
Cibicom Mobility ApS

Banestrøget 19, DK-2630 Taastrup

Annual Report for 1 January - 31 December 2019

CVR No 29 84 99 43

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/7 2020

Søren Fæster
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cibicom Mobility ApS for the financial year 1 January - 31 December 2019.

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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

København, 10 July 2020

Executive Board

Helle Nielsen
Executive Officer

Board of Directors

Martin Bo Hjort Løbel
Chairman

Søren Fæster

Rasmus Forup Helmich

Independent Auditor's Report

To the Shareholder of Cibicom Mobility ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Cibicom Mobility ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for 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.

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.

Independent Auditor's Report

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 about 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.
- 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.

Independent Auditor's Report

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.

Hellerup, 10 July 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

Cibicom Mobility ApS
Banestrøget 19
DK-2630 Taastrup

CVR No: 29 84 99 43
Financial period: 1 January - 31 December
Incorporated: 8 September 2006
Financial year: 13rd financial year
Municipality of reg. office: Glostrup

Board of Directors

Martin Bo Hjort Løbel, Chairman
Søren Fæster
Rasmus Forup Helmich

Executive Board

Helle Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's main activity comprises the operation of mobile telecommunications systems and sale of related services and products under the brand Net1.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 22,858,266, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 2,579,593.

In current year there has been extraordinary depreciations on intangible assets and property, plant and equipment of DKK 10,113,207.

The Company have during the year 2019 received a tax free group contribution of DKK 14,000,000 and have made a conversion of debt of DKK 10,492,752 that have improved the equity.

Subsequent events

Reference is made to note 2 in the Financial Statements.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		1.078.081	3.989.157
Staff expenses	3	-5.574.421	-6.331.503
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-17.031.920	-7.759.383
Other operating expenses		-176.463	0
Resultat før finansielle poster		-21.704.723	-10.101.729
Financial income		7.798	7.074
Financial expenses	5	-1.161.341	-1.577.484
Resultat før skat		-22.858.266	-11.672.139
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-22.858.266	-11.672.139

Distribution of profit

	2019 DKK	2018 DKK
Proposed distribution of profit		
Retained earnings	-22.858.266	-11.672.139
	-22.858.266	-11.672.139

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Acquired licenses		48.106	6.944.698
Acquired other similar rights		145.039	342.740
Intangible assets	6	193.145	7.287.438
Plant and machinery		0	8.791.698
Other fixtures and fittings, tools and equipment		598.242	1.388.843
Property, plant and equipment in progress		0	5.520
Property, plant and equipment	7	598.242	10.186.061
Deposits		927.857	927.857
Fixed asset investments		927.857	927.857
Fixed assets		1.719.244	18.401.356
Inventories		17.765	6.800
Trade receivables		1.089.890	1.702.341
Receivables from group enterprises		0	1.156.123
Other receivables		2.711	11.641
Prepayments		377.372	302.782
Receivables		1.469.973	3.172.887
Cash at bank and in hand		3.815.356	82.073
Currents assets		5.303.094	3.261.760
Assets		7.022.338	21.663.116

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		5.000.000	138.792.200
Retained earnings		-2.420.407	-137.847.093
Equity		2.579.593	945.107
Other payables		124.216	0
Long-term debt	8	124.216	0
Lease obligations		484.331	875.501
Trade payables		1.154.102	2.449.538
Payables to group enterprises		145.075	14.600.117
Other payables	8	1.821.428	1.913.621
Deferred income		713.593	879.232
Short-term debt		4.318.529	20.718.009
Debt		4.442.745	20.718.009
Liabilities and equity		7.022.338	21.663.116
Going concern	1		
Subsequent events	2		
Contingent assets, liabilities and other financial obligations	9		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	138.792.200	-137.847.093	945.107
Capital increase	100.000	13.900.000	14.000.000
Cash capital reduction	-133.892.200	133.892.200	0
Contribution from group	0	10.492.752	10.492.752
Net profit/loss for the year	0	-22.858.266	-22.858.266
Equity at 31 December	5.000.000	-2.420.407	2.579.593

Notes to the Financial Statements

1 Going concern

After year end, the Company has been sold to Cibicom A/S, and, going forward, Cibicom A/S will take part in the Company's operations. The Company has mainly been financed through loans and capital contributions from its Parent Company.

In Management's assessment, the new Parent Company, Cibicom A/S, will support the operations of Cibicom Mobility ApS. In a letter of support effective until 31 March 2021, the Parent Company Cibicom A/S has declared itself willing to ensure the liquidity necessary for the activities planned in Cibicom Mobility ApS; consequently, the Company prepares its Annual Report as a going concern.

2 Subsequent events

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020.

The implications of COVID-19 will have a great impact on the Danish and global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. Management has not subsequently identified any material remeasurements of assets and liabilities.

In June 2020, the Company won the 450MHz License until year 2037.

3 Staff expenses

	<u>2019</u> DKK	<u>2018</u> DKK
Wages and salaries	5.046.608	5.996.537
Pensions	321.020	326.742
Other staff expenses	<u>206.793</u>	<u>8.224</u>
	<u>5.574.421</u>	<u>6.331.503</u>
Average number of employees	<u>7</u>	<u>9</u>

Notes to the Financial Statements

	2019 DKK	2018 DKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2.668.409	2.439.083
Depreciation of property, plant and equipment	4.250.304	5.320.300
Impairment of intangible assets	4.434.823	0
Impairment of property, plant and equipment	5.678.384	0
	17.031.920	7.759.383

	2019 DKK	2018 DKK
5 Financial expenses		
Interest paid to group enterprises	993.612	1.520.836
Other financial expenses	68.813	51.907
Exchange loss	98.916	4.741
	1.161.341	1.577.484

	Acquired licenses DKK	Acquired other similar rights DKK	Total DKK
6 Intangible assets			
Cost at 1 January	36.744.988	470.710	37.215.698
Additions for the year	0	8.939	8.939
Disposals for the year	-1.154.818	-106.750	-1.261.568
Cost at 31 December	35.590.170	372.899	35.963.069
Impairment losses and amortisation at 1 January	29.800.290	127.970	29.928.260
Impairment losses for the year	4.434.823	0	4.434.823
Amortisation for the year	2.461.769	206.640	2.668.409
Reversal of amortisation of disposals for the year	-1.154.818	-106.750	-1.261.568
Impairment losses and amortisation at 31 December	35.542.064	227.860	35.769.924
Carrying amount at 31 December	48.106	145.039	193.145
Amortised over	3-10 years	1-3 years	

Notes to the Financial Statements

7 Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	22.066.426	5.524.432	5.520	27.596.378
Additions for the year	384.881	300.451	0	685.332
Disposals for the year	0	-1.409.889	0	-1.409.889
Transfers for the year	5.520	0	-5.520	0
Cost at 31 December	<u>22.456.827</u>	<u>4.414.994</u>	<u>0</u>	<u>26.871.821</u>
Impairment losses and depreciation at 1 January	13.274.728	4.135.589	0	17.410.317
Impairment losses for the year	5.678.384	0	0	5.678.384
Depreciation for the year	3.503.715	746.589	0	4.250.304
Reversal of impairment and depreciation of sold assets	0	-1.065.426	0	-1.065.426
Impairment losses and depreciation at 31 December	<u>22.456.827</u>	<u>3.816.752</u>	<u>0</u>	<u>26.273.579</u>
Carrying amount at 31 December	<u>0</u>	<u>598.242</u>	<u>0</u>	<u>598.242</u>
Depreciated over	<u>10 years</u>	<u>3-5 years</u>	<u>3-5 years</u>	
Including assets under finance leases amounting to	<u>0</u>	<u>496.361</u>	<u>0</u>	<u>496.361</u>

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 DKK	2018 DKK
Other payables		
Between 1 and 5 years	124.216	0
Long-term part	124.216	0
Other short-term payables	1.821.428	1.913.621
	<u>1.945.644</u>	<u>1.913.621</u>

Notes to the Financial Statements

9 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has concluded nonterminable lease contracts in connection with location of base stations (technical plant) with a total period of withdrawal of up to 6 years. The total withdrawal obligation amounts to approx. MDKK 8.9 at the balance sheet date.

The Company has householdlease of TDKK 210 with a period of withdrawal until 31 March 2021.

The Company has other servicecontracts of TDKK 242 with a period of withdrawel up til 12 months.

10 Related parties

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Ice Group Scandinavia Holdings AS
Nydalsveien 18 B
0484 Oslo

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Ice Group Scandinavia Holdings AS	Oslo, Norway

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Cibicom Mobility ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

11 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service com-

Notes to the Financial Statements

11 Accounting Policies (continued)

pleted for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Notes to the Financial Statements

11 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	10	years
Other fixtures and fittings, tools and equipment	3-5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and 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, an impairment test is carried out to determine whether the recoverable amount is lower than the

Notes to the Financial Statements

11 Accounting Policies (continued)

carrying amount. If so, the asset is written down to its lower recoverable amount.

Intangible assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

11 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.