

North Sea Connect Denmark ApS

C/O Bech-Bruun v/adv. Jakob Kristensen
Gdanskgade 18
2150 Nordhavn
CVR no. 40 38 78 70

Annual report for 2023

Adopted at the annual general
meeting on 25 June 2024

chairman

Mark Thomas Kelly

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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 North Sea Connect Denmark ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1. januar - 31. december 2023.

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, 25 June 2024

Executive Board

Mark Thomas Kelly

Board of Directors

Sandra Jane Delany

Mark Thomas Kelly

Company details

The Company

North Sea Connect Denmark ApS
C/O Bech-Bruun v/adv. Jakob Kristensen
Gdanskgade 18
2150 Nordhavn

CVR no.: 40 38 78 70

Reporting period: 1. januar - 31. december 2023

Incorporated: 28 March 2019

Domicile: Copenhagen

Board of Directors

Sandra Jane Delany
Mark Thomas Kelly

Executive board

Mark Thomas Kelly

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 Havhingsten consortium, who are the owners of a subsea cable (NSC) from Denmark to Newcastle, UK.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of USD 0, and the balance sheet at 31. december 2023 shows equity of USD 7,938.

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 2024.

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 North Sea Connect Denmark ApS for 2023 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 2023 is presented in USD.

The USD exchange rate applied is 675,47 at 31 December 2023.

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

Accounting policies

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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'.

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.

Accounting policies

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.

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>2023</u> USD	<u>2022</u> USD
Financial income		605	4,178
Financial costs		-605	-4,143
Profit/loss before tax		0	35
Tax on profit/loss for the year		0	0
Profit/loss for the year		0	35

Distribution of profit

Recommended appropriation of profit/loss

Retained earnings		0	35
		0	35

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Assets			
Other receivables		<u>7,304</u>	<u>7,374</u>
Fixed asset investments		<u>7,304</u>	<u>7,374</u>
Total non-current assets		<u>7,304</u>	<u>7,374</u>
Other receivables		<u>381,203</u>	<u>34,673</u>
Receivables		<u>381,203</u>	<u>34,673</u>
Total current assets		<u>381,203</u>	<u>34,673</u>
Total assets		<u><u>388,507</u></u>	<u><u>42,047</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Equity and liabilities			
Share capital		7,903	7,903
Retained earnings		<u>35</u>	<u>35</u>
Equity		<u>7,938</u>	<u>7,938</u>
Lease obligations		<u>7,304</u>	<u>7,374</u>
Total non-current liabilities		<u>7,304</u>	<u>7,374</u>
Payables to group enterprises		371,915	26,060
Other payables		<u>1,350</u>	<u>675</u>
Total current liabilities		<u>373,265</u>	<u>26,735</u>
Total liabilities		<u>380,569</u>	<u>34,109</u>
Total equity and liabilities		<u><u>388,507</u></u>	<u><u>42,047</u></u>
Going concern	1		
Contingent liabilities	3		

Statement of changes in equity

	<u>Share capital</u> USD	<u>Retained earnings</u> USD	<u>Total</u> USD
Equity at 1 January 2023	7,903	35	7,938
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>0</u>
Equity at 31 December 2023	<u>7,903</u>	<u>35</u>	<u>7,938</u>

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

Notes

1 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 2024.

<u>2023</u>	<u>2022</u>
USD	USD

2 Staff costs

Average number of employees

<u>0</u>	<u>0</u>
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3 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.