



BornFiber Service Provider ApS

Spotorno Alle 8, st.
2630 Taastrup
CVR No. 36534273

Annual report 2023

The Annual General Meeting adopted the annual report on 23.04.2024

Jeremy Smith

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	8
Balance sheet at 31.12.2023	9
Statement of changes in equity for 2023	11
Notes	12
Accounting policies	15

Entity details

Entity

BornFiber Service Provider ApS

Spotorno Alle 8, st.

2630 Taastrup

Business Registration No.: 36534273

Registered office: Taastrup

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Morten Karlsen Sörby, Chariman

Christian Holm Christensen

Tilo Torsten Wigand Wolf

Jeremy Smith

Executive Board

Uffe Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of BornFiber Service Provider ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 23.04.2024

Executive Board

Uffe Nielsen

Board of Directors

Morten Karlsen Sörby
Chairman

Christian Holm Christensen

Tilo Torsten Wigand Wolf

Jeremy Smith

Independent auditor's report

To the shareholders of BornFiber Service Provider ApS

Opinion

We have audited the financial statements of BornFiber Service Provider ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 23.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Kasper Ørtoft

State Authorised Public Accountant
Identification No (MNE) mne49073

Management commentary

Primary activities

BornFiber Service Provider ApS develops, establishes and operates state of the art fiber- and wireless based broadband networks on the Danish islands of Bornholm and Zealand. On these networks BornFiber Service Provider ApS operates as full scale Internet Service Provider, offering Broadband connectivity, Digital TV content and Telephony services to private households, companies and to the public sector.

Description of material changes in activities and finances

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of TDKK -31,157 and the Balance Sheet at 31 December 2023 a balance sheet total of TDKK 599,195 and an equity of TDKK 468,080.

Management finds the result in accordance with the plan for the year 2023, and is satisfied with the progress and development of the company according to the long term plan.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		29,846,257	24,775,203
Staff costs	1	(31,192,898)	(17,070,039)
Depreciation, amortisation and impairment losses		(23,092,396)	(14,190,977)
Operating profit/loss		(24,439,037)	(6,485,813)
Income from investments in group enterprises		0	(1,312,442)
Other financial income from group enterprises		10,476	0
Other financial income		52,257	1,044
Other financial expenses	2	(6,794,122)	(4,260,316)
Profit/loss before tax		(31,170,426)	(12,057,527)
Tax on profit/loss for the year	3	13,663	5,695,505
Profit/loss for the year		(31,156,763)	(6,362,022)
Proposed distribution of profit and loss			
Retained earnings		(31,156,763)	(6,362,022)
Proposed distribution of profit and loss		(31,156,763)	(6,362,022)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	4	2,214,689	961,320
Acquired rights		480,630	192,365
Development projects in progress	4	0	77,329
Intangible assets		2,695,319	1,231,014
Land and buildings		5,190,625	5,547,621
Plant and machinery		429,549,083	290,327,509
Other fixtures and fittings, tools and equipment		5,298,303	1,531,394
Leasehold improvements		4,309	13,063
Property, plant and equipment in progress		106,488,724	48,668,159
Property, plant and equipment	5	546,531,044	346,087,746
Deposits		1,126,137	730,038
Financial assets		1,126,137	730,038
Fixed assets		550,352,500	348,048,798
Manufactured goods and goods for resale		3,336,419	3,711,930
Inventories		3,336,419	3,711,930
Trade receivables		3,048,331	300,066
Receivables from group enterprises		219,991	157,411
Other receivables		10,329,545	7,440,930
Joint taxation contribution receivable		0	10,759
Prepayments		3,430,969	496,407
Receivables		17,028,836	8,405,573
Cash		28,477,314	6,822,142
Current assets		48,842,569	18,939,645
Assets		599,195,069	366,988,443

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		160,000	160,000
Reserve for development expenditure		1,727,457	749,829
Retained earnings		466,192,817	248,327,208
Equity		468,080,274	249,237,037
Bank loans		74,804,167	83,521,528
Prepayments received from customers		514,303	0
Other payables		894,043	863,810
Non-current liabilities other than provisions	6	76,212,513	84,385,338
Current portion of non-current liabilities other than provisions	6	8,750,000	8,750,000
Bank loans		0	221,927
Prepayments received from customers		29,000	7,200
Trade payables		42,967,810	22,863,398
Payables to group enterprises		0	567
Other payables		3,155,472	1,522,976
Current liabilities other than provisions		54,902,282	33,366,068
Liabilities other than provisions		131,114,795	117,751,406
Equity and liabilities		599,195,069	366,988,443
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	160,000	749,829	248,327,208	249,237,037
Group contributions etc.	0	0	250,000,000	250,000,000
Transfer to reserves	0	977,628	(977,628)	0
Profit/loss for the year	0	0	(31,156,763)	(31,156,763)
Equity end of year	160,000	1,727,457	466,192,817	468,080,274

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	26,390,735	14,209,912
Pension costs	3,535,563	2,118,672
Other social security costs	342,335	192,892
Other staff costs	924,265	548,563
	31,192,898	17,070,039
Average number of full-time employees	44	25

2 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	32,809	22,870
Other financial expenses	6,761,313	4,237,446
	6,794,122	4,260,316

3 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	0	(5,714,973)
Adjustment concerning previous years	(13,663)	19,468
	(13,663)	(5,695,505)

4 Development projects

Bornfiber Service Provider has treated certain cost as Development cost in the Annual Report. The development costs are related to the development of the company's customer portal and sales applications.

5 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	7,752,138	366,641,464	5,442,736	86,945	48,668,159
Transfers	0	160,703,105	0	0	(160,703,105)
Additions	0	0	5,255,436	0	218,523,670
Disposals	0	(699,889)	(721,783)	0	0
Cost end of year	7,752,138	526,644,680	9,976,389	86,945	106,488,724
Depreciation and impairment losses beginning of year	(2,204,517)	(76,313,955)	(3,911,342)	(73,882)	0
Depreciation for the year	(356,996)	(20,781,642)	(1,488,527)	(8,754)	0
Reversal regarding disposals	0	0	721,783	0	0
Depreciation and impairment losses end of year	(2,561,513)	(97,095,597)	(4,678,086)	(82,636)	0
Carrying amount end of year	5,190,625	429,549,083	5,298,303	4,309	106,488,724

6 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Bank loans	8,750,000	8,750,000	74,804,167	40,065,277
Prepayments received from customers	0	0	514,303	514,303
Other payables	0	0	894,043	894,043
	8,750,000	8,750,000	76,212,513	41,473,623

Other payables consists of frozen holiday funds.

7 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	5,780,601	1,618,199

8 Contingent liabilities

	2023	2022
	DKK	DKK
Recourse and non-recourse guarantee commitments	7,500,000	6,000,000
Contingent liabilities	7,500,000	6,000,000

The Entity participates in a Danish joint taxation arrangement where Orb Investments ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue from the sale of goods and services in the income statement when the risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. Revenue from delivery of services is recognised as revenue as the service is delivered.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Repayments from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation, and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

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

Balance sheet

Intangible assets

Intangible assets comprise completed development projects.

Development projects are clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets.

Other development costs are recognised as costs in the income statement as incurred.

When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under "Reserve for development costs" that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years.

For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

The amortisation periods used are 10 years.

Impairment of intangible assets

The carrying amount of intangible assets is reviewed annually to determine whether there is an indication of impairment beyond the annual depreciation. If this is the case, a write-down is made to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20 years
Plant and machinery	3-40 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Impairment of fixed assets

The carrying amount of tangible fixed assets is reviewed annually to determine whether there is an indication of impairment beyond the annual depreciation. If this is the case, a write-down is made to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contribution receivables are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.