVR no. 24 20 56 06

Annual report for the period 1 April 2020 - 31 March 2021

The annual report was presented and approved at
the Company's annual general meeting on

26 August 2021

Alan Mark Milton
Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Vodafone Enterprise Denmark A/S for the financial year 1 April 2020 - 31 March 2021.

The annual report has been 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 assets, liabilities and financial position at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 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.

Hellerup, 26 August 2021

Executive Board:

Alan Mark Milton

Board of Directors:

Stephan Klink

Alan Mark Milton

Marc Alexander Sauter

Independent auditor's report

To the Shareholders of Vodafone Enterprise Denmark A/S

Opinion

We have audited the financial statements of Vodafone Enterprise Denmark A/S for the financial year 1 April 2020 - 31 March 2021, which comprise 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 March 2021, and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Independent auditor's report (continued)

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 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 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 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.

Independent auditor's report (continued)

- 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.

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 Management's Review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, in our view, Management's review is in accordance with the 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.

Copenhagen, 26 August 2021

EY

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Karsten Bøgel
State Authorised Public Accountant
mne27849

Vodafone Enterprise Denmark A/S

Annual report 2020/21

CVR no. 24 20 56 06

Management's review

Company details

Vodafone Enterprise Denmark A/S
c/o Lundgrens Advokatpartnerselskab
Tuborg Havnevej 12
2900 Hellerup

Telephone:	+45 3525 2535
CVR no.:	24 20 56 06
Established:	1 October 1999
Registered office:	Hellerup
Financial year:	1 April - 31 March

Board of Directors

Stephan Klink
Alan Mark Milton
Marc Alexander Sauter

Executive Board

Alan Mark Milton

Auditor

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg Copenhagen

Annual general meeting

The annual general meeting will be held on 26 August 2021.

Management's review

Operating review

Principal activities

The principal activity of the Company is telecommunication services, particularly voice and data services and other related services, including ownership and operation of telecommunication networks and equipment and connection with and access to other teleoperators' networks.

Development in activities and financial position

The Company's income statement for the year ended 31 March 2021 shows a net profit of DKK 179 thousand, and equity in the balance sheet at 31 March 2021 stood at DKK 2,482 thousand. Management considers the results satisfactory.

Events after balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities.

Impact of Covid-19 on the Company's Financial Statements

The Company's management has considered the potential effects of COVID-19 on its activities and business, and concluded that they do not have a material impact on the Company's ability to continue as a going concern. As a result, the financial statements for the year ended 31 March 2021 have been prepared on a going concern basis.

Financial statements 1 April 2020 - 31 March 2021

Income statement

	Note	2020/21 DKK'000	2019/20 DKK'000
Revenue		8,542	3,665
Other income		8	0
Other external costs		(5,135)	(678)
Gross profit		3,415	2,987
Depreciation, amortisation and impairment		(2,893)	(2,820)
Operating profit		522	167
Financial income		101	103
Financial expenses	3	(444)	(219)
Profit before tax		179	51
Tax on profit for the year		0	0
Profit for the year		179	51
Proposed profit appropriation			
Retained earnings		179	51

Financial statements 1 April 2020 - 31 March 2021

Balance sheet

	Note	2020/21 DKK'000	2019/20 DKK'000
ASSETS			
Fixed assets			
<i>Property, plant and equipment</i>	4		
Property, plant and equipment under construction		20	103
Plant and machinery		350	432
Right-of-use assets		4,854	6,896
		<u>5,224</u>	<u>7,431</u>
Total fixed assets		<u>5,224</u>	<u>7,431</u>
Current Assets			
<i>Receivables</i>			
Receivables from group entities		9,088	6,045
Other receivables		193	99
		<u>9,281</u>	<u>6,144</u>
<i>Cash at bank and in hand</i>		<u>9</u>	<u>6,273</u>
Total current assets		<u>9,290</u>	<u>12,417</u>
TOTAL ASSETS		<u>14,514</u>	<u>19,848</u>

Financial statements 1 April 2020 - 31 March 2021

Balance sheet (continued)

	Note	2020/21 DKK'000	2019/20 DKK'000
EQUITY AND LIABILITIES			
<i>Equity</i>			
Contributed capital		600	600
Retained earnings		1,882	1,703
Total equity		2,482	2,303
<i>Non-current liabilities</i>			
Long term lease liabilities		3,060	4,253
Total non-current liabilities		3,060	4,253
<i>Liabilities</i>			
<i>Current liabilities</i>			
Banks, current liabilities		0	2,696
Trade payables		7,086	7,855
Payables to group entities		95	95
Lease liabilities		1,791	2,646
Total liabilities		12,032	17,545
TOTAL EQUITY AND LIABILITIES		14,514	19,848

Financial statements 1 April 2020 - 31 March 2021

Statement of changes in equity

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 April 2020	600	1,703	2,303
Transferred over the profit appropriation	0	179	179
Equity at 31 March 2021	600	1,882	2,482

Financial statements 1 April 2020 - 31 March 2021

Notes

1 Accounting policies

The annual report of Vodafone Enterprise Denmark A/S for 2020/21 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option of specific provisions for reporting class C.

No new accounting standards, or amendments to accounting standards that are effective for the year ended 31 March 2021, have had a material impact on the Company.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue earned by the Company relates to the provision of managed telecommunication network services. In addition, the Company earns revenues for the provision of services to other Vodafone Group companies.

Intercompany revenue is recognised in accordance with the Vodafone Enterprise Global Intercompany Agreement ("the agreement") effective from 1 April 2014, the Company is entitled to perform the following under the terms of the agreement:

- i. provide services to another Vodafone Group Company;
- ii. provide services to an allocator and in turn such allocator shall provide such services to another Vodafone Group Company; and
- iii. receive service charges from the recipient of such services in accordance with the applicable transfer pricing charging method. Under this transfer pricing method, service charges/revenue are calculated using a mark-up of up to 4% on the applicable costs incurred under the agreement.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

1 Accounting policies (continued)

Revenues earned by the Company relates to intercompany revenues.

The Company is applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognized on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Other income

Other operating income comprises items secondary to the activities of the Company, including gains on disposal of property, plant and equipment.

Other external costs

Other external costs comprise costs related to distribution, sales, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on transactions denominated in foreign currencies as well as surcharges and refunds under the on account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	10 years
Fixtures and fittings, tools and equipment	3-5 years
Right-of-use assets	2-9 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement under depreciation, amortisation and impairment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

1 Accounting policies (continued)

The IFRS 16 right-of-use assets are initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Company is 'reasonably certain' to exercise any extension options. The useful life of the asset is determined on acquisition based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology.

Impairment of fixed assets

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

1 Accounting policies (continued)

Lease accounting policy

Lease accounting policy under IFRS 16

When the Company leases an asset, a 'right-of-use asset' is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Company is 'reasonably certain' to exercise any extension options. The useful life of the asset is determined on acquisition based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments over the lease term that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the Company (the rate implicit in the lease is used if it is readily determinable). After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase) or if the Company's assessment of the lease term changes; any changes in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

1 Accounting policies (continued)

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carried forward, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at net realisable value.

2 Average number of full-time employees

The Company did not have any employees during the year under review.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

3 Financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Interest expense to group entities	(4)	(25)
Other financial costs	(440)	(194)
	(444)	(219)

4 Property, plant and equipment

	Property, plant and equipment under construction DKK'000	Plant and machinery DKK'000	Right-of-use assets DKK000	Total DKK'000
Cost at 1 April 2020	103	3,644	9,394	13,141
Additions for the year	13	96	673	782
Disposal for the year	(96)	(2,104)	0	(2,200)
Cost at 31 March 2021	20	1,636	10,067	11,723
Depreciation and impairment losses at 1 April 2020	0	(3,212)	(2,498)	(5,710)
Depreciation for the year	0	(178)	(2,715)	(2,893)
Reversed depreciation and impairment losses on assets sold	0	2,104	0	2,104
Depreciation and impairment losses at 31 March 2021	0	(1,286)	(5,213)	(6,499)
Carrying amount at 31 March 2021	20	350	4,854	5,224

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

5 Related party disclosures

Vodafone Enterprise Denmark A/S' related parties comprise the parent and other companies in the Vodafone Group.

Control

Vodafone Enterprise Denmark A/S is part of the consolidated financial statements of Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Vodafone Group Plc, Vodafone House, The Connection, can be obtained by contacting the Company or at the following website:

http://www.vodafone.com/content/index/investors/investor_information/annual_report.html

6 Contingencies

Deferred tax

The Company has a deferred tax asset amounting to DKK 34,560 thousand, which is not recognised in the financial statement.

Financial statements 1 April 2020 - 31 March 2021

Notes (continued)

6 Contingencies (continued)

Commitments

	2020/21	2019/20
	DKK'000	DKK000
1. Cost of sales commitments		
Within 12 months	33	225
12 to 24 months	1	0
24 to 36 months	1	0
36 to 48 months	0	0
48 to 60 months	0	0
Greater than 60 months	0	3
	35	228

	2020/21	2019/20
	DKK'000	DKK000
2. Fixed line purchase commitments		
Within 12 months	144	92
12 to 24 months	40	21
24 to 36 months	10	21
36 to 48 months	0	0
48 to 60 months	0	0
Greater than 60 months	0	0
	194	134