Unwire ApS

Vermundsgade 38A
DK-2100 Copenhagen Ø

Central Business Registration No 26 36 17 10

Annual report for 2016

Contents

Company details

Company

Unwire ApS
Vermundsgade 38A, st. th.
DK-2100 Copenhagen Ø
Central Business Registration No: 26 36 17 10
Registered in: Copenhagen

Phone: +45 3393 1434
Internet: www.unwire.com
E-mail: info@unwire.dk

Financial period: 1 January – 31 December
Incorporated: 10 December 2001

Board of Directors

Jan Hove Sørensen, Chairman
Mads Peter Hytteballe Andersen
Russ Shaw

Executive Board

Jens Søndergaard

Company auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Company details

Bankers

Danske Bank
Finanscenter København
Holmens Kanal 2
DK-1090 Copenhagen K

Consolidated Financial Statements

The Company is included in the Group Annual Report of Unwire Holding ApS, Gammeltorv 18, DK-1457 Copenhagen K.

The Annual General Meeting adopted the annual report on April 10, 2017

Chairman of the General Meeting

Rikke Espe Nielsen

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Unwire ApS for the financial 1 January - 31 December 2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2016.

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

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 24 March 2017

Executive Board

Jens Søndergaard
Chief Executive Officer

Board of Directors

Jan Hove Sørensen
Chairman

Mads Peter Hytteballe Andersen

Russ Shaw

Independent Auditor's Report

To the Shareholder of Unwire ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of C-Group for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 judgment and maintain professional skepticism throughout the audit. We also:

Independent Auditor’s Report

- 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 Group’s and the Parent 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 Group’s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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.

Copenhagen, 24 March 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen	Ulrik Ræbild
State Authorised Public Accountant	State Authorised Public Accountant

Management Review

Group overview

Parent Company

Unwire ApS, Copenhagen
Denmark
Nom. KDKK 321

Consolidated subsidiaries

100%	Unwire Sweden AB, Stockholm, Sweden. Nom. KSEK 100
100%	Unwire Norge AS, Oslo Norway Nom. KNOK 300
100%	Unwire Deutschland GmbH, Berlin Germany. Nom. KEUR 25
100%	Unwire US Inc, New York, USA Nom. KUSD 10
100%	InMoDo Intelligent Mobile Documentation AB, Sweden Nom. KSEK 1,000

Management Review

Financial highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	2016 KDKK	2015 KDKK	2014 KDKK	2013 KDKK	2012 KDKK
Key figures					
Gross profit/loss	84.707	96.765	68.261	56.884	54.051
EBITDA	38.132	41.109	22.136	(8.772)	(19.046)
Operating profit/loss	15.629	17.025	(499)	(22.563)	(30.639)
Net financials	110	(2.362)	(1.286)	(3.203)	(1.278)
Profit/loss for the year	11.697	11.391	(950)	(21.315)	(24.907)
Equity	33.747	32.870	20.934	22.522	14.037
Balance sheet total	73.982	77.560	95.882	121.616	130.100
Cash flows from operating activities	20.045	48.522	28.421	8.453	(6.605)
Cash flows from investing activities	(12.227)	(8.896)	(16.836)	(32.741)	(44.644)
Change in cash and cash equivalents for the year	(6.088)	22.438	(23.957)	3.450	(1.433)
Number of employees	92	94	87	113	110
Ratios					
Return on assets (%)	21,1	22,0	(0,5)	(18,6)	(23,6)
Solvency ratio (%)	45,6	42,4	21,8	18,5	10,8
Return on equity (%)	35,1	42,3	(4,3)	(116,6)	(200,1)

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management Review

The Annual Report of Unwire ApS for 2016 has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

In accordance with new requirements in the Financial Statements Act, the net value of activated development costs from January 1, 2016 is classified as a rectricted reserve under Equity from 2016.

The accounting policies are otherwise unchanged from the previous years.

Main activity

As in previous years, the Group's main activity consist of mobile payments and services and related supply of platforms and systems.

Development in the year

The income statement of the Group shows a result from operations (EBITDA) of DKK 38,132k.

The 2016 income statement of the Group shows a total profit after tax of DKK 11,697k, and on 31 December 2016 the balance sheet of the Group shows equity of DKK 33,747k.

In 2016, the Group and the Parent Company continued focusing on the sale of mobile services to the finance, media, telco and transportation segments, including sales & delivery of mobile payment and mobile ticketing systems.

The Groups result for 2016 is considered acceptable.

Special risks - operating risks and financial risks

Market risks

There is no indication that continued growth cannot be achieved under the current economic and financial conditions.

Financial risks

The Company and the Group is not exposed to specific financial risks other than risks associated with normal business activities e.g. exposure to currency fluctuations and price adjustments.

Management Review

Strategy and objectives

Targets and expectations for the year ahead

Management believes that the Group's capital resources are adequate and appropriate for the entire financial year 2017.

Considering the investments made and the current market conditions, the last years positive development in the activities and operating earnings of the Group and the Parent Company is expected to continue in 2017.

Basis of earnings

Research and development

As in previous years, development costs for specific platforms have been capitalized. The investments are expected to contribute significantly to earnings in the following years.

Intellectual capital resources

The most material intellectual capital resources consist of the Company’s employees. The employees will contribute to the Company’s earnings on a current basis in 2017.

Impact on the Environment

Management does not consider the Group to have activities that has a significant impact on the environment and therefore has not seen the need for a written policy.

Uncertainty relating to recognition and Measurement

In order to minimize the uncertainty which is inherent in the assessment and valuation of development projects and projects in progress, standardized measurement methods are applied, which are optimized on a current basis.

Unusual events

Management is not aware of any unusual events.

Subsequent events

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

Accounting policies

This Annual Report has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

In accordance with new requirements in the Financial Statements Act, the net value of activated development costs from January 1, 2016 is classified as a rectricted reserve under Equity from 2016.

Accounting policies are otherwise unchanged from the previous years.

The Consolidated and Parent Company Financial Statements for 2016 are presented in KDKK.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Unwire ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises. The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contracts of work in progress are included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).This method is applied when total revenues and expenses and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Cost of goods sold

Cost of goods sold includes costs incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

The Company's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less or plus amortisation of positive, or negative, goodwill is recognised in the income statement.

Financial income and expenses

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

Accounting policies

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with all Danish group companies. LDE Holding 13 ApS is the administrator of the jointly taxation group and hence settles all tax payments with the Danish Tax authorities. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Goodwill are measured at cost less accumulated amortizations. Goodwill is amortised straight-line over its estimated useful life which is estimated to be 10 years.

Intangible assets comprise uncompleted and completed development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Accounting policies

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is three years.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when the asset is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity plus or less unamortised positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Company’s share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Investments in subsidiaries are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Accounting policies

Contract work in progress

Contract work in progress (construction contracts) is measured at the selling price of the work carried out at the balance sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Usually, the stage of completion is determined as the ratio between actual and total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total subactivities of the individual projects has been applied.

If the selling price of a construction contract cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Accounting policies

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Prepayments (assets)
Prepayments comprise incurred costs relating to subsequent financial years.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Financial debts
Other debts are measured at amortised cost, substantially corresponding to nominal value.

Prepayments (liabilities)
Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividend.

Accounting policies

Cash and cash equivalents comprise cash less short-term bank debt.

Financial highlights

Ratios		***Calculation formula***
Return on assets (%)	=	*Profit before financials x 100* *Total assets*
Solvency ratio (%)	=	*Equity x 100* *Total assets*
Return on equity (%)	=	*Profit/loss for the year x 100* *Average equity*

Income statement for 2016

Parent company 2015 KDKK	Parent company 2016 KDKK		Notes	Group 2016 KDKK	Group 2015 KDKK
87.296	**78.119**	**Gross profit**		**84.707**	**96.765**
(50.224)	(42.051)	Staff expenses	2	(46.575)	(55.656)
37.072	**36.068**	**EBITDA**		**38.132**	**41.109**
(20.977)	(20.040)	Depreciation, amortisation and impairment losses	3	(22.503)	(24.084)
16.095	**16.028**	**Profit/loss before financial income and expenses**		**15.629**	**17.025**
225	13	Income from investments in subsidiaries	4	0	0
109	195	Financial income	5	608	7
(1.724)	(824)	Financial expenses	6	(498)	(2.369)
14.705	**15.412**	**Profit/loss before tax**		**15.739**	**14.663**
(3.314)	(3.715)	Tax on profit/loss for the year	7	(4.042)	(3.272)
11.391	**11.697**	**Net profit/loss for the year**		**11.697**	**11.391**

		Proposed distribution of profit/loss		
0	8.647	Reserve for capitalized development costs	0	0
10.000	0	Proposed dividend for the year	0	10.000
1.391	3.050	Retained earnings	11.697	1.391
11.391	**11.697**		**11.697**	**11.391**

Balance sheet 31 December 2016

Parent company				Group	
2015 KDKK	**2016 KDKK**		**Notes**	**2016 KDKK**	**2015 KDKK**
0	0	Other intangible assets	8	1.313	2.285
0	0	Goodwill	8	7.660	9.155
32.748	24.961	Development projects	8	25.032	32.870
32.748	**24.961**	**Intangible assets**		**34.005**	**44.310**
1.281	1.200	Other fixtures and fittings, tools and equipment	9	1.221	1.339
419	559	Leasehold improvements	9	559	419
1.700	**1.759**	**Property, plant and equipment**		**1.780**	**1.758**
24.557	23.556	Investments in group enterprises	10	0	0
24.557	**23.556**	**Financial asset investments**		**0**	**0**
59.005	**50.276**	**Fixed assets**		**35.785**	**46.068**
10.524	14.107	Trade receivables		15.058	11.744
23	8.597	Contract work in progress	12	8.597	23
78	2.219	Receivables from group enterprises		2.218	0
5.313	4.066	Deferred tax asset	14	3.370	4.583
536	444	Other receivables		522	700
1.257	1.262	Prepayments		1.373	1.368
17.731	**30.695**	**Receivables**		**31.138**	**18.418**
10.604	**4.212**	**Cash**		**7.059**	**13.074**
28.335	**34.907**	**Current assets**		**38.197**	**31.492**
87.340	**85.183**	**Assets**		**73.982**	**77.560**

Balance sheet 31 December 2016

Parent company 2015 KDKK	Parent company 2016 KDKK		Notes	Group 2016 KDKK	Group 2015 KDKK
321	321	Share capital	13	321	321
22.549	24.779	Retained earnings		33.426	22.549
0	8.647	Reserves for capitalized development costs		0	0
10.000	0	Proposed dividend for the year		0	10.000
32.870	**33.747**	**Equity**		**33.747**	**32.870**
142	463	Other provisions	10	0	0
142	**463**	**Provisions**		**0**	**0**
13	86	Banks		86	13
21.362	19.521	Trade payables	11	22.497	22.079
4.380	1.433	Prepayments	12	1.433	4.413
13.128	12.352	Payables to group enterprises		488	1.162
1.816	1.435	Income taxes		982	1.934
13.629	16.146	Other payables		14.749	15.089
54.328	**50.973**	**Short-term liabilities other than provisions**		**40.235**	**44.690**
54.328	**50.973**	**Liabilities other than provisions**		**40.235**	**44.690**
87.340	**85.183**	**Equity and liabilities**		**73.982**	**77.560**

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Statement of changes in equity for 2016

Group

	Share capital KDKK	Proposed dividend for the year KDKK	Retained earnings KDKK	Total KDKK
Equity at 1 January	321	10.000	22.549	32.870
Paid dividend	0	(10.000)	0	(10.000)
Profit/loss for the year	0	0	11.697	11.697
Exchange rate adjustment	0	0	(820)	(820)
Equity at 31 December	**321**	**0**	**22.426**	**33.747**

Parent company

	Share capital KDKK	Proposed dividend for the year KDKK	Develop-ment reserves KDKK	Retained earnings KDKK	Total KDKK
Equity at 1 January	321	10.000	0	22.549	32.870
Paid dividend	0	(10.000)	0	0	(10.000)
Profit/loss for the year	0	0	8.647	3.050	11.697
Exchange rate adjustment	0	0	0	(820)	(820)
Equity at 31 December	**321**	**0**	**8.647**	**24.779**	**33.747**

Cash flow statement for 2016

	Notes	Group 2016 KDKK	Group 2015 KDKK
Net profit/loss for the year		11.697	11.391
Adjustments	17	26.437	29.326
Working capital changes	18	(14.025)	9.189
Cash flows from operating activities before financial income and expenses		**24.109**	**49.906**
Financial income received		2	7
Financial expenses paid		(335)	(694)
Income taxes paid/received		(3.731)	(697)
Cash flows from operating activities		**20.045**	**48.522**
Acquisition etc. of intangible assets		(11.132)	(8.534)
Acquisition etc. of tangible assets		(1.095)	(922)
Acquisition etc. of Financial assets		0	560
Cash flows from investing activities		**(12.227)**	**(8.896)**
Dividend paid to group enterprises		(10.000)	0
Loan from group enterprises		(3.230)	(10.230)
Cash flows from financing activities		**(13.230)**	**(10.230)**
Change in cash flow from other activities	20	(676)	(6.958)
Cash flows from other activities		**(676)**	**(6.958)**
Increase/decrease in cash and cash equivalents		**(6.088)**	**22.438**
Cash and cash equivalents at 1 January		13.061	(9.377)
Cash and cash equivalents at 31 December	19	**6.973**	**13.061**

Notes

1. Uncertainty about recognition and measurement

Accounting uncertainties, estimates and assumptions

In the presentation of the annual report, the calculation of the carrying value of certain assets and liabilities is associated with a number of judgments, estimates and assumptions about future events. These are often based on factors which at the time of the presentation of the annual report, are considered sound and correct by the management of the company. By their very nature, these are subject to some uncertainty and predictability. Below some of the key estimation uncertainties and assumptions relating to the valuation of development projects and tax are mentioned. The annual report is prepared based on management's best estimates and judgments at the time of the presentation of the annual report.

Development projects

In the annual report development projects are recognized with a book value of DKK 25,032k for the Group (Parent Company DKK 24,961k). The assessed valuation at the balance sheet date involve a degree of estimation uncertainty.

Development projects relates to development of operating platforms and standard components within the areas of Mobile Payment, Mobile Messaging and Mobile Ticketing. The development projects are progressing in line with management’s expectations.

The development projects forms the basis for ongoing sales to existing customers and is also expected to form the basis for sale to new customers and new markets.

Management regularly assesses the market opportunities for the development projects.

Deferred tax assets

In the annual report a deferred tax asset is recognized with a total value of DKK 3,370k for the Group (Parent Company DKK 4,066k). Tax asset is recognized to the extent it is deemed likely to be realized in the foreseeable future. The amount is determined on the basis of budgets and forecasts for the years 2017 to 2021, hence the amount is based on an estimate of the probable future taxable profits for the period.

Notes

Parent Company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**
		2. Staff expenses		
51.852	46.557	Salaries and wages	50.684	57.178
3.395	3.635	Pension costs	4.015	3.773
669	698	Other social security costs	698	669
(8.431)	(11.086)	Capitalized salaries	(11.086)	(8.431)
2.739	2.247	Other staff expenses	2.264	2.467
50.224	**42.051**		**46.575**	**55.656**
2.532	2.418	Here of including remuneration to the Executive Board	2.418	2.532
85	88	Average number of employees	92	94

Parent Company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**
		3. Depreciation, amortisation and impairment losses		
19.892	18.920	Development projects	18.968	20.492
0	0	Other intangible assets	885	937
0	0	Goodwill	1.495	1.495
929	884	Other fixtures and fittings, tools and equipment	919	1.004
72	152	Leasehold improvements	152	72
84	84	Future maintenance costs on leasehold improvements	84	84
20.977	**20.040**		**22.503**	**24.084**

Notes

Parent Company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**
		4. Income from investment in subsidiaries		
2.179	1.508	Share of earnings in subsidiaries	0	0
(1.954)	(1.495)	Amortization of goodwill etc.	0	0
225	**13**		**0**	**0**
		5. Financial income		
109	57	Financial income from group enterprises	606	0
0	138	Exchange adjustments	0	0
0	0	Other financial income	2	7
109	**195**		**608**	**7**
		6. Financial expenses		
838	509	Financial expenses to group enterprises	339	1.123
211	0	Exchange adjustments	0	553
675	315	Other financial expenses	159	693
1.724	**824**		**498**	**2.369**
		7. Tax on profit/loss for the year		
(1.816)	(1.435)	Current tax	(1.759)	(2.461)
(1.498)	(2.214)	Change in deferred tax	(2.214)	(1.185)
0	(66)	Adjustments concerning previous years	(69)	374
(3.314)	**(3.715)**		**(4.042)**	**(3.272)**

Notes

	Group		
	Other intangible assets KDKK	**Goodwill KDKK**	**Development projects KDKK**
8. Intangible assets			
Cost at 1 January	5.624	14.386	109.048
Exchange adjustments	(203)	0	(19)
Additions	0	0	11.132
Cost at 31 December	**5.421**	**14.386**	**120.161**
Amortisation and impairment losses at 1 January	3.339	5.231	76.178
Exchange adjustments	(116)	0	(17)
Amortisation for the year	885	1.495	18.968
Amortisation and impairment losses at 31 December	**4.108**	**6.726**	**95.129**
Carrying amount at 31 December	**1.313**	**7.660**	**25.032**

Notes

8. Intangible assets (continued)

	Parent Company Development projects KDKK
Cost at 1 January	105.037
Additions	11.133
Cost 31 December	**116.170**
Amortisation and impairment losses at 1 January	72.289
Amortisation for the year	18.920
Amortisation and impairment losses at 31 December	**91.209**
Carrying amount at 31 December	**24.961**

Notes

	Group	
	Other fixture and fittings, tools and equipment KDKK	**Leasehold improvements KDKK**
9. Property, plant and equipment		
Cost at 1 January	7.931	733
Exchange adjustments	(6)	0
Additions	824	292
Disposals	(1.680)	0
Cost at 31 December	**7.069**	**1.025**
Depreciation and impairment losses at 1 January	6.592	314
Exchange adjustments	(3)	0
Depreciation for the year	919	152
Reversal relating to disposals	(1.660)	0
Depreciation and impairment losses at 31 December	**5.848**	**466**
Carrying amount at 31 December	**1.221**	**559**

Notes

Parent Company

9. Property, plant and equipment (continued)

	Other fixture and fittings, tools and equipment KDKK	Leasehold improvements KDKK
Cost at 1 January	7.795	733
Correction to cost 1 January	705	0
Additions	824	292
Disposals	(1.680)	0
Cost at 31 December	**7.644**	**1.025**
Depreciation and impairment losses at 1 January	6.514	314
Correction to depreciations 1 January	705	0
Depreciation for the year	885	152
Reversal relating to disposals	(1.660)	0
Depreciation and impairment losses at 31 December	**6.444**	**466**
Carrying amount at 31 December	**1.200**	**559**

Notes

	Parent company	
	2016 KDKK	**2015 KDKK**

10. Investment in group enterprises

	2016	2015
Cost at 1 January	28.036	28.596
Disposals	0	(560)
Cost at 31 December	**28.036**	**28.036**
Value adjustments at 1 January	(3.479)	(3.971)
Exchange adjustments	(819)	546
Net profit/loss for the year	1.507	2.171
Investments with a negative equity value deducted in receivables, start	(5.372)	(5.605)
Investments with a negative equity value deducted in receivables, end	4.857	5.372
Investments with a negative equity value moved to liabilities, start	(142)	(187)
Investments with a negative equity value moved to liabilities, end	463	142
Other equity adjustments in group enterprises	0	7
Amortization of goodwill etc.	(1.495)	(1.954)
Value adjustments at 31 December	**(4.480)**	**(3.479)**
Carrying amount at 31 December	**23.556**	**24.557**
Remaining positive difference amount included in the above carrying amount at 31 December	7.660	9.155
Depreciation period in years	10	10

Investments in group enterprises comprise:

Name	**Place of registered office**	**Share capital KDKK**	**Votes and ownership %**	**Profit 2016 KDKK**	**Equity 31/12 2016 KDKK**
Unwire Sweden AB	Stockholm, Sweden	78	100%	681	6.831
Unwire Norge AS	Oslo, Norway	245	100%	365	(2.621)
Unwire Deutschland GmbH	Berlin, Germany	186	100%	(23)	(1.920)
Unwire US Inc.	New York, USA	71	100%	(17)	(779)
InMoDo Intelligent Mobile Documentation AB	Stockholm, Sweden	778	100%	692	8.481

Parent company 2015 KDKK	Parent company 2016 KDKK		Group 2016 KDKK	Group 2015 KDKK
		11. Trade payables		
11.421	12.840	Trade Payables	13.240	12.146
9.941	6.681	Settlements payable	9.257	9.933
21.362	**19.521**		**22.497**	**22.079**
		12. Contract work in progress		
8.647	8.679	Selling price of production for the period	8.679	8.647
(13.004)	(564)	Payments received on account	(564)	(13.004)
(4.357)	**(8.115)**		**(8.115)**	**(4.357)**
		Recognised in the balance sheet as follows:		
23	8.597	Contract work in progress	8.597	23
(4.380)	(482)	Prepayments	(482)	(4.380)
(4.357)	8.115	Contract work in progress	8.115	(4.357)
0	(951)	Other prepayments received	(951)	(33)
(4.357)	**7.164**		**7.164**	**(4.390)**

13. Share capital

The share capital consists of 320.572 shares of a nominal value of DKK 1. No shares carry any special rights.

	KDKK
Changes in share capital in the past five financial years:	
Share capital January 1 2012	193
Capital increase November 2012	56
Capital increase December 2013	72
	321

14. Deferred tax liabilities

Parent company 2015 KDKK	Parent company 2016 KDKK		Group 2016 KDKK	Group 2015 KDKK
		Deferred tax can be allocated to the following items:		
7.203	5.491	Intangible assets	5.491	7.697
(317)	(351)	Property, plant and equipment	119	(317)
0	0	Transferred to tax accrual fund	226	236
(80)	0	Contract of work in progress	0	(80)
151	152	Deferred income	152	151
(12.270)	(9.358)	Tax loss carry-forward (asset)	(9.358)	(12.270)
5.313	4.066	Transferred to deferred tax asset	3.370	4.583
0	**0**		**0**	**0**

Deferred tax has been provided at 22% corresponding to the expected tax rate on realization.

Parent company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**

15. Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease Payments:

2015 KDKK	2016 KDKK		2016 KDKK	2015 KDKK
1.866	2.068	Within 1 year	2.199	2.027
1.778	19	Between 1 and 5 years	19	1.778
3.644	**2.087**		**2.218**	**3.805**

Security
The debt to the bank are secured by the following:

Pledge in Unwire ApS assets of DKK 20 million

Miscellaneous
The Danish group companies are jointly and severally liable for tax on the Group’s jointly taxed income etc.

Notes

16. Related parties and ownership

Controlling interest	Basis
Unwire Holding ApS, Gammeltorv 18, DK-1457 Copenhagen K	Owner
LDE Holding 13 ApS, Gammeltorv 18, DK-1457 Copenhagen K	Shareholder in Unwire Holding ApS

Other related parties	Basis
Unwire Sweden AB	Subsidiary company
Unwire AS	Subsidiary company
Unwire US Inc	Subsidiary company
Unwire Deutschland GmbH	Subsidiary company
InMoDo Intelligent Mobile Documentation AB	Subsidiary company
Pertura ApS	Sister company to Unwire ApS
Jens Søndergaard	Chief executive officer
Jan Hove Sørensen	Chairman of the board
Mads Peter Hytteballe Andersen	Board member
Russ Shaw	Board member

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Unwire Holding ApS, Gammeltorv 18,
DK-1457 Copenhagen K

Notes

	Group	
	2016 KDKK	**2015 KDKK**

17. Cash flow statement - adjustments

Financial income	(608)	(7)
Financial expenses	498	2.370
Depreciation, amortisation and impairment losses, including losses and gain on sales	22.418	24.184
Tax on profit/loss for the year	4.043	3.272
Exchange adjustment	86	(493)
	26.437	**29.326**

18. Working capital changes

Change in receivables	(11.799)	10.994
Change in trade payables etc.	(2.226)	(1.805)
	(14.025)	**9.189**

19. Cash and cash equivalents

Cash	7.059	13.074
Bank, overdraft facility and credit cards	(86)	(13)
	6.973	**13.061**

20. Cash flow from other activities

Cash flow from other activities relates to net payments regarding Settlement payables.