

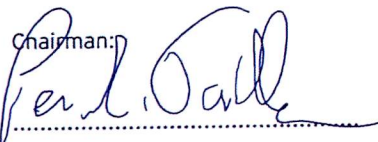
# Skynet Invest Holding A/S

Hørskættens 3, 2630 Taastrup

CVR no. 38 37 48 93

## Annual report 2018

Approved at the Company's annual general meeting on <sup>6 June</sup>~~31 May~~ 2019

Chairman:  






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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 Holding A/S for the financial year 1 January - 31 December 2018.

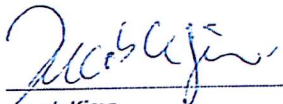
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

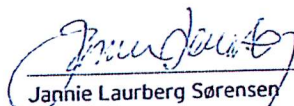
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Taastrup, 23 May 2019  
Executive Board:

  
\_\_\_\_\_  
Jacob Kjær  
CEO

Board of Directors:

  
\_\_\_\_\_  
Per Morten Torvildsen  
Chairman  
\_\_\_\_\_  
Jannie Laurberg Sørensen  
\_\_\_\_\_  
Martin Lippert

## Independent auditor's report

To the shareholders of Skynet Invest Holding A/S

### Opinion

We have audited the financial statements of Skynet Invest Holding A/S for the financial year 1 January - 31 December 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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.
- ▶ 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.

## Independent auditor's report

- ▶ 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, 23 May 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Thomas Bruun Kofoed  
State Authorised Public Accountant  
mne28677



Thomas Legarth  
State Authorised Public Accountant  
mne44099



## Management's review

### Company details

Name	Skynet Invest Holding A/S
Address, Postal code, City	Hørskættens 3, 2630 Taastrup
CVR no.	38 37 48 93
Established	27 January 2017
Registered office	Taastrup
Financial year	1 January - 31 December
Website	<a href="http://www.globalconnect.dk">www.globalconnect.dk</a>
E-mail	<a href="mailto:info@globalconnect.dk">info@globalconnect.dk</a>
Telephone	+45 70 30 30 00
Board of Directors	Per Morten Torvildsen, Chairman Jannie Laurberg Sørensen Martin Lippert
Executive Board	Jacob Kjær, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

Skynet Invest Holding A/S was founded in January 2017 with the purpose of acquiring GlobalConnect A/S through its wholly-owned subsidiary, Skynet Invest A/S.

GlobalConnect is an independent fibre infrastructure provider that offers efficient and secure data networking, data center solutions and cloud services. The digitalisation, requirement for efficient communication and outsourcing trends within the enterprise and public sectors 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 m<sup>2</sup> 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 2018, the Company reported revenue of DKK 4,417 thousand against DKK 0 thousand last year. The income statement for 2018 shows a loss of DKK 37,496 thousand against DKK 129 thousand last year, primarily due to interest expenses and early redemption of issued mortgages and loan facilities. At 31 December 2018, the balance sheet showed equity of DKK 2,776,826 thousand.

In 2018, Skynet Invest Holding A/S merged with Skynet Invest A/S with Skynet Invest Holding A/S as the continuing company.

No ordinary dividend has been proposed for 2018.

### Events after the balance sheet date

In 2019, the Company entered into an agreement to acquire 70% of the shares in Netteam A/S. The transaction is pending approval from the Danish Competition Council.

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2018 12 months	2017 11 months
	Revenue	4,417	0
	Other external expenses	-2,329	-75
	Gross margin	2,088	-75
3	Staff costs	-3,880	0
	Profit/loss before net financials	-1,792	-75
4	Financial income	6,592	10
5	Financial expenses	-42,741	-80
	Profit/loss before tax	-37,941	-145
6	Tax for the year	445	16
	Profit/loss for the year	-37,496	-129
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-37,496	-129
		-37,496	-129





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	Fixed assets		
7	Investments		
	Investments in group enterprises	3,355,153	1,871,789
		<u>3,355,153</u>	<u>1,871,789</u>
	<b>Total fixed assets</b>	<u>3,355,153</u>	<u>1,871,789</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Receivables from group enterprises	200,300	0
	Deferred tax assets	11	2
	Joint taxation contribution receivable	4,070	14
		<u>204,381</u>	<u>16</u>
	<b>Cash</b>	<u>109</u>	<u>32</u>
	<b>Total non-fixed assets</b>	<u>204,490</u>	<u>48</u>
	<b>TOTAL ASSETS</b>	<u><u>3,559,643</u></u>	<u><u>1,871,837</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	27,857	18,828
	Retained earnings	2,748,969	1,852,832
	<b>Total equity</b>	<b>2,776,826</b>	<b>1,871,660</b>
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Payable to group enterprises	778,852	0
		<b>778,852</b>	<b>0</b>
	Current liabilities other than provisions		
	Payables to group enterprises	1,432	102
	Other payables	2,533	75
		<b>3,965</b>	<b>177</b>
	<b>Total liabilities other than provisions</b>	<b>782,817</b>	<b>177</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,559,643</b>	<b>1,871,837</b>

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



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2018	18,828	1,852,832	1,871,660
Additions on merger/corporate acquisition	0	-51,580	-51,580
Capital increase	8,127	886,692	894,819
Debt conversion	902	98,521	99,423
Transfer through appropriation of loss	0	-37,496	-37,496
Equity at 31 December 2018	<u>27,857</u>	<u>2,748,969</u>	<u>2,776,826</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Skynet Invest Holding A/S for 2018 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 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

#### Change in the Company's activities, including effect of intra-group business combinations

In 2018, the Company merged with its wholly-owned subsidiary, Skynet Invest A/S (intra-group business combination) with Skynet Invest Holding A/S as the continuing company. The merger has been accounted for in accordance with the book value method, which does not require restatement of comparative figures. The merger has affected equity negatively by DKK 51,580 thousand, corresponding to the net assets of Skynet Invest A/S less the net book value of the investments.

#### 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 investments, mergers, demergers, contributions 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 time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

### Income statement

#### Revenue

Income from the rendering of management services is recognised as revenue 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 external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises, consulting assistance, 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 statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities, bank fees, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

##### 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 fixed 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.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Income taxes

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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

#### 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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the assessment of the financial statements.

DKK'000	2018 12 months	2017 11 months
<b>3 Staff costs</b>		
Wages/salaries	3,643	0
Pensions	235	0
Other social security costs	2	0
	<u>3,880</u>	<u>0</u>
 Average number of full-time employees	 <u>1</u>	 <u>0</u>
 <b>4 Financial income</b>		
Interest receivable, group entities	6,028	0
Foreign currency translation	30	10
Other financial income	534	0
	<u>6,592</u>	<u>10</u>
 <b>5 Financial expenses</b>		
Interest expenses, group entities	3,625	0
Foreign currency translation	0	10
Other financial expenses	39,116	70
	<u>42,741</u>	<u>80</u>
<p>The Company initiated an early redemption of issued mortgages and loan facilities resulting in a one-off expense of DKK 15,554 thousand, which has been recognised in other financial expenses in 2018.</p>		
 <b>6 Tax for the year</b>		
Estimated tax charge for the year	-4,070	-14
Deferred tax adjustments in the year	3,625	-2
	<u>-445</u>	<u>-16</u>
 <b>7 Investments</b>		<b>Investments in group enterprises</b>
DKK'000		
Cost at 1 January 2018		1,871,789
Additions on merger/corporate acquisition		489,121
Additions		94,243
Cost at 31 December 2018		<u>3,355,153</u>
Carrying amount at 31 December 2018		<u>3,355,153</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Investments (continued)

<u>Name</u>	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>	<u>Equity DKK'000</u>	<u>Profit/loss DKK'000</u>
<b>Subsidiaries</b>					
GlobalConnect	A/S	Taastrup, Denmark	100.00%	1,283,224	-44,129

#### 8 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

#### 9 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The Parent Company is jointly taxed with its Danish subsidiaries. Skynet Invest Holding A/S acts as management company and is jointly and severally liable with other jointly taxed group entities for payment of all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., could entail an increase in the entities' tax liability. The Group as a whole is not liable vis-à-vis any third parties.

Skynet Invest Holding A/S has issued a letter of support to the subsidiary GlobalConnect A/S. Skynet Invest Holding A/S declares not to recall the intra-group balance until GlobalConnect A/S has the liquidity to do so and, if necessary, provide additional liquidity in order for GlobalConnect A/S to meet its financial obligations and thereby ensuring GlobalConnect A/S' continued operation up to and including 30 May 2020.

#### 10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

#### 11 Related parties

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

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Broadnet Holding 1 AS	Oslo, Norway	Principal Shareholder

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Broadnet Group Holding AS	Oslo, Norway	Tjuvholmen allé 1, 0252 Oslo, Norway