North Sea Connect Denmark ApS

c/o Bech Bruun v/adv. Jakob Kristensen, Langelinie Allé 35,
DK-2100 Copenhagen East

Annual Report for 2020

CVR No. 40 38 78 70

The Annual Report was presented and adopted at the Annual General Meeting of the company on 8/7 2021

Kevin Michael Foley
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of North Sea Connect Denmark ApS for the financial year 1 January - 31 December 2020.

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 at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

The general meeting has decided that the annual accounts for the incoming financial year do not need to be audited.

Copenhagen East, 8 July 2021

Executive Board

Kevin Michael Foley
Manager

Board of Directors

Christopher Nigel Bayliff	Kevin Michael Foley	Thorsten Philip-Stuart Johnsen

Independent Auditor's report

To the shareholder of North Sea Connect Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company´s operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of North Sea Connect Denmark ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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, in our view, Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

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.

Independent Auditor's report

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.

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.

- 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.

Hellerup, 8 July 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Ødegaard
State Authorised Public Accountant
mne31489

Company information

The Company	North Sea Connect Denmark ApS c/o Bech Bruun v/adv. Jakob Kristensen Langelinie Allé 35 DK-2100 Copenhagen East CVR No: 40 38 78 70 Financial period: 1 January - 31 December Incorporated: 28 March 2019 Financial year: 2nd financial year Municipality of reg. office: Copenhagen
Board of Directors	Christopher Nigel Bayliff Kevin Michael Foley Thorsten Philip-Stuart Johnsen
Executive board	Kevin Michael Foley
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The company's purpose is to establish data connections, including owned assets and to conduct business related. North Sea Connect Aps will hold any Danish assets associated with the North Sea Connect system.

Development in the year

The income statement of the Company for 2020 shows a profit of USD 9,458, and at 31 December 2020 the balance sheet of the Company shows positive equity of USD 7,903.

In 2020 the activities related to the North Sea Connect system have been transferred to Aqua Comms Denmark and Celtix Connect Ltd. Consequently the company has no activities and is expected to be liquidated within the next year.

Going Concern

The shareholder has issued a Letter of Financial Support which the shareholder confirms to provide necessary financial support in order for the company to continue its operations in 2021.

The Company has lost the Share Capital and Management expect that the Share Capital will be reestablished either by future net profit or contribution from parent.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2020	2019
		USD 12 months	USD 9 months
Gross profit/loss		**18,863**	**-3,614**
Financial income		5,842	0
Financial expenses		-15,247	-5,844
Profit/loss before tax		**9,458**	**-9,458**
Tax on profit/loss for the year		0	0
Net profit/loss for the year		**9,458**	**-9,458**

Distribution of profit

	2020	2019
	USD	USD
Proposed distribution of profit		
Retained earnings	9,458	-9,458
	9,458	**-9,458**

Balance sheet 31 December

Assets

	Note	2020	2019
		USD	USD
Property, plant and equipment in progress		0	392,450
Property, plant and equipment		**0**	**392,450**
Other receivables		6,826	0
Fixed asset investments		**6,826**	**0**
Fixed assets		**6,826**	**392,450**
Receivables from group enterprises		15,203	0
Other receivables		10,858	83,208
Receivables		**26,061**	**83,208**
Current assets		**26,061**	**83,208**
Assets		**32,887**	**475,658**

Balance sheet 31 December

Liabilities and equity

	Note	2020	2019
		USD	USD
Share capital		7,903	7,903
Retained earnings		0	-9,458
Equity		**7,903**	**-1,555**
Lease obligations		6,826	0
Long-term debt		**6,826**	**0**
Lease obligations		675	0
Trade payables		4,944	0
Payables to group enterprises		11,864	477,213
Other payables		675	0
Short-term debt		**18,158**	**477,213**
Debt		**24,984**	**477,213**
Liabilities and equity		**32,887**	**475,658**

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Statement of changes in equity

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January	7,903	-9,458	-1,555
Net profit/loss for the year	0	9,458	9,458
Equity at 31 December	**7,903**	**0**	**7,903**

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

Notes to the Financial Statements

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 2021.

2. Contingent assets, liabilities and other financial obligations

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.

3. Accounting policies

The Annual Report of North Sea Connect Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2020 are presented in USD.

The USD exchange rate applied is 605.76 at 31 December 2020 and 667.59 at 31 December 2019.

Changes in accounting policies

Changes due to application of IFRS 9, IFRS 15, and IFRS 16

Within the framework of the Danish Financial Statements Act, the Company has as of 1 January 2020 changed accounting policies in respect of applying the accounting methods of IFRS 15 regarding recognition of revenue and IFRS 16 regarding leasing . Furthermore the Company has applied the expected credit loss method from IFRS 9 when recogniting impairment of financial assets. The principles from these standards have all been applied in accordance with the modified retrospective approach and the effect is recognised at 1 January 2020.

The changes of accounting policy are made due to changes in Group accounting policies and a wish to apply the same policies for Group reporting and local Financial Statements.

The prior-period amounts have not been adjusted due to the below mentioned changes to accounting policies.
Effects of IFRS 15, Revenue from Contracts with Customers

The Financial Statements have not have not been impacted by the adoption of IFRS 15.

Effects of IFRS 16, Leases

In the context of the transition to IFRS 16, sublease and lease liabilities of USD 7,501 were recognized as at 21 July 2020. The income statement has not been adjusted since there are no comparative leasing figures in 2019.

The Company applied the principles of IFRS 16 in accordance with the modified retrospective approach. The prior-year figures were not adjusted.

Effects of IFRS 9, Valuation of trade receivables

The Financial Statements have not have not been impacted by the adoption of IFRS 9.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Other external expenses

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

Gross profit/loss

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 and expenses

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.

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

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Right-of-use-assets	30 years

Property, plant and equipment in progress is not depreciated.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of

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.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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