

GlobalConnect Invest DK A/S

Havneholmen 6, st., 2450 København SV

CVR no. 38 37 48 93

Annual report 2021

Approved at the Company's annual general meeting on 7 June 2022

Chair of the meeting:

.....
Rasmus Reichhardt Svendsen

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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 GlobalConnect Invest DK A/S for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Copenhagen, 3 June 2022
Executive Board:

.....
Hans Henrik Schibler
CEO

Board of Directors:

.....
Martin Lippert
Chair

.....
Louise Hahn

.....
Jannie Laurberg Sørensen

Independent auditor's report

To the shareholders of GlobalConnect Invest DK A/S

Opinion

We have audited the financial statements of GlobalConnect Invest DK A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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, 3 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Karsten Bøgel
State Authorised Public Accountant
mne27849

Management's review

Company details

Name	GlobalConnect Invest DK A/S
Address, Postal code, City	Havneholmen 6, st., 2450 København SV
CVR no.	38 37 48 93
Established	27 January 2017
Registered office	København
Financial year	1 January - 31 December
Website	www.globalconnect.dk
E-mail	info@globalconnect.dk
Telephone	+45 70 30 30 00
Board of Directors	Martin Lippert, Chair Louise Hahn Jannie Laurberg Sørensen
Executive Board	Hans Henrik Schibler, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

GlobalConnect Invest DK A/S was founded with the purpose of acquiring GlobalConnect A/S and subsidiaries.

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 100,000 km of high-speed optical fibre network and more than 30,000 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

The income statement for 2021 shows a loss of DKK 29,515 thousand against a loss of DKK 27,162 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 2,694,481 thousand.

No ordinary dividend has been proposed for 2021.

Events after the balance sheet date

No events have occurred after the balance sheet which could significantly affect the assessment of the Company's financial position.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
	Other external expenses	-1,273	-2,132
	Gross profit	-1,273	-2,132
3	Financial income	2,107	6,131
4	Financial expenses	-30,973	-32,278
	Profit/loss before tax	-30,139	-28,279
5	Tax for the year	624	1,117
	Profit/loss for the year	-29,515	-27,162
	Recommended appropriation of profit/loss	-29,515	-27,162
	Retained earnings/accumulated loss	-29,515	-27,162

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	3,450,225	3,450,225
	Receivables from group enterprises	56,768	194,261
		<u>3,506,993</u>	<u>3,644,486</u>
	Total fixed assets	<u>3,506,993</u>	<u>3,644,486</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	11,435	9,548
	Deferred tax assets	871	454
	Joint taxation contribution receivable	2,195	1,403
	Other receivables	9	7
		<u>14,510</u>	<u>11,412</u>
	Cash	159	297
	Total non-fixed assets	<u>14,669</u>	<u>11,709</u>
	TOTAL ASSETS	<u><u>3,521,662</u></u>	<u><u>3,656,195</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	27,857	27,857
	Retained earnings	2,666,624	2,696,139
	Total equity	<u>2,694,481</u>	<u>2,723,996</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to group entities	827,032	932,199
		<u>827,032</u>	<u>932,199</u>
	Current liabilities other than provisions		
	Other payables	149	0
		<u>149</u>	<u>0</u>
	Total liabilities other than provisions	<u>827,181</u>	<u>932,199</u>
	TOTAL EQUITY AND LIABILITIES	<u>3,521,662</u>	<u>3,656,195</u>

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2020	27,857	2,723,301	2,751,158
Transfer through appropriation of loss	0	-27,162	-27,162
Equity at 1 January 2021	27,857	2,696,139	2,723,996
Debt cancellation of parent company loan	0	203,600	203,600
Debt cancellation of subsidiary loan	0	-203,600	-203,600
Transfer through appropriation of loss	0	-29,515	-29,515
Equity at 31 December 2021	27,857	2,666,624	2,694,481

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of GlobalConnect Invest DK A/S for 2021 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.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

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

Intra-group business combinations

The group 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. Under the group method, the combined entities are presented as if they have always been combined.

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 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.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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

Intercompany debt cancellation

Debt cancellation between entities with the Group are recognized under "Retained Earnings under Equity" on the year of occurrence.

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 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 which could significantly affect the assessment of the Company's financial position.

DKK'000	2021	2020
3 Financial income		
Interest receivable, group entities	2,107	6,129
Foreign currency translation	0	2
	<u>2,107</u>	<u>6,131</u>
4 Financial expenses		
Interest expenses, group entities	30,959	32,255
Other financial expenses	14	23
	<u>30,973</u>	<u>32,278</u>
5 Tax for the year		
Estimated tax charge for the year	-208	-988
Deferred tax adjustments in the year	-239	-129
Tax adjustments, prior years	-177	0
	<u>-624</u>	<u>-1,117</u>

6 Investments

DKK'000

Cost at 1 January 2021

Additions

Debt cancellation

Cost at 31 December 2021

Carrying amount at 31 December 2021

On April 29, 2021, the ultimate parent company has cancelled the loan owned from GlobalConnect Invest DK A/S amounting to DKK 203.6 million. On the same date, GlobalConnect Invest DK A/S has cancelled the loan owned from GlobalConnect A/S. The debt cancellation were shown as transactions affecting equity.

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
GlobalConnect A/S	Copenhagen, Denmark	100.00%	1,031,047	-91,299
Netteam Technology A/S*	Lynge, Denmark	70.00%	-998	-3,760

*Based on unaudited financial statements as at 31 December 2021.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

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

GlobalConnect Group Holding AB have declared not to recall the intra-group balance of DKK 752 million until GlobalConnect Invest DK A/S has the liquidity to do so and, if necessary, provide additional liquidity in order for GlobalConnect Invest DK A/S to meet its financial obligations and thereby ensuring GlobalConnect Invest DK A/S' continued operation up to and including 1 January 2023.

8 Contractual obligations and contingencies, etc.

Contingent liabilities

The Parent Company is jointly taxed with its Danish subsidiaries. GlobalConnect Invest DK 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.

GlobalConnect Invest DK A/S has declared to its subsidiary, GlobalConnect A/S, not to recall the intra-group balance, at least until 31 December 2022.

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

10 Related parties

GlobalConnect Invest DK A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
GlobalConnect Group Holding AB	Uppsala, Sweden	Principal Shareholder

Information about consolidated financial statements

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

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

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

Hans Henrik Schibler

Executive Board

On behalf of: GlobalConnect Invest DK A/S
Serial number: PID:9208-2002-2-599021202902
IP: 62.198.xxx.xxx
2022-06-03 09:43:20 UTC

NEM ID 

Martin Lippert

Chair

On behalf of: GlobalConnect Invest DK A/S
Serial number: PID:9208-2002-2-572089724609
IP: 85.191.xxx.xxx
2022-06-03 11:15:59 UTC

NEM ID 

Jannie Laurberg Sørensen

Board of Directors

On behalf of: GlobalConnect Invest DK A/S
Serial number: PID:9208-2002-2-199955946251
IP: 77.241.xxx.xxx
2022-06-04 05:09:25 UTC

NEM ID 

The name is withheld (SSN validated)

Board of Directors

On behalf of: GlobalConnect Invest DK A/S
Serial number: PID:9208-2002-2-204084658339
IP: 217.74.xxx.xxx
2022-06-07 11:03:10 UTC

NEM ID 

Karsten Boegel

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:24924796
IP: 145.62.xxx.xxx
2022-06-09 12:53:53 UTC

NEM ID 

Rasmus Reichhardt Svendsen

Chairman

On behalf of: GlobalConnect Invest DK A/S
Serial number: PID:9208-2002-2-435978514706
IP: 87.49.xxx.xxx
2022-06-09 19:35:10 UTC

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