
Aqua Comms Denmark ApS

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

Annual Report for
25 November 2019 - 31 December 2020

CVR No. 40 98 82 62

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

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Management's Review	
Company information	4
Management's review	5
Financial Statements	
Income statement 25 November 2019 - 31 December 2020	6
Balance sheet 31 December 2020	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Aqua Comms Denmark ApS for the financial year 25 November 2019 - 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 2019/20.

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.

Copenhagen East, 8 July 2021

Executive Board

Kevin Michael Foley
Manager

Board of Directors

Christopher Bayliff

Kevin Michael Foley

Thorsten Philip-Stuart Johnsen

Independent Auditor's report

To the shareholder of Aqua Comms 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 25 November 2019 - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aqua Comms Denmark ApS for the financial year 25 November 2019 - 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	Aqua Comms Denmark ApS c/o Bech-Bruun, adv. Jakob Kristensen Langelinie Allé 35 DK-2100 Copenhagen East CVR No: 40 98 82 62 Financial period: 25 November 2019 - 31 December 2020 Incorporated: 25 November 2019 Financial year: 1st financial year Municipality of reg. office: Copenhagen
Board of Directors	Christopher 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 and provide data connections, including held assets and licenses, and to conduct business related.

Development in the year

The income statement of the Company for 2019/20 shows a loss of USD 6,115, and at 31 December 2020 the balance sheet of the Company shows positive equity of USD 36.

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 2021.

Management expect that the Share Capital will be reestablished within the next years through net profit.

Subsequent events

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

Income statement 25 November 2019 - 31 December 2020

	<u>Note</u>	<u>2019/20</u>
		USD 13 months
Gross profit/loss		4,554
Depreciation and impairment losses of property, plant and equipment		-9,352
Profit/loss before financial income and expenses		<u>-4,798</u>
Financial expenses		-1,317
Profit/loss before tax		<u>-6,115</u>
Tax on profit/loss for the year		0
Net profit/loss for the year		<u>-6,115</u>

Distribution of profit

	<u>2019/20</u>
	USD
Proposed distribution of profit	
Retained earnings	-6,115
	<u>-6,115</u>

Balance sheet 31 December 2020

Assets

	<u>Note</u>	<u>2019/20</u> USD
Land and buildings		1,329,824
Property, plant and equipment	3	<u>1,329,824</u>
Fixed assets		<u>1,329,824</u>
Receivables from group enterprises		55,118
Other receivables		25,305
Prepayments		40,771
Receivables		<u>121,194</u>
Current assets		<u>121,194</u>
Assets		<u>1,451,018</u>

Balance sheet 31 December 2020

Liabilities and equity

	<u>Note</u>	<u>2019/20</u> USD
Share capital		6,151
Retained earnings		-6,115
Equity		<u>36</u>
Lease obligations		6,826
Long-term debt		<u>6,826</u>
Lease obligations		675
Payables to group enterprises		1,421,297
Other payables		22,184
Short-term debt		<u>1,444,156</u>
Debt		<u>1,450,982</u>
Liabilities and equity		<u>1,451,018</u>
Going concern	1	
Contingent assets, liabilities and other financial obligations	4	
Accounting Policies	5	

Statement of changes in equity

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 25 November	0	0	0
Cash payment concerning formation of entity	6,151	0	6,151
Net profit/loss for the year	0	-6,115	-6,115
Equity at 31 December	6,151	-6,115	36

The share capital consists of 40,000 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.

	<u>2019/20</u> USD
2. Other operating income	
Other income	8,914
	<u>8,914</u>

3. Property, plant and equipment

	<u>Land and buildings</u> USD
Cost at 25 November	0
Additions for the year	1,339,176
Cost at 31 December	<u>1,339,176</u>
Impairment losses and depreciation at 25 November	0
Depreciation for the year	9,352
Impairment losses and depreciation at 31 December	<u>9,352</u>
Carrying amount at 31 December	<u>1,329,824</u>
Including assets under finance leases amounting to	<u>7,054</u>

4. Contingent assets, liabilities and other financial obligations

Contingent liabilities

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 Aqua Comms 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 Aqua Comms Denmark ApS for 2019/20 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 2019/20 are presented in USD.

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

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.

Notes to the Financial Statements

Income statement

Net sales

Revenue is recognized based on the Danish share of the total revenue of the AEC-2 cable. The revenue is recognized when, the revenue can be measured reliably and it is probable that the economic benefits will flow to the Company.

Other external expenses

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

Gross profit/loss

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

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 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.

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

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

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Notes to the Financial Statements

	years
Cable Asset	25 years
CLS Asset	25 years
CLS Equipment	8 years
Lightning Equipment	8 years

Depreciation period and residual value are reassessed annually.

Right-of-use-assets is depreciated over the term of the lease.

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.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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.