GlobalConnect A/S

Havneholmen 6, st., 2450 København SV

CVR no. 26 75 97 22

Annual report 2023

Approved at the Company's annual general meeting on 31 May 2024

Chair of the meeting:

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Jakob Koefoed

Contents

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 GlobalConnect A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 31 May 2024
Executive Board:

Monika Juul Henriksen
CEO

Board of Directors:

Lasse Rudebeck Pilgaard Chair	Monika Juul Henriksen	Yan Zheng

Rikke Skovsager Sångren
Servais

Independent auditor's report

To the shareholder of GlobalConnect A/S

Opinion

We have audited the financial statements of GlobalConnect A/S for the financial year 1 January - 31 December 2023, 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 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 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.

Independent auditor's report

- 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, 31 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker State Authorised Public Accountant mne33732	Mads Vinding State Authorised Public Accountant mne42792

Management's review

Company details

Name	GlobalConnect A/S
Address, Postal code, City	Havneholmen 6, st., 2450 København SV
CVR no.	26 75 97 22
Established	20 August 2002
Registered office	København
Financial year	1 January - 31 December
Website	www.globalconnect.dk
E-mail	info@globalconnect.dk
Telephone	+45 77 30 30 00
Board of Directors	Lasse Rudebeck Pilgaard, Chair Monika Juul Henriksen Yan Zheng Rikke Skovsager Sångren Servais
Executive Board	Monika Juul Henriksen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKKm	2023	2022	2021	2020	2019
Key figures					
Revenue	1,380	1,242	1,153	914	867
Gross profit	742	705	676	510	624
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	375	367	370	351	336
Profit before interest and tax (EBIT)	-18	24	27	-3	20
Net financials	-142	-120	-109	-80	-77
Profit/loss before tax	-160	-96	-81	-83	-59
Profit/loss for the year	-125	-105	-91	-83	-67
Fixed assets	6,332	5,613	5,035	4,514	4,204
Non-fixed assets	1,165	1,075	665	670	603
Total assets	7,497	6,688	5,700	5,184	4,807
Investments in property, plant and equipment	1,236	1,446	660	666	373
Equity	822	923	1,031	908	980
Non-current liabilities other than provisions	5,231	4,344	3,670	3,457	2,957
Current liabilities other than provisions	1,311	1,253	833	662	831
Financial ratios					
Operating margin	-1.3%	1.9%	2.3%	-0.3 %	2.3 %
Gross margin	53.8%	56.8%	58.6%	55.8%	72.0%
EBITDA-margin	27.2%	29.5%	32.1%	38.4%	38.8%
Return on assets	-0.3%	-0.9%	0.0%	-0.8%	0.4%
Current ratio	88.9%	85.8%	79.8%	101.2%	72.6%
Equity ratio	11.0%	13.8%	18.1%	17.5%	20.4%
Return on equity	-14.3%	-10.7%	-9.4%	-8.8%	-5.9%
Average number of full-time employees	598	576	497	662	831

The key figures for the years from 2019 and 2020 have been amended to reflect the impact of the merger between GlobalConnect A/S, GlobalConnect NN A/S and ZEN SYSTEMS A/S on the 1st of July 2021 whith GlobalConnect A/S as the continuing company. In accordance with the accounting policies related to intra-group business combinations the merger has been accounted for using the Group Method.

Management's review

Business review

GlobalConnect A/S is a part of GlobalConnect Group, an independent fiber infrastructure provider that offers efficient and secure data networking, data center solutions and cloud services. The digitalization, requirement for efficient communication and outsourcing trends within enterprise and public sector are continuously redefining how we work and have the potential to deliver immense benefits to society; via its network and data center infrastructure, GlobalConnect benefits from these underlying megatrends.

GlobalConnect covers all of Denmark, Northern Germany, and parts of Sweden with more than 215,000 km of high-speed optical fiber network and more than 25 data center locations. GlobalConnect also acts as a turnkey supplier of international lines and services via partnering with other telecommunication operators outside the Company's own coverage area.

Financial review

The income statement for 2023 for GlobalConnect A/S shows a loss of DKK 125,050 thousand against a loss of DKK 104,768 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 822,310 thousand.

In December 2023 it was decided to carve-out and sell the GlobalConnect Outsourcing Services, Denmark. The carve-out was formally completed in February 2024 through a legal demerger, however for accounting purposes the demerger had effect from 30 September 2023. Accordingly, the operations of the GlobalConnect Outsourcing Services, Denmark is not included in the financial statement for the period 1 October - 31 December 2023.

In the annual report for 2022, Management expected financial growth, further developing market positions and realize identified synergies across country-/ company-/ services within the Group. GlobalConnect's 2023 financial performance was in line with expectations with an increase in revenue of 11% and an increase in EBITDA of 2%. Both the Board and Management consider it satisfactory.

No ordinary dividend is proposed for 2023.

Financial risks and use of financial instruments

The price level of GlobalConnect products is based on supply and demand of the Danish and international telecommunications and data markets and is not exposed to particular price-related risks. The majority of contracts cover a longer period of time than a single financial year.

The main part of GlobalConnect's activities is settled in Danish currency (DKK), but due to activities abroad, the result, cash flow and equity are to some extent influenced by exchange and interest rate developments of the Euro, NOK, and SEK.

Research and development activities

GlobalConnect aims at applying the newest technologies and wants to encourage investments in the next generation of the IKT community through active participation in selected professional and industrial bodies and boards. GlobalConnect works together with research institutions and development companies in order to support the development of disciplines within the telecommunications and knowledge industry. This work has among other things led to cooperation with a number of foreign companies to intensify knowledge development and interest in innovation in Denmark.

GlobalConnect continuously focuses on securing and developing its market position through controlled growth based on an increased focus on processes and improvement of operational efficiency. Such measures are expected to increase profitability and strengthen competitiveness. In the GlobalConnect Group, we continuously work to increase our range of products and services in order to improve customer satisfaction. Furthermore, we expect to order a build-out of data center facilities to meet the increasing demand. GlobalConnect will continue to improve support and product portfolio for our partners, improving their competitive edge.

Management's review

Data ethics

The Company carried out initiatives to support our continued commitment to maintain strong data ethics. GlobalConnect recognizes that it has an obligation to ensure the protection of the rights and privacy of employees, customers, suppliers and partners when utilizing technologies for the processing of data. Therefore, a policy on data ethics guided by principles which supplements the Company's general procedures and policies for processing of personal data is adopted this fiscal year.

Statutory Statement on Social Responsibility

GlobalConnect A/S' statutory statement on social responsibility cf. FSA §99a is included in the consolidated sustainability reporting for the parent company, Nordic Connectivity AB. The consolidated reporting can be found on the following link:

https://www.globalconnectgroup.com/annual-report#download

Report on the gender composition of Management

In GlobalConnect, we are determined to create a work environment where diversity, equal opportunities, and freedom to express opinions are valued. It is included in policies and regulations to prevent discrimination in every aspect, regarding salary, promotion, recruitment etc. A key target for GlobalConnect is to be a "preferred place to work". Key elements to reach this has been to focus on building high-performing leaders, attracting and developing talent and building one company culture with high employee-involvement, employee satisfaction and engagement.

The total number of employees in GlobalConnect A/S was 646 on 31 December 2023 (2022: 657) with a gender split of 25% women and 75% men. Across the Group, the gender split among employees was 26% women and 74%. That compares to a target of 30/70.

In GlobalConnect, we believe different perspectives help us evolve and gender diversity is one of the ways to attain diversity and one that we can measure. We have increased the gender diversity ratio through better processes for recruitment. We are set on improving the ratio of women across the group and aim to base all decisions regarding employment, promotion, salary, work conditions and recruitment on relevant and objective criteria.

More than ever before women are part of leadership and decision-making processes in GlobalConnect. Our gender ratio of women in the Corporate Leadership Team (CLT) and the Executive Leadership Team (ELT) of GlobalConnect A/S is 60% in 2023, which is the same as last year. Regarding GlobalConnect Group, it has increased from 39% in 2022 to 43% in 2023.

Overview

	2023	2022
Supreme governing body		
Total number of members	4	5
Underrepresented gender in %	25	40
Target figure in %	50	50
Year in which the target figure is expected to be met	2025	2025
Other levels of management		
Total number of members	6	6
Underrepresented gender in %	50	50

Management's review

Supreme governing body

GlobalConnect aims at getting 50% of the underrepresented gender in the top management body in 2025. Representation will follow qualification. We aim to reach the gender targets provided that best-qualified persons, irrespective of gender, ethnic background, citizenship, physical performance etc., are available for the position.

Status of the gender distribution of the Board of Directors in GlobalConnect A/S are 3 women, out of a total of 4 Board members (75/25), accordingly there is an equal gender distribution in the Supreme governing body. In GlobalConnect Group the gender distribution of the Board of Directors are 2 women, out of a total of 9 Board members (22/78).

Other levels of management

The company's other levels of management consist of the company's registered executive board, as well as the heads of the organization's individual functions, who report directly to the registered executive board. The other management levels consist of 3 women (50%) and 3 men (50%). Accordingly there is an equal gender distribution in the "other levels of management".

Events after the balance sheet date

In December 2023, the decision to carve out GlobalConnect Outsourcing Services, Denmark was made. Effectively 29 Februar 2024, the carve out was completed and the GlobalConnect Outsourcing Services, Denmark was acquired by UnitIT, a Danish owned complete supplier of IT infrastructure, operations, and support for small and medium sized companies in Denmark. The sale of the GlobalConnect Outsourcing Services, Denmark business will positively impact the financial performance of GlobalConnect A/S for 2024 with a significant non-recurring gain
from the sale.

Outlook

GlobalConnect will continuously focus on providing efficient and secure data networking and growth, and in 2024 we expect the financial performance to increase compared to 2023. At the same time, we keep pursuing exciting and innovative opportunities and will keep recruiting and retaining best-in-class talent carrying our shared Group values.

GlobalConnect expects growth in revenue of 5-10% as well as EBITDA in the range of 2-5%.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
5	**Revenue**	1,380,301	1,241,759
	Cost of sales	-320,962	-321,650
7	Other operating income	2,319	79,805
6	Other external expenses	-319,357	-295,246
	Gross profit	742,301	704,668
8	Staff costs	-366,832	-337,928
9	Amortisation/depreciation of intangible assets and property, plant and equipment	-393,510	-342,926
	Profit/loss before net financials	-18,041	23,814
10	Financial income	17,454	18,161
11	Financial expenses	-159,462	-138,444
	Profit/loss before tax	-160,049	-96,469
12	Tax for the year	34,999	-8,299
	Profit/loss for the year	-125,050	-104,768

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
14	**Intangible assets**		
	Completed development projects	34,440	5,046
	Acquired intangible assets	31,655	9,580
	Goodwill	778,067	830,521
	Development projects in progress and prepayments for intangible assets	75,847	0
		920,009	845,147
15	**Property, plant and equipment**		
	Land and buildings	159,504	176,831
	Facility Housing	251,798	256,090
	Spare parts	11,550	30,908
	Plant and machinery	754,164	678,139
	Fibre/ducts	2,517,284	2,442,969
	Fixtures and fittings, other plant and equipment	271,190	288,035
	Leasehold improvements	18,248	36,236
	Property, plant and equipment under construction	1,059,358	451,994
		5,043,096	4,361,202
16	**Investments**		
	Investments in group enterprises	262,764	212,548
	Receivables from group enterprises	99,506	188,149
	Deposits	6,419	6,070
		368,689	406,767
	Total fixed assets	6,331,794	5,613,116
	Non-fixed assets		
	Receivables		
	Trade receivables	236,533	301,616
	Receivables from group enterprises	809,649	543,025
	Other receivables	36,146	27,586
17	Prepayments	82,250	202,650
		1,164,578	1,074,877
	Total non-fixed assets	1,164,578	1,074,877
	TOTAL ASSETS	7,496,372	6,687,993

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
18	Share capital	2,325	2,325
	Revaluation reserve	9,499	10,046
	Reserve for development costs	86,024	3,902
	Retained earnings	724,462	907,096
	Total equity	822,310	923,369
	Provisions		
19	Deferred tax	126,612	161,576
21	Other provisions	5,652	6,567
	Total provisions	132,264	168,143
	Liabilities other than provisions		
20	**Non-current liabilities other than provisions**		
	Lease liabilities	290,938	313,019
	Prepayments received from customers	42,211	66,568
	Payables to group entities	4,343,692	3,519,150
	Other payables	35,540	39,978
22	Deferred income	518,406	405,124
		5,230,787	4,343,839
	Current liabilities other than provisions		
20	Lease liabilities	93,073	88,327
20	Prepayments received short-term	21,973	9,241
	Trade payables	140,875	161,086
20	Payables to group enterprises	672,293	599,470
	Other payables	225,914	176,822
20,22	Deferred income	156,883	217,696
		1,311,011	1,252,642
	Total liabilities other than provisions	6,541,798	5,596,481
	TOTAL EQUITY AND LIABILITIES	7,496,372	6,687,993

1 Accounting policies
2 Recognition and measurement uncertainties
3 Events after the balance sheet date
4 Liquidity
13 Appropriation of profit/loss
23 Contractual obligations and contingencies, etc.
24 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Revaluation reserve	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2022	2,325	10,593	68,634	949,495	1,031,047
	Reserve for development costs	0	0	-64,732	64,732	0
13	Transfer, see "Appropriation of profit/loss"	0	0	0	-104,802	-104,802
	Long-Term Incentive Plan	0	0	0	-2,876	-2,876
	Dissolution of previous years' revaluations	0	-547	0	547	0
	Equity at 1 January 2023	2,325	10,046	3,902	907,096	923,369
	Other adjustments	0	0	0	4,573	4,573
	Reserve for development costs	0	0	82,122	-82,122	0
13	Transfer, see "Appropriation of profit/loss"	0	0	0	-125,050	-125,050
	Long-Term Incentive Plan	0	0	0	19,418	19,418
	Dissolution of previous years' revaluations	0	-547	0	547	0
	Equity at 31 December 2023	2,325	9,499	86,024	724,462	822,310

Other adjustments relates to the legal demerger of the GlobalConnect Outsourcing, Denmark business.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of GlobalConnect A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of GlobalConnect A/S are included in the consolidated financial statements of Nordic Connectivity AB, Uppsala, Sweden, reg. no. 559228-2353.

Comparative figures for 2022 for receivables from group enterprises and payables have been reclassified. Further, distribution of other payables between non-current and current have been reclassified for comparative figures for 2022. The reclassifications have no impact on the profit and loss but have increases the balance sheet with a total of DKK 552,057 thousand for 2022.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the ultimate parent company Nordic Connectivity AB.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures are restated.

On 29 February 2024, GlobalConnect A/S carved-out the GlobalConnect Outsourcing, Denmark business through way of a legal demerger. For accounting purposes the demerger was accounted for on 30 September 2023 applying the book-value method, whereby comparatives are not restated.

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

The Company has chosen IFRS 15 "Revenue from contracts with customers" as interpretation for revenue recognition.

On the conclusion of sales contracts which consist of several, separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

Income from the sale of goods, including income from fibres, rights to use, etc. is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery.

Income from the sale of services, which include service contracts to products and services sold, is recognised on a straight-line basis as the services are rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured, regardless of when the payment is received. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. Other operating income comprises items secondary to the Company's activities, including gains and losses on disposal of assets.

Cost of sales

Cost of sales comprise costs incurred in generating the year's revenue. Such costs include direct and indirect costs related to fibres, raw materials and consumables.

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.

Within the Group, there has been established a Long-term Incentive program (LTIP). The ultimate parent company Nordic Connectivity AB has the obligation to make a cash payment to the employees. The employees are employed in different subsidiaries, and GlobalConnect A/S has no obligation to settle the transaction and therefore, accounts for the transaction as equity-settled award, recognizing a staff cost and a corresponding credit in equity as a contribution from its parent.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Goodwill	20 years
Rights and licenses	3 years

Goodwill is measured as the difference between cost of the investments and the pro rata share of the fair value of the assets and liabilities acquired and measured at fair value on the date of acquisition. Goodwill is amortized straight-line over its estimated useful life, which is fixed based on the experience gained by management for each business area. The amortization period is usually 5 years; however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortization period is considered to give a better reflection of the benefit from the relevant resources.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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.

Buildings	20 years
Facility Housing	3-15 years
Fibre/ducts	30-40 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years.

Licenses are measured at cost less accumulated amortisation and impairment losses. Licenses are amortised over the term of the license, however not exceeding 15 years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Leases

The Company has chosen IFRS 16 "Leases" as interpretation for classification and recognition of leases.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Investments in group entities and associates

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Gains and losses on disposal of group entities and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment, investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Equity

Revaluation reserve

The reserve comprises revaluations of property, plant and equipment/investments in group entities and associates relative to cost net of deferred tax.

The revaluation reserve is reduced by the depreciation charges relating to the revaluation.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income tax and deferred tax

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Recognition and measurement uncertainties

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

The judgments, estimates, and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainties and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstance may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Critical accounting estimates

Critical accounting estimates are expectations of the future based on assumptions, that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to the market conditions and changes in economic factors, etc. The Company believes that the estimates are the most likely outcome of future events.

Impairment Considerations of Goodwill, Intangible assets, Property, Plant and Equipment and Right of Use Assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For the year ended 31 December 2023, the Company has assessed that there were no indications that its goodwill, intangible assets, property, plant and equipment, and right of use assets were impacted. Accordingly, no impairment tests were performed.

Leases

In applying IFRS 16, the Company makes significant judgements in the following areas:

- Determination whether a contract is, or contains a lease:
  In assessing whether a contract is, or contains a lease, the Company has assessed whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. This assessment has required significant judgements for fibre optic cable arrangements, capacity, colocation leases and leases of data centres. The Company has identified lease contracts relating to network equipment (e.g. dark fiber, IRU and ducts), technical and non-technical space, equipment and cars.
  A capacity portion or other portion of an asset that is not physically distinct (e.g. a capacity portion of a fibre optic cable, including internet/broadband services) is not considered an identified asset unless it represents substantially all the capacity of the entire asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from use of the asset. The Company has concluded that such capacity arrangements represent the delivery of services from a supplier to the customer and are not accounted for in accordance with IFRS 16.
  Colocation leases and leases of data centres are considered leases in the scope of IFRS 16 if the customer has the right to a defined space or equipment and controls the use of this space/equipment.

- Determination of the lease term, the Company as a lessee:
  The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
  After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).
  When evaluating whether the Company is reasonably certain to exercise a renewal option or not to exercise a termination option the Group considers factors such as business model (e.g. the importance of the asset to the underlying business) and the availability of alternative assets etc. These judgements are especially relevant to the Group's fibre and data center/ colocation leases.

Financial statements 1 January - 31 December

Notes to the financial statements

- Classification of operating vs. finance leases, the Company as a lessor:
  For agreements where the Group acts as a lessor, the Group classify its leases as either operating or finance leases. If the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.
  The Group especially applies judgements in assessing its long term IRUs (Indefeasible Right of Use). Unless the lease term is for the major part of the economic life of the underlying fiber and/or title of the fiber is transferred, the Group generally assess such leases as operating.
  Subleases where the Group is the intermediate lessor, are considered finance leases when the head lease and the sublease have corresponding or similar lease terms.

The Company has recognized lease liabilities amounting to DKK 384,011 thousand and DKK 401,346 thousand as at 31 December 2023 and 2022, respectively. Rights of use assets amounted to DKK 374,952 thousand and DKK 384,288 thousand as at 31 December 2023 and 2022, respectively, and is shown in Note 13.

Revenue from Contracts with Customers

In relation to IFRS 15 Revenue from contract with customers, the Group applies the following significant judgements:

- Identifying performance obligations - connection fees
  In many of the Company's revenue contracts, the customer pays an upfront fee at contract inception, which may relate to the initiation, or set-up of the connection to be used for delivering the interlinked future internet and fibre services. When the title of the network is not transferred to the customer and when there is a two-way dependency between the connection and the subsequent services, connection fees are not considered to constitute a separate performance obligation. Hence, any consideration for connection fees is recognized over time together with delivery of recurring services.
  Deferred income related to considerations recognized over time amounted to DKK 675,289 thousand and DKK 622,820 thousand as at 31 December 2023 and 2022, respectively.

3 Events after the balance sheet date

In December 2023, the decision to carve out GlobalConnect Outsourcing Services, Denmark was made. Effectively 29 Februar 2024, the carve out was completed and the GlobalConnect Outsourcing Services, Denmark was acquired by UnitIT, a Danish owned complete supplier of IT infrastructure, operations, and support for small and medium sized companies in Denmark. The sale of the GlobalConnect Outsourcing Services, Denmark business will positively impact the financial performance of GlobalConnect A/S for 2024 with a significant non-recurring gain
from the sale.

4 Liquidity

The parent company, GlobalConnect Group Holding AB, who provides financing to GlobalConnect A/S through intercompany loans and cash-pool arrangements, have declared not to recall intercompany loans and cash-pool facilities until GlobalConnect A/S has sufficient liquidity to do so and, if necessary, provide additional liquidityin order for GlobalConnect A/S to meet its financial obligations and thereby ensuring GlobalConnect A/S' continued operation up to and including 1 January 2025. On this basis, Management has assessed that there is sufficient liquidity available

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
5 Segment information		
Breakdown of revenue by business segment:		
Datacom	1,248,764	964,918
Digital Solutions	131,537	276,841
	1,380,301	1,241,759
Breakdown of revenue by geographical segment:		
Domestic	1,150,205	963,516
Abroad	230,096	278,243
	1,380,301	1,241,759

6 **Fee to the auditors appointed in general meeting**

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements of Nordic Connectivity AB.

DKK'000	2023	2022
7 Other operating income		
Gain on sale through Finance lease	2,319	58,966
Gain on sublease assets through Finance Lease	0	16,339
Other operating income	0	4,500
	2,319	79,805
8 Staff costs and incentive programmes		
Wages/salaries	464,569	444,044
Pensions	40,771	38,224
Other social security costs	3,047	3,682
Capitalised wages and salaries related to development projects and property, plant and equipment	-141,555	-148,022
	366,832	337,928
Average number of full-time employees	598	576

Total remuneration to the Executive Board for 2023: DKK 1,726 thousand (2022: DKK 2,172 thousand). The Company does not explicitly pay for participation in Board of Directors. Management has estimated that in total DKK 250 thousand relates to participation in Board of Directors for 2023 (2022: DKK 250 thousand).

Financial statements 1 January - 31 December

Notes to the financial statements

Incentive programmes

Within the Group, there has been established a long-term incentive program (LTIP). For Denmark, the LTIP includes the CEO and senior management. The parent company Nordic Connectivity AB has the obligation to make the cash payments to the employees. The employees are employed in the different subsidiaries, and the subsidiaries have no obligation to settle the transaction. Because GlobalConnect A/S has no obligation to settle the transaction, the transaction is accounted as an equity-settled award, recognizing a staff cost and a corresponding credit in equity as a contribution from its parent. The net impact is recognized under Wages/salaries" in the income statement and is shown as a decrease of DKK 19.4 million in equity as a separate line item in statement of changes equity as Long-Term Incentive Plan.

	DKK'000	2023	2022
9	**Amortisation/depreciation of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	74,515	59,292
	Depreciation of property, plant and equipment	318,995	283,634
		393,510	342,926
10	**Financial income**		
	Interest receivable, group entities	12,945	17,332
	Interest receivable, bank interests	509	0
	Exchange gain	3,435	712
	Other financial income	565	117
		17,454	18,161
11	**Financial expenses**		
	Interest expenses, group entities	142,593	107,170
	Interest expenses, leases	16,155	14,218
	Exchange losses	0	16,352
	Other financial expenses	714	704
		159,462	138,444
12	**Tax for the year**		
	Estimated tax charge for the year	1,502	0
	Deferred tax adjustments in the year	-16,475	-670
	Tax adjustments, prior years	-20,026	8,969
		-34,999	8,299
13	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Other reserves	0	34
	Retained earnings/accumulated loss	-125,050	-104,802
		-125,050	-104,768

Financial statements 1 January - 31 December

Notes to the financial statements

14 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2023	34,485	64,327	1,049,079	0	1,147,891
Adjustments	14,140	0	0	0	14,140
Additions	41,591	31,939	0	75,847	149,377
Cost at 31 December 2023	90,216	96,266	1,049,079	75,847	1,311,408
Impairment losses and amortisation at 1 January 2023	29,439	54,747	218,558	0	302,744
Adjustments	14,140	0	0	0	14,140
Amortisation for the year	12,197	9,864	52,454	0	74,515
Impairment losses and amortisation at 31 December 2023	55,776	64,611	271,012	0	391,399
Carrying amount at 31 December 2023	34,440	31,655	778,067	75,847	920,009

Completed development projects

The systems are undergoing constant development to meet the increasing demand for data transparency from users, Management and owners and is already contributing to optimising administrative routines, enhancement of data and cost savings. The system is already now considered an essential management tool in the organisation. The development costs are amortised over 5 years, which in Management's view is the minimum lifetime of the system.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Property, plant and equipment

DKK'000	Land and buildings	Facility Housing	Spare parts	Plant and machinery	Fibre/ducts	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	262,808	567,922	30,908	1,154,847	3,358,317	985,094	62,671	451,994	6,874,561
Impact of demerger	0	-1,911	0	0	-97	-69,792	-4,640	0	-76,440
Adjustments	0	-508	0	26,565	-23,457	14,893	-4,684	0	12,809
Additions	19,400	21,091	0	117,663	76,138	119,861	0	738,794	1,092,947
Disposals	-8,813	0	-19,358	0	0	-8,197	-5,178	0	-41,546
Transfers	0	13,620	0	0	119,642	-1,832	0	-131,430	0
Cost at 31 December 2023	273,395	600,214	11,550	1,299,075	3,530,543	1,040,027	48,169	1,059,358	7,862,331
Revaluations at 1 January 2023	0	0	0	0	12,882	0	0	0	12,882
Value adjustments for the year	0	0	0	0	-701	0	0	0	-701
Revaluations at 31 December 2023	0	0	0	0	12,181	0	0	0	12,181
Impairment losses and depreciation at 1 January 2023	85,977	311,832	0	476,708	928,230	697,059	26,435	0	2,526,241
Adjustments	0	-508	0	26,565	-23,457	14,893	-4,684	0	12,809
Impact of demerger	0	-263	0	0	-4	-19,935	0	0	-20,202
Depreciations	27,914	37,355	0	41,638	120,671	83,735	7,682	0	318,995
Reversal of accumulated depreciation and impairment of assets disposed	0	0	0	0	0	-6,915	488	0	-6,427
Impairment losses and depreciation at 31 December 2023	113,891	348,416	0	544,911	1,025,440	768,837	29,921	0	2,831,416
Carrying amount at 31 December 2023	159,504	251,798	11,550	754,164	2,517,284	271,190	18,248	1,059,358	5,043,096
Carrying amount at 31 December 2023, if no revaluation had been made	0	0	0	0	2,505,104	0	0	0	
Property, plant and equipment include finance leases with a carrying amount totalling	126,829	55,380	0	0	160,294	10,236	17,630	0	370,369

Financial statements 1 January - 31 December

Notes to the financial statements

16 Investments

DKK'000	Investments in group enterprises	Receivables from group enterprises	Deposits	Total
Cost at 1 January 2023	212,548	188,149	6,070	406,767
Additions	50,216	0	349	50,565
Disposals	0	-88,643	0	-88,643
Cost at 31 December 2023	262,764	99,506	6,419	368,689
Carrying amount at 31 December 2023	262,764	99,506	6,419	368,689

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
GlobalConnect Netz GmbH*	Hamburg	100.00%	189,536	10,632
ApS KBUS 18 nr. 623	Middelfart	100.00%	45,603	6,350

*Based on unaudited financial statements as at 31 December 2023.

17 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	2023	2022
18 Share capital		
Analysis of the share capital:		
2,325,493 A shares of DKK 1.00 nominal value each	2,325	2,325
	2,325	2,325

DKK'000	2023	2022
19 Deferred tax		
Deferred tax at 1 January	161,576	153,277
Adjustment of the deferred tax charge for the year	-16,474	-670
Adjustment regarding prior year	-18,490	8,969
Deferred tax at 31 December	126,612	161,576
Deferred tax relates to:		
Intangible assets	142	181
Property, plant and equipment	184,206	253,220
Provisions	-20,514	-26,195
Tax loss	-47,152	-78,310
Other taxable temporary differences	-2,858	-3,650
Other non-taxable temporary differences	12,788	16,330
	126,612	161,576

Financial statements 1 January - 31 December

Notes to the financial statements

20 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	384,011	93,073	290,938	36,864
Prepayments received from customers	64,184	21,973	42,211	14,659
Payables to group entities	5,015,985	672,293	4,343,692	0
Other payables	35,540	0	35,540	0
Deferred income	675,289	156,883	518,406	54,886
	6,175,009	944,222	5,230,787	106,409

21 Other provisions

Other provisions for liabilities relate to provision for legal costs and for guarentees in contracts concerning indefeasible rights to use, entered into before 2005, and to onerous contracts for leased premises.

The expected costs and timing are by nature uncertain. No provisions are discounted as the impact is considered insignificant.

22 Deferred income

This amount consists primarily of payments received from customers, which cannot be recognised as revenue until subsequent financial years.

23 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2023	2022
Guarentees to third parties	18,917	17,849
	18,917	17,849

The Company is jointly taxed with its parent, GlobalConnect Invest DK A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

The Company is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Company's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2023.

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Notes to the financial statements

24 Related parties

GlobalConnect A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
GlobalConnect Invest DK A/S	Copenhagen, Denmark	Principal shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Nordic Connectivity AB	Uppsala, Sweden	753 81 Uppsala, Sweden

Related party transactions

GlobalConnect A/S was engaged in the below related party transactions:

DKK'000	2023	2022
Sales to Group entities	33,928	38,986
Purchases from Group entities	25,063	25,551
Service/administration charges to Group entities	-33,572	-93,110
Service/administration charges from Group entities	9,896	106,000
Payables to Group companies	222,419	183,055
Receivables from Group Companies	809,649	543,025
Interest paid to Group entities	142,593	107,170
Interest received from Group entities	12,945	17,332
Outstanding loan to Group entities	5,015,985	3,719,244

The Company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Boards of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above-mentioned group of persons has material interests.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
GlobalConnect Invest DK A/S	Copenhagen, Danmark

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Monika Juul Henriksen
CEO
On behalf of: GlobalConnect A/S
Serial number: 2325241d-5a97-486f-a020-f9716cc98697
IP: 62.199.xxx.xxx
2024-05-31 09:46:52 UTC

Rikke Skovsager Sångren Servais
On behalf of: GlobalConnect A/S
Serial number: 60b47f66-ef5e-4b65-a925-d6d1484771b5
IP: 77.221.xxx.xxx
2024-05-31 10:03:40 UTC

Lasse Rudebeck Pilgaard
Chair
On behalf of: GlobalConnect A/S
Serial number: f34f9ca9-58c0-4028-a5b7-dea8e401e5a8
IP: 80.62.xxx.xxx
2024-05-31 12:24:03 UTC

Yan Zheng
On behalf of: GlobalConnect A/S
Serial number: 24fdfd88-7707-4dd2-9b23-7c88e20207f7
IP: 77.241.xxx.xxx
2024-06-01 10:06:04 UTC

Jakob Michael Koefoed
On behalf of: GlobalConnect A/S
Serial number: 581907e8-2799-46bb-a470-3e343780c2ab
IP: 217.74.xxx.xxx
2024-06-03 09:02:54 UTC

Mads Vinding
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: df76594f-6f23-4024-9b87-f4c56162edf7
IP: 165.225.xxx.xxx
2024-06-04 12:04:25 UTC

Ole Rønne Becker
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 2328beb7-95fe-46e8-8818-c7830f98cad1
IP: 165.225.xxx.xxx
2024-06-04 15:19:23 UTC