

Lebara ApS

Bådehavns­gade 2 C  
2450 Kø­ben­havn SV

CVR no. 28 14 86 31

## Annual report 2016

The annual report was presented and approved at the  
Company's annual general meeting on

29 May 2017

chairman

**Jørgen G. Jacobsen**

Advokat (H)

Østerfælled Torv 14 B, 1. th.

2100 Kø­ben­havn Ø

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## **Statement by the Executive Board**

The Executive Board has today discussed and approved the annual report of Lebara ApS for the financial year 1 January – 31 December 2016.

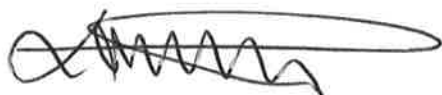
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 May 2017  
Executive Board:



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Kristian Nors Myrup

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Rasiah Ranjit Leon

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Yoganathan  
Ratheesan



## **Independent auditor's report**

### **To the shareholders of Lebara ApS**

#### **Opinion**

We have audited the financial statements of Lebara ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## **Independent auditor's report**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



## **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.

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Jacob Lehman  
State Authorised  
Public Accountant

**Lebara ApS**  
Annual report 2016  
CVR no. 28 14 86 31

## **Management's review**

### **Company details**

Lebara ApS  
Bådehavns­gade 2 C  
2450 København SV

CVR no.: 28 14 86 31  
Registered office: Copenhagen  
Financial year: 1 January – 31 December

### **Executive Board**

Kristian Nors Myrup  
Rasiah Ranjit Leon  
Yoganathan Ratheesan

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### **Bank**

Danske Bank A/S  
Holmens Kanal 2 - 12  
1092 København K

## **Management's review**

### **Operating review**

#### **Principal activities**

The main activity of the company has been to carry out commercial business trading and selling items for telecommunication and related business at the management's discretion.

Operating profit is based upon a support service agreement with Lebara Limited.

#### **Development in activities and financial position**

The Company provides support services for Lebara Limited, and thus revenue consists of service fees or transfer price adjustments.

The company has created a profit since 2008 and is likewise expected to create a profit in 2016. The result for 2016 is consistent with our expectation.

#### **Future Expectations**

We expect to maintain current revenue levels compared to 2016 while with achieving a slightly higher net result.

#### **Knowledge Base**

Lebara ApS does not foresee any major impact of revenue due to our knowledge base.

#### **Particular risks**

Lebara ApS does not foresee any major risk within our business area outside normal business risk within the industry, such as business related and financial risks of which the company can be affected by.

#### **Environmental matters**

Lebara ApS does not foresee any external environmental exposure to our business nor any measures in preventing, reducing or remedying damage to the environment.

#### **Research and development activities**

Lebara ApS has no research facilities or development activities planned.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the financial statements.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		14.772.054	15.039.399
Staff costs	2	-14.183.608	-13.189.175
Depreciation, amortisation and impairment		-87.189	-147.246
<b>Operating profit</b>		501.257	1.702.978
Financial income	3	1.369.364	1.698.257
Financial expenses	4	-96.173	-66.503
<b>Profit before tax</b>		1.774.448	3.334.732
Tax on profit/loss for the year		-391.146	-782.005
<b>Profit for the year</b>		1.383.302	2.552.727

### Proposed profit appropriation

Retained earnings	1.383.302	2.552.727
	1.383.302	2.552.727

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		131.984	205.174
		<u>131.984</u>	<u>205.174</u>
<b>Investments</b>			
Deposits		527.671	509.153
		<u>527.671</u>	<u>509.153</u>
<b>Total fixed assets</b>		<u>659.655</u>	<u>714.327</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		0	151.746
Receivables from group entities		77.429.107	82.832.038
Other receivables		291.458	1.255.292
Deferred tax asset		50.113	62.374
Corporation tax		1.041.767	79.767
Prepayments		128.131	267.935
		<u>78.940.576</u>	<u>84.649.152</u>
<b>Cash at bank and in hand</b>		<u>12.655.243</u>	<u>4.493.640</u>
<b>Total current assets</b>		<u>91.595.819</u>	<u>89.142.792</u>
<b>TOTAL ASSETS</b>		<u><u>92.255.474</u></u>	<u><u>89.857.119</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		125.000	125.000
Retained earnings		24.149.601	22.766.199
<b>Total equity</b>		<b>24.274.601</b>	<b>22.891.199</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		378.885	0
Trade payables		1.504.035	1.402.610
Payables to group entities		59.724.569	61.869.786
Other payables		6.373.384	3.693.524
		<b>67.980.873</b>	<b>66.965.920</b>
<b>Total liabilities other than provisions</b>		<b>67.980.873</b>	<b>66.965.920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>92.255.474</b>	<b>89.857.119</b>
Contractual obligations, contingencies, etc.	5		
Related party disclosures	6		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Lebara ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Revenue consists of service fees and are measured at fair value, excluding VAT. Revenue is recognized when earned.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-8 years
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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Financial fixed assets

Deposits are measured at current value.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

tax is not recognised on temporary differences relating to items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

	2016	2015
DKK		
Wages and salaries	-12.650.930	-11.195.596
Pensions	-400.010	-585.988
Other social security costs	-101.365	-139.823
Other staff costs	-1.031.303	-1.267.768
	<u>-14.183.608</u>	<u>-13.189.175</u>
Board of executives	<u>2.309.425</u>	<u>2.806.134</u>
	<u>2.309.425</u>	<u>2.806.134</u>
Average number of full-time employees	<u>20</u>	<u>20</u>

#### 3 Financial income

Interest income from group entities	<u>1.369.364</u>	<u>1.698.257</u>
	<u>1.369.364</u>	<u>1.698.257</u>

#### 4 Financial expenses

Other financial expenses	<u>-96.173</u>	<u>-66.503</u>
	<u>-96.173</u>	<u>-66.503</u>

#### 5 Contractual obligations, contingencies, etc.

The company has entered a contract regarding renting of premises. The company has a possibility of terminating the contract with 6 months notice at the earliest April 1st, 2017. The obligation equals DKK 857.890 at the end of the year.

The company has moved away from owning vehicles to leasing them. The company is currently leasing vehicles and equipment over a 3 year period. The obligation equals DKK 165.924 at the end of the year.



## Financial statements 1 January – 31 December

### Notes

#### 6 Related party disclosures

Lebara ApS's related parties are as follows:

##### Control

Lebara Ltd., 25 Copthall Avenue, London, EC2R 7BP, UK, has dominant influence over the company.

##### Consolidated financial statements

Lebara ApS is part of the consolidated financial statements of Lebara Ltd.

The consolidated accounts for Lebara Ltd. can be obtained by contacting the Company or at the following website: [www.lebara.com](http://www.lebara.com)