



B a a g ø e | S c h o u
statsautoriseret revisionsaktieselskab

Eferio Communications A/S
Flæsketorvet 68, 1., 1711 København V

Company reg. no. 40 11 62 65

Annual report

2021

The annual report was submitted and approved by the general meeting on the 5 August 2022.

Jørgen Gransøe
Chairman of the meeting



Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2021	
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12
Accounting policies	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Eferio Communications A/S for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København V, 4 August 2022

Executive board


Richard Birger Murbeck


Jørgen Gransøe

Board of directors


Nathan Edwin Browne

Errol Graham Musk


Jørgen Gransøe



Independent auditor's report

To the Shareholders of Eferio Communications A/S

Opinion

We have audited the financial statements of Eferio Communications A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 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. 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 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 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.



Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.



Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 4 August 2022

Baagøe | Schou

State Authorised Public Accountants
Company reg. no. 21 14 81 48

Søren Larsen
State Authorised Public Accountant
mne10850



Company information

The company	Eferio Communications A/S Flæsketorvet 68, 1. 1711 København V
	Company reg. no. 40 11 62 65 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Nathan Edwin Browne Errol Graham Musk Jørgen Gransøe
Executive board	Richard Birger Murbeck Jørgen Gransøe
Auditors	Baagøe Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K
Parent company	Eferio Communications Holding ApS, Copenhagen



Management's review

The principal activities of the company

Eferio Communications A/S' purpose is to develop, manage, and support MVNEs and MVNOs with an initial focus on the African market as well as other activities related thereto. Over the past approx. 12 months, the company has gradually shifted its focus from virtual operators towards mobile network operators.

Uncertainties about recognition or measurement

The company has entered into an external agreement for the purchase of fixed assets under construction related to a telecommunications platform - including customers, intellectual property, products, hardware, and organization. The company has not complied with the payment conditions in the concluded agreement whereby the amount recognized in the company's annual report is subject to uncertainty.

It is the management's expectation that the agreement will be implemented, and the supplier is informed of the missing prerequisites in connection with the company's challenges in obtaining financing for the purchase agreement.

Development in activities and financial matters

The above accounting period is the company's third financial year. During the financial year, the company has largely been passive and without actual business operations.

The gross loss for the year totals DKK -39.230 against DKK -44.000 last year. Income or loss from ordinary activities after tax totals DKK -82.660 against DKK -64.000 last year. The management considers the net profit or loss for the year as expected.

The objective is for the company to act as a parent company for all of the Eferio Group's telecommunications and technology investments as well as related business operations. The company will assume this role as soon as a sufficient financial basis has been provided to start actual operations.

The management is aware that the company has lost more than 50% of the company's capital. The management has proposed that the company's capital should be restored by a combination of capital increases and future operating profits.

The company has received a declaration of resignation on debt of TDKK 2,646 from the parent company, and support is extended until the company's annual general meeting no later than June 30, 2023.



Management's review

Events occurring after the end of the financial year

After the end of the financial year, the company has prepared the opportunity to acquire majority ownership in several mobile network operators in East Africa. This is in line with the company's new strategy to focus on connectivity and digital infrastructure throughout the African continent.

Financing for this strategy will be provided via the company's 100% owner, Eferio Communications Holding ApS, which has entered a strategic partnership with a leading supplier of revenue-based financing. This partnership will enable the company to fulfill its short term and long term objectives.

The company still needs to comply with the conditions of the concluded agreement described in section "Uncertainties about recognition or measurement", the management is in ongoing dialogue with the seller and it is the management's expectation that the agreement will be completed.

Activities are ongoing with a view to establish the financial basis for continued operations and development until the end of 2022 and indeed well into 2023. It is the management's expectation that these activities will lead to a positive result, but at present the full funding has not been achieved.



Income statement 1 January - 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	-39.230	-44
2 Other financial expenses	-43.430	-20
Pre-tax net profit or loss	-82.660	-64
3 Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-82.660	-64
Proposed appropriation of net profit:		
Allocated from retained earnings	-82.660	-64
Total allocations and transfers	-82.660	-64



Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
4		
Development projects under construction and prepayments for intangible assets	923.417	923
Total intangible assets	923.417	923
5		
Property, plant, and equipment under construction and prepayments for property, plant, and equipment	1.781.786	0
Total property, plant, and equipment	1.781.786	0
Total non-current assets	2.705.203	923
Current assets		
Other receivables	196.824	187
Total receivables	196.824	187
Total current assets	196.824	187
Total assets	2.902.027	1.110



Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	400.000	400
Other statutory reserves	720.265	720
Retained earnings	-940.674	-858
Total equity	<u>179.591</u>	<u>262</u>
 Liabilities other than provisions		
Payables to parent company	<u>2.646.094</u>	<u>0</u>
Total long term liabilities other than provisions	<u>2.646.094</u>	<u>0</u>
Bank loans	35	0
Trade payables	73.594	25
Payables to parent company	0	821
Other payables	<u>2.713</u>	<u>2</u>
Total short term liabilities other than provisions	<u>76.342</u>	<u>848</u>
Total liabilities other than provisions	<u>2.722.436</u>	<u>848</u>
Total equity and liabilities	<u>2.902.027</u>	<u>1.110</u>

- 1 **Uncertainties concerning recognition and measurement**
- 6 **Charges and security**
- 7 **Contingencies**



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Other statutory reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	400.000	720.265	-858.014	262.251
Retained earnings	0	0	-82.660	-82.660
	400.000	720.265	-940.674	179.591



Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

1. Uncertainties concerning recognition and measurement

The company has entered into an external agreement for the purchase of fixed assets under construction related to a telecommunications platform - including customers, intellectual property, products, hardware, and organization. The company has not complied with the payment conditions in the concluded agreement whereby the amount recognized in the company's annual report is subject to uncertainty.

It is the management's expectation that the agreement will be implemented, and the supplier is informed of the missing prerequisites in connection with the company's challenges in obtaining financing for the purchase agreement.

	<u>2021</u>	<u>2020</u>
2. Other financial expenses		
Financial costs, group enterprises	42.337	17
Other financial costs	<u>1.093</u>	<u>3</u>
	43.430	20
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	0
Adjustment of deferred tax for the year	<u>0</u>	<u>0</u>
	0	0
	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Development projects under construction and prepayments for intangible assets		
Cost 1 January 2021	923.417	923
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2021	923.417	923
Carrying amount, 31 December 2021	923.417	923



Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
5. Property, plant, and equipment under construction and prepayments for property, plant, and equipment		
Cost 1 January 2021	0	0
Additions during the year	<u>1.781.786</u>	<u>0</u>
Cost 31 December 2021	<u>1.781.786</u>	<u>0</u>
Carrying amount, 31 December 2021	<u>1.781.786</u>	<u>0</u>

6. Charges and security

The company is not liable for charges or securities.

7. Contingencies

Contingent assets

The company has a deferred tax assets of DKK 42 thousand, which in the annual report is recognized at DKK 0.

Contingent liabilities

The company has entered into an agreement for the purchase of a telecommunications platform of DKK 50.2 million (CHF 7 million). Since DKK 11.2 million (CHF 1.56 million) had to be paid in the financial year 2021, the company has not fulfilled its payment obligations.

In addition, please refer to the discussion under description of uncertainties about recognition or measurement.

Joint taxation

With Eferio Communications Holding ApS, company reg. no 38 68 88 04, as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.



Accounting policies

The annual report for Eferio Communications A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.



Accounting policies

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.



Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.



Accounting policies

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Eferio Communications A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.