



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

2023

The annual report was submitted and approved by the general meeting on the 1 September 2024.

Jørgen Gransøe
Chairman of the meeting



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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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

At the general meeting held on 1 September 2024, a decision will be made not to have the financial statements audited as from 2024 onwards. The Board of Directors and the Executive Board consider the conditions for audit exemption to be met.

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, 1 September 2024

Executive board

Richard Birger Murbeck

Jørgen Gransøe

Board of directors

Jørgen Gransøe
chairman

Robert Gathu

Andreas Fruhen



Independent auditor's report

To the Shareholders of Eferio Communications A/S

Auditor's report on the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Eferio Communications A/S for the financial year 1 January - 31 December 2023, 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.

We do not express an opinion on the financial statements of the Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of conclusion

In the balance sheet, management has included property, plant and equipment under construction with a value of TDKK 1.782. In our opinion, these projects have come to a standstill, and we have not been presented with concrete plans or agreements for their completion. For this reason, we have not been able to obtain sufficient and appropriate audit evidence for this value.

The completed development projects from previous years have not yet generated any revenue or income, and management has not been able to present plans or agreements that support the recognized value. Therefore, we have not been able to assess the valuation of this asset

The company's investments in group enterprises of TDKK 1.579 are due to an investment in an African company. We have attempted, without success, to obtain audit evidence for both the existence and valuation of this investment. Unfortunately, this has not been possible, and therefore we have modified our opinion in that matter.

As a result of this matter, we have not been able to determine whether any adjustments might be considered necessary concerning recorded or unrecorded completed development projects, property, plant and constructions and investments in group enterprises, as well as the income statement and the statement of changes in equity.

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.



Independent auditor's report

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 responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Statement on Management's Review

As evident from the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. As a result, we do not express an opinion on the Management's Review.

Violation of the Danish Financial Statement Act

In violation of the Danish Financial Statement Act, the company has not prepared the annual report on time, whereby the management may be held responsible for this.

Copenhagen, 1 September 2024

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 Established: 21 December 2018 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Jørgen Gransøe, chairman Robert Gathu Andreas Fruhen
Executive board	Richard Birger Murbeck Jørgen Gransøe
Auditors	Baagøe Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K
Parent company	Eferio Holding ApS, Copenhagen
Subsidiary	Marcel PLC, Blantyre, Malawi



Management's review

Description of key activities of the company

The Company's main objective has been to develop and manage telecommunication businesses, initially focusing on East Africa, and other related activities. Over the past two years, the Company has gradually shifted its focus from virtual operators to actual mobile network operators, and more recently towards the broader concept of digitalization of Africa, where connectivity and mobile network infrastructure play crucial roles.

Development in activities and financial matters

The gross loss for the year totals DKK -196.319. Income or loss from ordinary activities after tax totals DKK -451.979. Management considers the financial results to be aligned with the current circumstances.

During the financial year, the Company has largely been passive due to a lack of funding, resulting in minimal business operations. The initial plan to invest in a mobile network operator in Malawi and prepare for a similar investment in Burundi – followed by other markets – was stalled. Although agreements were signed with local telecom sector experts and operational teams, the Company could not progress further due to funding constraints.

Events occurring after the end of the financial year

Due to delayed funding, 2024 has continued to be a quiet period for the Company. With ongoing activities to secure short-term financial stability, efforts have been made to lay the groundwork for a telecom group in Africa. However, due to the Company's shift in strategic direction and the decision to exit the network operators' business, these efforts will not continue under the current company structure.

Looking ahead, the focus has shifted to preparing for a merger of Eferio Communications A/S, Socio ApS, and Eferio Holding ApS scheduled for 2024. The merger will consolidate assets and facilitate the sale of the telecommunications business as one entity, with a view to distributing funds among the shareholders.



Income statement 1 January - 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	-196.319	-55
Depreciation and impairment of non-current assets	-184.684	-185
Profit before net financials	-381.003	-240
Other financial income	11	0
1 Other financial expenses	-70.987	-62
Pre-tax net profit or loss	-451.979	-302
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-451.979	-302
Proposed distribution of net profit:		
Transferred to other statutory reserves	-144.053	-144
Allocated from retained earnings	-307.926	-158
Total allocations and transfers	-451.979	-302



Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

Assets		
Note	2023	2022
Non-current assets		
Completed development projects, including patents and similar rights arising from development projects	554.050	738
Total intangible assets	<u>554.050</u>	<u>738</u>
Property, plant, and equipment under construction and prepayments for property, plant, and equipment	1.781.786	1.782
Total property, plant, and equipment	<u>1.781.786</u>	<u>1.782</u>
Investments in group enterprises	1.578.500	1.579
Total investments	<u>1.578.500</u>	<u>1.579</u>
Total non-current assets	<u>3.914.336</u>	<u>4.099</u>
Current assets		
Other receivables	0	105
Total receivables	<u>0</u>	<u>105</u>
Cash and cash equivalents	8.581	6
Total current assets	<u>8.581</u>	<u>111</u>
Total assets	<u>3.922.917</u>	<u>4.210</u>



Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	400.000	400
Other statutory reserves	432.159	576
Retained earnings	<u>-706.195</u>	<u>-399</u>
Total equity	<u>125.964</u>	<u>577</u>
 Liabilities other than provisions		
Payables to parent company	<u>3.570.934</u>	<u>3.505</u>
Total long term liabilities other than provisions	<u>3.570.934</u>	<u>3.505</u>
 Trade payables	 225.518	 128
Other payables	<u>501</u>	<u>0</u>
Total short term liabilities other than provisions	<u>226.019</u>	<u>128</u>
 Total liabilities other than provisions	<u>3.796.953</u>	<u>3.633</u>
 Total equity and liabilities	<u>3.922.917</u>	<u>4.210</u>

2 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 2022	400.000	576.212	-398.269	577.943
Retained earnings	0	-144.053	-307.926	-451.979
	400.000	432.159	-706.195	125.964



Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Other financial expenses		
Financial costs, group enterprises	70.040	62
Other financial costs	<u>947</u>	<u>0</u>
	<u>70.987</u>	<u>62</u>

2. Contingencies

Joint taxation

With Eferio 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.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.



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, own work 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. Revenue is measured at the fair value of the consideration promised 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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

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.

Results from

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.

Investments

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.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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.



Accounting policies

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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.