

Sprintlink Denmark ApS

c/o NJORD Law Firm, Pilestræde 58, 1112 Copenhagen

Company reg. no. 25 85 00 09

Annual report

1 April 2018 - 31 March 2019

The annual report was submitted and approved by the general meeting on the 22 July 2019.

Lars Lokdam
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of Sprintlink Denmark ApS for the financial year 1 April 2018 to 31 March 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 March 2019 and of the company's results of its activities in the financial year 1 April 2018 to 31 March 2019.

The annual report is recommended for approval by the general meeting.

Copenhagen, 22 July 2019

Executive Board

Stefan Kurt Schnopp

Independent auditor's report

To the shareholders of Sprintlink Denmark ApS

Opinion

We have audited the annual accounts of Sprintlink Denmark ApS for the financial year 1 April 2018 to 31 March 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2019 and of the results of the company's operations for the financial year 1 April 2018 to 31 March 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts 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 the internal control that we identify during our audit.

Copenhagen, 22 July 2019

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Jesper Bo Pedersen

State Authorised Public Accountant
mne42778

Company data

The company

Sprintlink Denmark ApS
c/o NJORD Law Firm
Pilestræde 58
1112 Copenhagen

Company reg. no. 25 85 00 09
Domicile: Copenhagen
Financial year: 1 April 2018 - 31 March 2019

Executive Board

Stefan Kurt Schnopp

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Accounting policies used

The annual report for Sprintlink Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies used

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration and premises.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise amortisation, depreciation and impairment relating to tangible fixed assets.

Other operating income and costs

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Property, Plant and Equipment

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

Accounting policies used

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation takes place on a straight-line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants and equipment</i>	<i>3-11 years</i>

Impairment of fixed assets

The carrying amounts of 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.

Financial fixed assets

Financial assets consist of deposits.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

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

Profit and loss account 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Net turnover	6.561.994	7.031.787
Other external costs	<u>-3.331.268</u>	<u>-3.038.063</u>
Gross results	3.230.726	3.993.724
2 Staff costs	-2.911.530	-2.983.555
Depreciation and impairment of tangible fixed assets	-160.196	-486.434
Other operating costs	<u>0</u>	<u>-271.384</u>
Operating profit	159.000	252.351
Financial income	60.648	107.960
Financial costs	<u>-135.478</u>	<u>-55.677</u>
Results before tax	84.170	304.634
Tax on ordinary results	<u>0</u>	<u>0</u>
Results for the year	84.170	304.634
Proposed distribution of the results:		
Allocated to results brought forward	<u>84.170</u>	<u>304.634</u>
Distribution in total	84.170	304.634

Balance sheet 31 March

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
3 Property	33.268	33.268
4 Other plants, and equipment	497.627	657.823
Tangible fixed assets in total	<u>530.895</u>	<u>691.091</u>
Deposits	36.000	36.000
Financial fixed assets in total	<u>36.000</u>	<u>36.000</u>
Fixed assets in total	<u>566.895</u>	<u>727.091</u>
Current assets		
Trade debtors	1.107.000	560.865
Amounts owed by group enterprises	13.528.766	13.661.880
Other debtors	0	120.793
Accrued income and deferred expenses	216.633	154.411
Debtors in total	<u>14.852.399</u>	<u>14.497.949</u>
Available funds	<u>783.765</u>	<u>691.478</u>
Current assets in total	<u>15.636.164</u>	<u>15.189.427</u>
Assets in total	<u>16.203.059</u>	<u>15.916.518</u>

Balance sheet 31 March

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
Contributed capital	151.000	151.000
Results brought forward	15.111.514	15.027.344
Equity in total	<u>15.262.514</u>	<u>15.178.344</u>
Liabilities		
Other debts	940.545	738.174
Short-term liabilities in total	940.545	738.174
Liabilities in total	<u>940.545</u>	<u>738.174</u>
Equity and liabilities in total	<u>16.203.059</u>	<u>15.916.518</u>

- 1 The significant activities of the enterprise
- 5 Contingencies
- 6 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>In total</u>
Equity 1 April 2018	151.000	15.027.344	15.178.344
Profit or loss for the year brought forward	0	84.170	84.170
	<u>151.000</u>	<u>15.111.514</u>	<u>15.262.514</u>

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The principal activity of Sprintlink Denmark ApS is the supply of network capacity to Sprint Corporations multinational customers and local Danish costumers. These services are provided in conjunction with Sprint Corporation (located in the US) and other Sprint International affiliates located around the world.

There are no significant changes in the company's activities and financial operations.

	<u>2018/19</u>	<u>2017/18</u>
2. Staff costs		
Salaries and wages	2.676.063	2.783.627
Pension costs	213.021	182.769
Other costs for social security	4.544	4.544
Other staff costs	17.902	12.615
	<u>2.911.530</u>	<u>2.983.555</u>
Average number of employees	<u>2</u>	<u>2</u>
	<u>31/3 2019</u>	<u>31/3 2018</u>
3. Property		
Cost 1 April 2018	33.268	0
Additions during the year	0	33.268
Cost 31 March 2019	<u>33.268</u>	<u>33.268</u>
Book value 31 March 2019	<u>33.268</u>	<u>33.268</u>

Notes

All amounts in DKK.

	<u>31/3 2019</u>	<u>31/3 2018</u>
4. Other plants, and equipment		
Cost 1 April 2018	39.765.360	48.595.682
Additions during the year	0	365.416
Disposals during the year	0	-9.195.738
Cost 31 March 2019	<u>39.765.360</u>	<u>39.765.360</u>
Amortisation and writedown 1 April 2018	-39.107.537	-47.545.457
Depreciation for the year	-160.196	-486.434
Reversal of depreciation, amortisation and writedown, assets disposed of	0	8.924.354
Amortisation and writedown 31 March 2019	<u>-39.267.733</u>	<u>-39.107.537</u>
Book value 31 March 2019	<u>497.627</u>	<u>657.823</u>

5. Contingencies

Contingent liabilities

The Company has entered into an agreement on rent of premises. The commitment amounts to TDKK 22 until the first possible term of notice. The agreement has a duration of 14 months.

The Company has entered into a 5 year agreement regarding rent of infrastructure and premises for technical equipment, totalling of TDKK 58. The agreement has a duration of 19 months.

6. Related parties

Consolidated financial statement

The company is included in the consolidated financial statement of Sprint Corporation Inc.

Name and place of registered office:

Sprint Corporation Inc.

6100 Sprint Parkway, Overland Park, KS 66251-6115, USA