
North Sea Connect Denmark ApS

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

Annual Report for 28 March - 31 December 2019

CVR No 40 38 78 70

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/8 2020

Kevin Michael Foley
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of North Sea Connect Denmark ApS for the financial year 28 March - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 August 2020

Executive Board

Kevin Michael Foley
Executive Officer

Board of Directors

Thorsten Philip-Stuart Johnsen

Kevin Michael Foley

Christopher Nigel Bayliff

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 2019 and of the results of the Company's operations for the financial year 28 March - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of North Sea Connect Denmark ApS for the financial year 28 March - 31 December 2019, 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.

Independent Auditor's Report

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.

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

Independent Auditor's Report

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, 31 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Ødegaard

statsautoriseret revisor

mne31489

Company Information

The Company

North Sea Connect Denmark ApS
c/o Bech-Bruun v/adv. Jakob Kristensen
Langelinie Allé 35
DK-2100 København Ø

CVR No: 40 38 78 70
Financial period: 28 March - 31 December
Municipality of reg. office: København Ø

Board of Directors

Thorsten Philip-Stuart Johnsen
Kevin Michael Foley
Christopher Nigel Bayliff

Executive Board

Kevin Michael Foley

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-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 2019 shows a loss of USD 9,458, and at 31 December 2019 the balance sheet of the Company shows negative equity of USD 1,555.

The Company has lost the entire share capital and is therefore by the Danish Companies Act's subject to rules regarding loss of capital. Management expects that the equity will be restored through future operations.

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 2020.

Subsequent events

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020, which is indicative of a condition that did not exist at the end of the reporting date. During this period and up to the date of this report, the company has continued business operations with limited disruption and has remained engaged in performing its principal activity. As the scale and duration of these developments remain uncertain, it is difficult to quantify the financial impact of the evolving situation.

Income Statement 28 March - 31 December

	Note	28 March - 31 December 2019 USD
Gross profit/loss		-3,614
Financial expenses		-5,844
Profit/loss before tax		-9,458
Tax on profit/loss for the year		0
Net profit/loss for the year		-9,458

Distribution of profit

Proposed distribution of profit

Retained earnings	-9,458
	-9,458

Balance Sheet 31 December

	Note	2019 USD
Assets		
Property, plant and equipment in progress		392,450
Property, plant and equipment	3	392,450
Fixed assets		392,450
Other receivables		83,208
Receivables		83,208
Currents assets		83,208
Assets		475,658
Liabilities and equity		
Share capital		7,903
Retained earnings		-9,458
Equity		-1,555
Payables to group enterprises		477,213
Short-term debt		477,213
Debt		477,213
Liabilities and equity		475,658
Going concern	1	
Subsequent events	2	
Contingent assets, liabilities and other financial obligations	4	
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Statement of Changes in Equity

	Share capital USD	Retained earnings USD	Total USD
Equity at 28 March	0	0	0
Cash payment concerning formation of entity	7,903	0	7,903
Net profit/loss for the year	0	-9,458	-9,458
Equity at 31 December	7,903	-9,458	-1,555

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 2020. Consequently, the Financial Statements for 2019 have been prepared under the going concern assumption.

2 Subsequent events

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020, which is indicative of a condition that did not exist at the end of the reporting date. During this period and up to the date of this report, the company has continued business operations with limited disruption and has remained engaged in performing its principal activity. As the scale and duration of these developments remain uncertain, it is difficult to quantify the financial impact of the evolving situation.

3 Property, plant and equipment

	Property, plant and equipment in progress USD
Cost at 28 March	0
Additions for the year	392,450
Cost at 31 December	392,450
Carrying amount at 31 December	392,450

4 Contingent assets, liabilities and other financial obligations

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of America Europe Connect 2 Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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.

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of North Sea Connect Denmark ApS for 2019 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 2019 are presented in USD.

The USD exchange rate applied is 667.59 at 31 December 2019

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.

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.

Notes to the Financial Statements

5 Accounting Policies (continued)

Income Statement

Gross profit/loss

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

Financial expenses

Financial expenses are recognised in the income statement at the amounts relating to the financial year.

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.

The Company is jointly taxed with wholly owned Danish subsidiaries. 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.

Property, plant and equipment in progress is not depreciated.

Notes to the Financial Statements

5 Accounting Policies (continued)

Impairment of fixed assets

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

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

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 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.