

America Europe Connect 2 Denmark ApS

Langelinie Allé 35
2100 København Ø
CVR no. 39 72 48 98

Annual report for 2021

Adopted at the annual general
meeting on 8 July 2022

chairman

Kevin Michael Foley

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Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of America Europe Connect 2 Denmark ApS 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a true and fair account of the matters dealt with in the management's review.

We recommend that the annual report should be approved by the company in general meeting.

Copenhagen, 8 July 2022

Executive Board

Kevin Michael Foley

Board of Directors

Christopher Bayliff

Kevin Michael Foley

Sandra Jane Delany

Company details

The Company

America Europe Connect 2 Denmark ApS
Langelinie Allé 35
2100 København Ø

CVR no.: 39 72 48 98

Reporting period: 1 January - 31 December 2021

Incorporated: 29 June 2018

Domicile: Copenhagen

Board of Directors

Christopher Bayliff
Kevin Michael Foley
Sandra Jane Delany

Executive board

Kevin Michael Foley

Management's review

Business review

The Company's purpose is to act as landing party and central billing party for the Danish operation of the Havfrue consortium, who are the owners of a subsea cable (AEC-2) from Denmark to New Jersey, USA.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of USD 0, and the balance sheet at 31 December 2021 shows equity of USD 8,216.

Going concern

The shareholder has issued a Letter of Financial Support in which the shareholder confirms to provide necessary financial support in order for the company to continue its operation in 2022.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of America Europe Connect 2 Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in USD.

The USD exchange rate applied is 656,12 at 31 December 2021.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

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

Other operating income

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

Other external costs

Other external expenses comprise expenses for auditors, advisors and managements fee.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax 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 tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Financial debts

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

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Gross profit		0	42,369
Financial costs		<u>0</u>	<u>-8,553</u>
Profit/loss before tax		0	33,816
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>0</u>	<u>33,816</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>0</u>	<u>33,816</u>
		<u>0</u>	<u>33,816</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Assets			
Receivables from group enterprises		504,537	1,598,446
Other receivables		<u>74,669</u>	<u>12,261</u>
Receivables		<u>579,206</u>	<u>1,610,707</u>
Total current assets		<u>579,206</u>	<u>1,610,707</u>
Total assets		<u><u>579,206</u></u>	<u><u>1,610,707</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Equity and liabilities			
Share capital		<u>8,216</u>	<u>8,216</u>
Equity		<u>8,216</u>	<u>8,216</u>
Trade payables		311,360	8,474
Payables to group enterprises		<u>259,630</u>	<u>1,594,017</u>
Total current liabilities		<u>570,990</u>	<u>1,602,491</u>
Total liabilities		<u>570,990</u>	<u>1,602,491</u>
Total equity and liabilities		<u><u>579,206</u></u>	<u><u>1,610,707</u></u>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	2		

Statement of changes in equity

	<u>Share capital</u> USD	<u>Total</u> USD
Equity at 1 January 2021	8,216	8,216
Net profit/loss for the year	<u>0</u>	<u>0</u>
Equity at 31 December 2021	<u>8,216</u>	<u>8,216</u>

The share capital consists of 50,000 shares of DKK 1. No shares carry any special rights.

Notes

1 Uncertainty about the continued operation (going concern)

The shareholder has issued a Letter of Financial Support in which the shareholder confirms to provide necessary financial support in order for the company to be able to continue its operations in 2022.

2 Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Aqua Comms Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.