

Skynet Invest A/S

Hørskættens 3, 2630 Taastrup

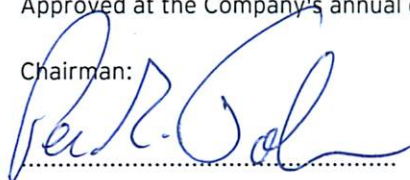
CVR no. 38 23 45 52

Annual report 2016/17

(As of the establishment of the Company 5 December 2016 - 31 December 2017)

Approved at the Company's annual general meeting on 16 April 2018

Chairman:

A handwritten signature in blue ink, appearing to read 'Per N. Od', is written over a horizontal dotted line.



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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 Skynet Invest A/S for the financial year as of the establishment of the Company 5 December 2016 - 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year as of the establishment of the Company 5 December 2016 - 31 December 2017.

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.

Taastrup, 16 April 2018
Executive Board:



Christian Holm Christensen

Pernille Ravn


Board of Directors:



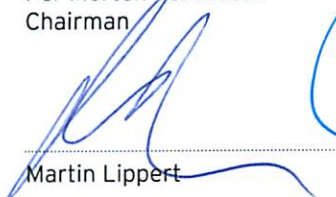
Per Morten Torvildsen
Chairman



Masoud Homayoun



Per Svane Östblom



Martin Lippert



Peter Bredgaard

Independent auditor's report

To the shareholders of Skynet Invest A/S

Opinion

We have audited the financial statements of Skynet Invest A/S for the financial year as of the establishment of the Company 5 December 2016 - 31 December 2017, 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 2017 and of the results of the Company's operations for the financial year as of the establishment of the company 5 December 2016 - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

Independent auditor's report

- ▶ 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 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, 16 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Torben Bender
State Authorised Public Accountant
MNE no.: mne21332



Thomas Bruun Kofoed
State Authorised Public Accountant
MNE no.: mne28677

Management's review

Company details

Name	Skynet Invest A/S
Address, Postal code, City	Hørskættens 3, 2630 Taastrup
CVR no.	38 23 45 52
Established	5 December 2016
Financial year	5 December 2016 - 31 December 2017
Website	www.globalconnect.dk
E-mail	info@globalconnect.dk
Telephone	+45 77 30 30 00
Board of Directors	Per Morten Torvildsen, Chairman Masoud Homayoun Per Svane Östblom Martin Lippert Peter Bredgaard
Executive Board	Christian Holm Christensen Pernille Ravn
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

Skynet Invest A/S was founded in December 2016 with the purpose of acquiring GlobalConnect A/S.

GlobalConnect is an independent fibre 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 15,000 km of high-speed optical fibre network and more than 13,000 m² of data centers. 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

In February 2017, a significant event occurred as EQT's infrastructure fund closed its acquisition of GlobalConnect A/S. The founding Zibrandtsen family will continue as shareholders but will no longer hold the majority of shares in GlobalConnect. The loss for the year amounted to DKK 51.6 million primarily due to interest expenses.

No ordinary dividend has been proposed for 2017.

Events after the balance sheet date

No events have occurred from the balance sheet date until the date of signature of the annual report that could change the assessment of the Company's financial position.

Financial statements for the period 5 December 2016 - 31 December 2017

Income statement

Note	2016/17 13 months DKK'000
Revenue	2,600
Other external expenses	-1,057
Gross margin	1,543
3 Staff costs	-2,632
Profit/loss before net financials	-1,089
4 Financial income	212,925
5 Financial expenses	-264,715
Profit/loss before tax	-52,879
6 Tax for the year	1,299
Profit/loss for the year	-51,580
Recommended appropriation of profit/loss	
Retained earnings/accumulated loss	-51,580
	-51,580

Financial statements for the period 5 December 2016 - 31 December 2017

Balance sheet

Note	2016/17 DKK'000
ASSETS	
Non-current assets	
Financial assets	
Investments in subsidiaries	2,360,910
	<u>2,360,910</u>
Total non-current assets	<u>2,360,910</u>
Current assets	
Receivables	
Receivables from group enterprises	68,887
Income tax receivable	1,299
	<u>70,186</u>
Cash	<u>6,299</u>
Total current assets	<u>76,485</u>
TOTAL ASSETS	<u><u>2,437,395</u></u>

Financial statements for the period 5 December 2016 - 31 December 2017

Balance sheet

Note	2016/17 DKK'000
EQUITY AND LIABILITIES	
Equity	
7 Share capital	2,043
Retained earnings	1,818,166
Total equity	1,820,209
8 Non-current liabilities	
Bank debt	607,471
Total non-current liabilities	607,471
Current liabilities	
Payables to group enterprises	3,432
Other payables	6,283
Total current liabilities	9,715
Total liabilities	617,186
TOTAL EQUITY AND LIABILITIES	2,437,395

- 1 Accounting policies
- 2 Events after the balance sheet date
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements for the period 5 December 2016 - 31 December 2017

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 5 December 2016	500	0	500
Capital increase	1,356	1,354,631	1,355,987
Transfer through appropriation of loss	0	-51,580	-51,580
Debt conversion	187	186,992	187,179
Group contribution	0	328,123	328,123
Equity at 31 December 2017	<u>2,043</u>	<u>1,818,166</u>	<u>1,820,209</u>

Financial statements for the period 5 December 2016 - 31 December 2017

Notes to the financial statements

1 Accounting policies

The annual report of Skynet Invest A/S for 5 December 2016 - 31 December 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

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.

Income statement

Revenue

Income from sale of services 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.

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 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.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 5 December 2016 - 31 December 2017

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 Company and its Danish group entities are jointly taxed. 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

Investments in subsidiaries

Investments in subsidiaries 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.

Impairment of non-current assets

The carrying amount of investments in subsidiaries 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

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.

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.

Financial statements for the period 5 December 2016 - 31 December 2017

Notes to the financial statements

1 Accounting policies (continued)

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

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.

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.

2 Events after the balance sheet date

There have been no subsequent events of significance to the annual report for 5 December 2016 - 31 December 2017 after the end of the financial year on 31 December 2017.

Financial statements for the period 5 December 2016 - 31 December 2017

Notes to the financial statements

	2016/17 13 months DKK'000
3 Staff costs	
Wages/salaries	2,612
Pensions	20
	<u>2,632</u>
	<u>2016/17</u>
Average number of full-time employees	<u>1</u>
	<u>2016/17</u> 13 months DKK'000
4 Financial income	
Dividend from subsidiaries	200,975
Interest income from affiliated companies	11,950
	<u>212,925</u>
5 Financial expenses	
Impairment loss on investments in subsidiaries due to dividend distribution	200,975
Other financial expenses	63,740
	<u>264,715</u>
6 Tax for the year	
Estimated tax charge for the year	-1,299
	<u>-1,299</u>
	<u>2016/17</u> DKK'000
7 Share capital	
Analysis of the share capital:	
2,043,165 shares of DKK 1.00 nominal value each	2,043
	<u>2,043</u>
8 Non-current liabilities	
Of the long-term liabilities, DKK 607,471 thousand falls due for payment after more than 5 years after the balance sheet date.	

Financial statements for the period 5 December 2016 - 31 December 2017

Notes to the financial statements

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Skynet Invest Holding 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 2017 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

10 Collateral

As security for the Company's debt to banks, the Company has provided security or other collateral in its assets for at total amount of DKK 607,471 thousand. The total carrying amount of these assets is DKK 2,430 thousand.

As collateral for credit facilities in Skynet Invest A/S, the Company has provided a negative pledge.

11 Related parties

Skynet Invest A/S' related parties comprise the following:

Significant influence

<u>Related party</u>	<u>Domicile</u>	<u>Basis for significant influence</u>
Skynet Invest Holding A/S	Taastrup, Denmark	Principal Shareholder

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Skynet Invest Holding A/S	Taastrup, Denmark	https://datacvr.virk.dk

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.