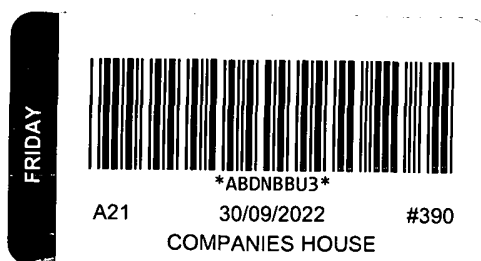


## **Colt Technology Services Europe Limited**

### **Annual Report for the year ended 31 December 2021**

Registered number: 03218510



## Colt Technology Services Europe Strategic report

The Directors present their strategic report on Colt Technology Services Europe Limited, ("the Company") for the year ended 31 December 2021.

### Business review and principal activities

The Company's principal activity is to act as an intermediary holding company within the Group comprising Colt Group Holdings Limited and its subsidiaries ("the Group", "Colt"). Colt Group Holdings Limited is a company incorporated in the United Kingdom. The results of the Company are included in the consolidated financial statements of Colt Group Holdings Limited for the year ended 31 December 2021. The immediate parent company Colt Telecom Finance Euro is incorporated in the United Kingdom. The ultimate parent company SHM Lightning Investors LLC ("SLI") is registered in the United States of America. Please see note 15 for further details.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Company are integrated with the principal risks and uncertainties facing the Group and are not managed separately. Details of the risks and uncertainties facing the Group, the Group's financial risk management policy and an analysis of the performance of the Group, including key performance indicators, can be found in the Group's annual report for the year ended 31 December 2021 which does not form part of this report. The Group's annual report is available from the Company's registered office, as set out in note 15 to the financial statements.

#### *Impact of Ukraine conflict*

In light of the conflict in Ukraine and related changes to UK and EU Sanctions Lists, in March 2022 Colt created a Groupwide Sanctions Committee. The Sanctions Committee's remit is to decide on the applicability of sanctions regimes to Colt, as well as to take decisions about any individual sanctioned customer or sanctioned supplier contracts. The Groupwide Authorities Matrix has been updated to reflect the creation and authority of the Sanctions Committee. The Sanctions Committee decisions are reported to the Company, as and when such decisions are taken.

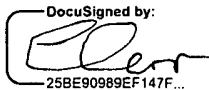
### Review of the financial performance and key performance indicators

The Company made a loss before taxation of €55.4m for the year ended 31 December 2021 (2020: €154.5m loss).

At 31 December 2021 the Company had total net liabilities of €74.6m (2020: €19.2m total net liabilities).

The Company's key performance indicators are integrated with the Group. The Directors believe that the disclosure of key performance indicators is neither necessary or appropriate to understand the financial position or performance of the Company.

On behalf of the Board

DocuSigned by:  
  
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G Carr  
Director  
29 September 2022

## **Colt Technology Services Europe Directors' report**

The Directors present their report and the audited financial statements of Colt Technology Services Europe Limited ("the Company") for the year ended 31 December 2021.

### **Directors**

The Directors of the Company who held office during the year and up to the signing date of the financial statements were:

C Griffin Pain  
G Carr  
R Tilbrook  
A Galtieri  
N Ramasamy

The Company Secretary who held office during the year and up to the date of this report was:

N Ramasamy

### **Principal activities**

The Company's principal activity is to act as an intermediary holding company within the Group comprising Colt Group Holdings Limited and its subsidiaries.

### **Results and dividends**

The Company made a loss before taxation of €55.4m for the year ended 31 December 2021 (2020: loss of €154.5m). The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021 (2020: €nil).

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## Colt Technology Services Europe Directors' report (continued)

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Likely future developments

The Company's future developments are integrated with the strategy of the Group and are not managed separately. Details of the future strategy of the Group can be found in the consolidated Group annual report for the year ended 31 December 2021. The Group's annual report is available from the Company's registered office, as set out in note 15 to the financial statements.

### Financial risk management objectives and policies

The Group operates a centralised treasury function, the prime objective of which is to optimise the return on the Group's cash balances and to manage the working capital requirements of the Group.

#### *Liquidity and interest rate risk*

The Group raises equity and borrowings centrally and on-lends these to its subsidiaries. All of the Group's borrowings are with a related-party company at a variable interest rate.

There is not considered to be a material credit or foreign exchange risk.

### Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:

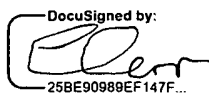
- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Qualifying third party indemnity provisions for the benefit of Directors

As permitted by the Articles of Association, each of the Directors and Secretary has the benefit of an indemnity as defined by s234 of the Companies Act 2006. The indemnity remains in force throughout, and in respect of, the tenure of each individual's directorship. The Company has maintained the benefit of Directors' and Officers' liability insurance in respect of itself and its Directors' throughout the financial year.

On behalf of the Board

DocuSigned by:  
  
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G Carr  
Director  
29 September 2022

# Independent auditors' report to the members of Colt Technology Service Europe Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Colt Technology Service Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Balance Sheet as at 31 December 2021; Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other

information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors', we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors'**

*In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.*

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors'.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations related to but not limited to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act of 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiries with management, those charged with governance, internal audit, the fraud risk team, internal legal counsel, the tax team and the regulatory team around actual and potential litigation and claims, as well as any instances of non-compliance with laws, regulations or fraud;
- Reviewing correspondence from tax authorities to assess any non-compliance with tax legislation and review of correspondence with external legal advisors;
- Assessment of matters reported to the group's internal whistleblower helpline;
- Reviewing internal audit reports;
- Auditing the risk of management override of controls through identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Sturges (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
29 September 2022

## Colt Technology Services Europe Statement of Comprehensive Income

		Year ended 31 December	
	Note	2021 €m	2020 €m
Impairment expense	4	(90.8)	(117.0)
<b>Operating loss</b>		<b>(90.8)</b>	<b>(117.0)</b>
Exceptional income	4	6.6	0.8
Interest receivable and similar income	6	6.3	5.9
Interest payable and similar expenses	7	(3.7)	(3.3)
Other income/(costs)	7	26.2	(40.9)
<b>Loss before taxation</b>		<b>(55.4)</b>	<b>(154.5)</b>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<b>(55.4)</b>	<b>(154.5)</b>

The accompanying notes on pages 10 to 22 are an integral part of the financial statements.



## Colt Technology Services Europe Limited

### Balance Sheet

		As at 31 December	
	Note	2021	2020
		€m	€m
<b>Fixed assets</b>			
Investments	9	357.4	430.4
<b>Current assets</b>			
Debtors	10	747.6	554.1
Cash at bank and in hand		18.8	19.5
<b>Total current assets</b>		<b>766.4</b>	<b>573.6</b>
<b>Creditors: Amounts falling due within one year</b>	11	<b>(1,103.4)</b>	<b>(933.2)</b>
<b>Net current liabilities</b>		<b>(337.0)</b>	<b>(359.6)</b>
<b>Total assets less current liabilities</b>		<b>20.4</b>	<b>70.8</b>
<b>Creditors: Amounts falling due after more than one year</b>			
Borrowings	11	(95.0)	(90.0)
<b>Net assets/(liabilities)</b>		<b>(74.6)</b>	<b>(19.2)</b>
<b>Capital and reserves</b>			
Called up share capital	13	448.6	448.6
Share premium account		482.4	482.4
Capital Contribution		1,613.9	1,613.9
Accumulated losses		(2,619.5)	(2,564.1)
<b>Total equity</b>		<b>(74.6)</b>	<b>(19.2)</b>

The accompanying notes on pages 10 to 22 are an integral part of the financial statements.

The financial statements on pages 7 to 22 were approved by the Board on 29 September 2022 and signed on its behalf by

DocuSigned by:  
  
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G Carr  
 Director

Colt Technology Services Europe Limited

Registered number: 03218510

**Colt Technology Services Europe**  
**Statement of Changes in Equity for the year ended 31**  
**December 2021**

	Called up share capital €m	Share premium account €m	Capital Contribution €m	Accumulated losses €m	Total equity €m
<b>At 1 January 2020</b>	448.6	482.4	-	(2,409.6)	(1,478.6)
Capital Contribution	-	-	1,613.9	-	1,613.9
Loss for the financial year	-	-	-	(154.5)	(154.5)
<b>At 31 December 2020</b>	448.6	482.4	1,613.9	(2,564.1)	(19.2)
Loss for the financial year	-	-	-	(55.4)	(55.4)
<b>At 31 December 2021</b>	448.6	482.4	1,613.9	(2,619.5)	(74.6)

The accompanying notes on pages 10 to 22 are an integral part of the financial statements.

## **Colt Technology Services Europe Notes to the financial statements**

### **1. General Information**

Colt Technology Services Europe Limited's ("the Company") principal activity is to act as an intermediary holding company within the Group comprising Colt Group Holdings Limited and its subsidiaries ("the Group").

The Company is a private company limited by shares, and is incorporated and registered in England and Wales, United Kingdom. The address of its registered office is Colt House, 20 Great Eastern Street, London, EC2A 3EH.

These financial statements are for the financial year beginning 1 January 2021 and ended on 31 December 2021.

### **2. Statement of Compliance**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3. Summary of significant accounting policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention.

#### **Going Concern**

The Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis, given the financial support being provided by the parent of the Group, Colt Group Holdings Limited, to enable the Company to meet its financial liabilities as they fall due and continue its operational existence for the next 13 months from the date of approval of the Company's financial statements.

Colt continues to closely monitor the situation regarding Covid-19 from Health and Safety and Business Continuity perspectives. The crisis is unprecedented, but Colt has responded effectively to the challenges and maintained its operational activities as close to normal as possible. Colt has adhered to government policies, guidelines and advice from relevant advisory bodies. The measures taken by various governments to contain the virus have not had a negative impact on Colt's business in 2021.

Colt has a strong cash position, effective management of working capital, and the ability to draw down from its €430.0m Revolving Credit Facility ('RCF') from a related-party company as required.

## **Colt Technology Services Europe Notes to the financial statements (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **Disclosure exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions:

- (i) from preparing a Statement of Cash Flow, under paragraph 1.12(b), on the basis that it is a qualifying entity and the parent company of the Group, Colt Group Holdings Limited, includes the Company's cash flows in its consolidated financial statements.
- (ii) from disclosing requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A, under paragraph 1.12(c), on the basis that disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.

#### **Disclosure exemptions for qualifying entities under FRS 102 (continued)**

- (iii) from disclosing related party transactions within the Group, under paragraph 1.12(e), on the grounds that it is a wholly owned subsidiary of a group headed by Colt Group Holdings Limited.

#### **Consolidated financial statements**

The financial statements contain information about Colt Technology Services Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as a wholly owned subsidiary of Colt Group Holdings Limited. Please see note 15 for further details.

#### **Foreign currency transactions**

The Company's functional and presentation currency is the euro.

Transactions denominated in foreign currencies are recorded in euros at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is recorded as an exchange gain or loss in the Statement of Comprehensive Income. The exchange rates as at 31 December 2021 were €1.1901/£1 (2020: €1.1123/£1), €0.8829/\$1 (2020: €0.8149/\$1) and €0.0077/¥1 (2020: €0.0079/¥1).

#### **Fixed asset investments**

The Company's investments in subsidiary undertakings are stated at cost less any provision for impairment.

#### **Debtors**

Debtors are recognised at fair value and are subsequently carried at amortised cost less any provision for bad or doubtful debts.

#### **Impairment**

Investments and debtors are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

## **Colt Technology Services Europe**

### **Notes to the financial statements (continued)**

#### **3. Summary of significant accounting policies (continued)**

##### **Impairment (continued)**

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future discounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

##### **Taxation**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Colt measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided on all temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base which result in an obligation to pay more tax, or a right to pay less tax at a future date, at rates that are expected to apply when the obligation crystallises. These rates are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax recognised is based on an assessment of future forecast profits.

Deferred tax assets and liabilities arising on temporary differences from investment in subsidiaries are not recognised as the timing of their reversal is controlled by Colt, and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **Cash at bank and in hand**

Cash and cash equivalents includes cash at bank and in hand, and short-term deposits with an original maturity period of three months or less. Interest income receivable on cash and cash equivalents is recognised as it is earned. Cash and cash equivalents are initially recognised at fair value and subsequently at amortised cost.

## **Colt Technology Services Europe Notes to the financial statements (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical judgements in applying the entity's accounting policies**

No critical accounting judgements have been applied in the preparation of the Company's financial statements.

#### **Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **Impairment**

The carrying values of investments and intercompany debtors are reviewed for impairment only when events indicate the carrying value may be impaired. Impairment indicators include both internal and external factors. Examples of internal factors include analysing performance against budgets and assessing absolute financial measures for indicators of impairment. Examples of external considerations assessed for indications of impairment include wider economic factors such as economic growth rates.

Where impairment indicators are present, the recoverable amounts of assets are measured. Asset recoverability requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of uncertain matters. In particular, management has regard to assumptions in respect of revenue mix and growth rates, EBITDA margins, timing and amount of capital expenditure, long-term growth rates and the discount rate appropriate for each CGU. See notes 9 and 10 for the net carrying amounts of investments and debtors.

### **4. Operating loss**

The Company had no employees during the year ended 31 December 2021 (2020: nil).

The Company's audit fees of €12,409 (2020: €11,523) have been paid by another Group company and are not recharged to the Company.

During 2021 there was a net impairment expense of €90.8m (2020: €117.0m), being a gross impairment expense of €95.0m offset by an impairment reversal of €4.2m. The entire associated impairment provision was allocated against the Company's investments in subsidiaries. The impairment reversal related to the release of an impairment provision previously recognised against amounts due from group undertakings.

During 2021 the Directors assessed that debtor amounts due from a company within the Group were fully supported by a value in use calculation (2020: €nil).

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 4. Operating loss (continued)

In 2006 the Company impaired €100.0m of the debt owed by Belgium entity Colt Technology Services N.V. Under the terms of an agreement signed in 2006, the debt has been partially reinstated upon the return of Colt Technology Services N.V. to profitability.

€5.2m of the initial impairment has been reversed and recognised within exceptional income in the current year.

#### 5. Directors' emoluments

Consistent with the prior year, the Directors are compensated for their services to the Company by another company within the Colt Group.

#### 6. Interest receivable and similar income

	2021	2020
	€m	€m
Interest receivable from group undertakings	6.3	5.9
<b>Total interest receivable and similar income</b>	<b>6.3</b>	<b>5.9</b>

#### 7. Interest payable and similar expenses and other (income)/expenses

	2021	2020
	€m	€m
Bank interest payable	3.7	3.3
<b>Total interest payable and similar expenses</b>	<b>3.7</b>	<b>3.3</b>
Exchange (gains)/losses	(26.2)	40.9
<b>Total other (income)/expense</b>	<b>(26.2)</b>	<b>40.9</b>

#### 8. Tax on loss

##### a) Analysis of tax charge in the year

There is no tax charge arising in the year ended 31 December 2021 (2020: €nil) as the Company had no taxable losses.

##### b) Reconciliation of tax charge for the year

The tax assessed on the loss for the year is different (2020: different) from the standard effective rate of corporation tax in the UK of 19% (2020: 19%) as a result of the following factors:

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 8. Tax on loss

	2021 €m	2020 €m
Loss before taxation	(55.4)	(154.5)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(10.5)	(29.3)
Effects of:		
Expenses not deductible for tax purposes	16.1	22.0
Group relief claimed for nil payment	(5.6)	7.3
<b>Tax charge for the year</b>	-	-

#### c) Tax rate changes

Following the Chancellor of the Exchequer's Mini-Budget of September 2022, the UK corporation tax rate will remain at 19%.

#### 9. Investments

	Investment in subsidiary undertakings €m
<b>Cost</b>	
At 1 January 2020	2,393.2
Additions	140.1
At 31 December 2020	2,533.3
At 1 January 2021	2,533.3
Additions	22.0
At 31 December 2021	2,555.3
<b>Impairment provision</b>	
At 1 January 2020	1,985.9
Impairment charge	117.0
At 31 December 2020	2,102.9
At 1 January 2021	2,102.9
Impairment charge	95.0
At 31 December 2021	2,197.9
<b>Net book value</b>	
At 31 December 2020	430.4
At 31 December 2021	357.4



## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 9. Investments (continued)

The company has assessed if there are any indicators of impairment of the investment in the subsidiaries as at 31 December 2021.

Based on the assessment performed certain indicators of impairment were identified. Accordingly, a determination of the recoverable amount of the investments has been made using a value in use model, which resulted in an impairment of €95.0m for the year ended 31 December 2021. The entire balance was impaired against investments (2020: €117.0m).

The recoverable amount remains sensitive to changes in discount rates, long term growth rates, performance of the subsidiary and significant changes in the net assets of the subsidiary and the group headed by the subsidiary.

During 2021 the Company increased its investment in Colt Netherlands Holdings Limited via capital contributions of €22.0m. This is compared to the prior year when the Company increased its investments in Colt Technology Services GmbH and Colt Technology Services AB via capital contributions of €130.0m and €4.7m respectively. During 2020 V.I.P Systems AG also transferred its investment of €3.1m in Colt Technology Services RO S.L. to the Company.

Details of the Company's interests in investments in subsidiary undertakings, including direct and indirect subsidiaries, are set out below:

Name	Country of incorporation	Registered office	Shareholding	Principal activity
Colt Technology Services Pty Ltd	Australia	c/o Baker & McKenzie, Level 19, CBW 181 William Street, Melbourne VIC 3000, Australia	100%	Telecommunications and internet services provider
Colt Technology Services GmbH	Austria	Kärntner Ring 10-12, A-1010, Vienna	100%	Telecommunications and internet services provider
Colt Technology Services NV	Belgium	Culliganlaan 2H, 1831 Diegem	100%	Telecommunications and internet services provider
Colt Technology Services A/S	Denmark	Borgmester Christiansens Gade 55, 2450 Copenhagen SV	100%	Intra Group telecommunications services provider
Colt Netherlands Holding Limited	England and Wales	20 Great Eastern Street, London, England EC2A 3EH	100%	Holding and service company
Colt Technology Services Oy	Finland	Malminkatu 16 A 00100 Helsingfors	100%	Telecommunications and internet services provider
Colt Technology Services	France	23-27 rue Pierre Valette, 92240 Malakoff	100%	Telecommunications and internet services provider
Colt Technology Services GmbH	Germany	Gervinusstraße 18-22, 60322 Frankfurt am Main	100%	Telecommunications and internet services provider

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 9. Investments (continued)

Name	Country of incorporation	Registered office	Shareholding	Principal activity
Colt Network Services India Pte. Limited	India	Ground and First Floor, Worldmark 1, Asset Area 11, Aerocity, Hospitality District, Indira Gandhi International Airport, New Delhi-110037	100%	Telecommunications provider
Colt Technology Services India Pte. Limited	India	Ground and First Floor, Worldmark 1, Asset Area 11, Aerocity, Hospitality District, Indira Gandhi International Airport, New Delhi-110037	100%	Intra Group support services
Colt Technology Services Limited	Ireland	Unit 15/16 Docklands Innovation Park, East Wall Road, Dublin 3	100%	Telecommunications and internet services provider
Colt Technology Services S.p.A.	Italy	23, Viale Vincenzo Lancetti, Milan, MI 20158	100%	Telecommunications and internet services provider
Colt Technology Services B.V.	Netherlands	Van der Madeweg 12, 1114 AM Amsterdam-Duivendrecht	100%	Telecommunications and internet services provider
Colt Technology Services AS	Norway	c/o EconPartner AS, Dronning Mauds gate 15, 0250 Oslo	100%	Telecommunications and internet services provider
Colt Technology Services, Unipessoal Lda	Portugal	Estrada da Outurela, 118 - Parque Holanda, Edificio B1, 2790-114 Carnaxide	100%	Telecommunications and internet services provider
Colt Technology Services RO S.R.L.	Romania	50, Calea Dumbrăvii, Sibiu, Sibiu County	100%	Telecommunications and internet services provider
Colt Technology Services d.o.o. Beograd-Stari Grad	Serbia	Kneza Mihaila street, 30, 5th Floor, Belgrade, 11000	100%	Telecommunications and internet services provider
Colt Technology Services AB	Sweden	PO Box 3458, Luntmakargatan 18, SE-10369 Stockholm	100%	Telecommunications services provider

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 9. Investments (continued)

Name	Country of incorporation	Registered office	Shareholding	Principal activity
Colt Technology Services AG	Switzerland	Albulastrasse 47, 8048 Zürich	100%	Telecommunications and internet services provider
V.IP Systems AG	Switzerland	Martin Frey, Baker & McKenzie Zürich, Holbeinstrasse 30, 8008 Zürich	100%	Holding and service company
Colt Internet U.S. Corp	USA	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	Intra Group internet services provider
Colt Technology Service Centre Barcelona S.L.	Spain	Calle Acero 5-9, Barcelona	100%	Intra Group support services
Colt Technology Services S.A.U.	Spain	Calle Telemaco 5, 28027 Madrid	100%	Telecommunications and internet services provider

*\* Indirect undertakings of Colt Technology Services Europe Limited*

The Company, through various subsidiaries has branches in the following jurisdictions.

Name	Country of incorporation	Registered office	Principal activity
Colt Technology Services GmbH - Bulgaria Branch	Bulgaria	3rd floor, 10 Tsar Osvoboditel Blvd, Sredets Region, 1000 Sofia, Republic of Bulgaria	Telecommunications and internet services provider
Colt Technology Services GmbH - Zagreb Branch - for telecommunications services	Croatia	Nova cesta 60, Zagreb, Croatia	Telecommunications and internet services provider
Colt Technology Services GmbH, odštěpný závod	Czech Republic	Klimentska 1216/46, Nove Mesto, 110 00 Prague 1	Telecommunications and internet services provider
Colt Technology Services GmbH - Hungarian Branch	Hungary	Andrassy ut 100, 1062 Budapest	Telecommunications and internet services provider

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 9. Investments (continued)

Name	Country of incorporation	Registered office	Principal activity
Colt Technology Services GmbH (spółka z ograniczoną odpowiedzialnością) Oddział w Polsce	Poland	ul. Pulawska 145, 02-715 Warsaw, Poland	Telecommunications and internet services provider
Colt Technology Services GmbH, organizačná zložka Slovensko	Slovakia	Mudronova 51, Bratislava - mestská časť Stare Mesto, 811 03	Telecommunications and internet services provider

#### 10. Debtors

	At 31 December 2021 €m	At 31 December 2020 €m
Amounts owed by group undertakings	869.1	679.0
Impairment provision	(125.7)	(125.7)
Reversal of impairment during the year	4.2	0.8
	<b>747.6</b>	<b>554.1</b>

The company has assessed if there are any indicators of impairment of the intercompany debtor balances as at 31 December 2021 (2020: €nil).

During the year there was an impairment reversal of €4.2m (2020: €0.8m).

The recoverable amount remains sensitive to changes in discount rates, long term growth rates, performance of the subsidiary and significant changes in the net assets of the subsidiary and the group headed by the subsidiary.

Amounts owed by parent company are unsecured, bear no interest and are repayable in less than one year. Amounts owed by fellow subsidiary companies are unsecured, bear interest at the effective interest rate range of 0%-6% and are repayable in less than one year.

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 11. Creditors

	At 31 December 2021 €m	At 31 December 2020 €m
<b>Amounts falling due within one year</b>		
Amounts owed to immediate parent company	512.7	493.5
Amounts owed to group undertakings	589.9	439.4
Other creditors	0.8	-
Accruals and deferred income	-	0.3
	<b>1,103.4</b>	<b>933.2</b>
	At 31 December 2021 €m	At 31 December 2020 €m
<b>Creditors: Amounts falling due after more than one year</b>		
Borrowings	95.0	90.0
	<b>95.0</b>	<b>90.0</b>

Amounts owed to the immediate parent company and to group undertakings are unsecured and bear no interest.

As at 31 December 2021, the Company held a term RCF of €430.0m (2020: €430m) from FMR Capital Holdings LLC, a related-party company, repayable in full in February 2025. The amended facility includes a further 2 year extension beyond February 2025 which must be agreed by both parties. This facility is used to fund the Group's capital expenditure and working capital requirements. The loan facility is denominated in euros and is issued at a variable rate. Interest is accrued monthly, and paid quarterly on the outstanding drawn balance.

#### 12. Financial instruments

Financial assets that are debt instruments measured at amortised cost:

	At 31 December 2021 €m	At 31 December 2020 €m
Amounts owed by fellow subsidiary companies	869.1	679.0
Impairment provision	(125.7)	(125.7)
Reversal of impairment during the year	4.2	0.8
Cash and cash equivalents	18.8	19.5
	<b>766.4</b>	<b>573.6</b>

## Colt Technology Services Europe

### Notes to the financial statements (continued)

#### 12. Financial instruments

Financial liabilities measured at amortised cost:

	At 31 December 2021 €m	At 31 December 2020 €m
Amounts owed to parent company	512.7	493.5
Amounts owed to fellow subsidiary companies	589.9	439.4
Other creditors	0.8	-
Accruals	-	0.3
Borrowings	95.0	90.0
	<b>1,198.4</b>	<b>1,023.2</b>

#### 13. Equity and reserves

	At 31 December 2021 €m	At 31 December 2020 €m
<b>Allotted and fully paid</b>		
362,360,189 (2020: 362,360,189) ordinary shares of £1 (€1.24) each	<b>448.6</b>	<b>448.6</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

##### *Capital contribution*

There were no capital contributions during the year (2020: €1.6bn).

#### 14. Subsequent Events

##### *Ukraine conflict*

In February 2022 Russia invaded Ukraine. The invasion as well as the sanctions targeting Russia have not impacted on either the recognition or subsequent measurement of the Company's assets and liabilities as at 31 December 2021. The Directors' are not aware of any significant uncertainty arising from the conflict that may impact on the operations of the Company in 2022 and beyond.

##### *Revolving Credit Facility*

The Company has drawn down a further €125.0m from its revolving credit facility during 2022.

##### *Loan capitalisation*

The Company capitalised €3.7m of its intercompany loan receivable from Colt Technology Services A.B. ('Colt Sweden') in June 2022. This has been accounted for as a capital contribution in the books of Colt Sweden.

## **Colt Technology Services Europe Notes to the financial statements (continued)**

### **15. Ultimate parent company and controlling party**

The immediate parent company is Colt Telecom Finance Euro, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent Company and controlling party is SHM Lightning Investors LLC which is registered in the United States of America. SHM Lightning Investors LLC's financial statements are not publicly available.

The intermediary holding company is Colt Group Holdings Limited. Colt Group Holdings Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is Colt House, 20 Great Eastern Street, London, England, EC2A 3EH.