

# P R Y D S

Statsautoriseret revisionsfirma

## VOPIUM A/S

CVR 29 52 19 80

Emdrupvej 28 A  
2100 København Ø

Annual Report 2017

### **Erhvervsstyrelsen**

The Annual Report has been approved at the annual  
shareholders meeting

Copenhagen on the May 31, 2018

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*Tanveer Sharif*

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## **Statement by the Executive and Supervisory Boards**

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Vopium A/S for the financial year January 1<sup>st</sup> – December 31<sup>st</sup> 2017.

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 financial position at December 31<sup>st</sup> 2017 and of the result of the Company's operations for the financial year January 1<sup>st</sup> – December 31<sup>st</sup> 2017.

The Managements Review contains, in our opinion, a fair statement about the conditions the review contains.

We recommend approval of the annual report at the annual general meeting.

Copenhagen, May 31, 2018

Executive Board:

Tanveer Sharif

Supervisory Board:

Atulkumar Ambalal Patel

Mohammed Ayub Shaikh

Chairman

Tanveer Sharif

# Independent auditors' report

## *To the shareholders of Vopium A/S*

### **Opinion**

We have audited the Financial Statement of Vopium A/S for the financial year January 1<sup>st</sup> - December 31<sup>st</sup> 2017, which comprise income statement, balance sheet, statement of changes in equity and notes. The Financial Statement are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We wish to note that the Company's ability to continue as a going concern is associated with material uncertainty. We refer to note 1. However, as Management believes that such increases in the share capital will take place during the remainder of 2018, the financial statements have been prepared on a going concern basis. We have not modified our opinion in respect of this matter.

### **Management's Responsibilities for the Financial Statement**

Management is responsible for the preparation of the 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 the 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 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 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 the Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparing the Financial Statement 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 Statement 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 Statement, including the disclosures, and whether the Financial Statement 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 Company to express an opinion on the Financial Statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 Management's Review. Our opinion on the Financial Statement 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 Statement, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statement or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statement and has been prepared in accordance with the

requirements of the Danish Financial Statements Acts. We did not identify any material  
misstatement of Management's Review.

Kongens Lyngby, May 31, 2018

**P R Y D S**

Statsautoriseret revisionsfirma

Ørholmvej 59

DK-2800 Kongens Lyngby

Cvr 21598402

Kristian Pryds

State Authorized Public Accountant

Mne24819

## **Company details**

### **Entity**

VOPIUM A/S  
Emdrupvej 28 A  
DK-2100 Copenhagen Ø

Web site: [www.vopium.com](http://www.vopium.com)

Central Business Registration No.: 29 52 19 80  
Established: 28 April 2006  
Registered office: Copenhagen  
Financial year: 1 January - 31 December

### **Executive Board**

Tanveer Mustafa Sharif

### **Supervisory Board**

Atulkumar Ambala Patel  
Mohammed Ayub Shikh  
Tanveer Mustafa Sharif

### **Auditors**

Pryds, Statsautoriseret revisionsfirma  
Ørholmvej 59  
DK-2800 Kongens Lyngby

## **Management's review**

### **Principal activities**

The principal activity is development, operations and marketing of software-based mobile communication solutions.

### **Evolution of operations and financial position**

Vopium offers its mobile voice and rich messaging solutions to white label partners, typically mobile and broadband operators all over the world, including Europe, Africa and Asia. Vopium also marketed its own B2C mobile voice and messaging service. The B2C voice service was terminated in April 2018.

During 2017, the focus was on further development of the white label voice and rich messaging solution and on the development and launch of a new white label solution for international money transfer from the mobile.

Net income shows a loss after tax of tDKK 6.332 which is worse than expected explained by lower sales to new white label partners.

The company is listed on the French stock exchange Marche Libre, operated by NYSE Euronext (<http://www.euronext.com>). Shares are registered under the code MLVOP.

### **Share capital**

The Company is subject to the capital loss provisions of the Companies Act, as the share capital has been lost. The management expects the share capital will be re-established by increases in the share capital during 2018.

### **Future expectations**

The company will maintain its focus on further developing and marketing its white labels solutions for mobile voice, rich messaging and international money transfer solutions during 2018 as well as software development services. Management expects to improve the result for 2018.

### **Events after the Reporting Period**

No significant events have occurred since the end of the fiscal year which could affect the financial situation of the company.



# Financial statements January 1<sup>st</sup> - December 31<sup>st</sup>

## Accounting policies

The annual report has been prepared in accordance with the provisions applying to reporting class B- enterprises, with selected provisions from class C- enterprises, under the Danish Financial Statements Act. The accounting policies used are consistent with those of last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

## Foreign currency translation

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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

## Income statement

### Gross profit

Revenue, cost of sales and external charges are aggregated into one item called gross profit which is in accordance with section 32 of the Danish Financial Statements Act.

The aggregation is made as the management is of the opinion that information on revenue and thereby gross margin will be detrimental to the company. Revenue from the sale of services is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end. Revenue is measured ex. VAT, and taxes and less discounts granted in connection with the sale.

Cost of sales comprises costs incurred to generate revenue for the year. Other external charges comprise distribution costs, sale, advertisements, administration, premises, bad debt losses, etc.

### Staff expenses

Staff expenses comprise wages and salaries, pensions, etc. for the company's employees, including Executive Board remuneration. Staff costs also comprise expenses attributable to the company's own development activities and are therefore recognised in the income statement as incurred.

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses comprise amortisation of assets, depreciation of fittings, tools and equipment and impairment losses for the year.

### **Profits/losses from investments in subsidiaries and associates**

The proportionate share of the results before tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses. The share of the taxes of subsidiaries is recognised as tax on profit/loss from ordinary activities.

The proportionate share of the results before tax of the associates is recognised in both the parent company and the consolidated income statement after elimination of the proportionate share of intra-group profits/losses. The share of the taxes of associates is recognised as tax on profit/loss from ordinary activities.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies.

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

Tax for the year comprises current tax and changes in deferred tax for the year. 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.

The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

### **Balance sheet**

#### **Development projects acquired**

Development projects acquired are measured at cost less accumulated amortisation and impairment or net realisable value where this is lower.

Depreciation of development projects acquired is provided on a straight-line basis over the expected useful lives. The depreciation period is three years.

#### **Fixtures, tools and equipment**

Fixtures, tools and equipment are measured at cost less accumulated depreciation and impairment.

Basis of depreciation is cost less expected residual value after the end of the useful lives.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

|                               |           |
|-------------------------------|-----------|
| Fixtures, tools and equipment | 3-5 years |
|-------------------------------|-----------|

Fixtures, tools and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as depreciation.

### **Investments in subsidiaries**

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of VOPIUM A/S are not recognised in the reserve for net revaluation. On acquisition of subsidiaries, the purchase method is applied, see Consolidated financial statements above.

### **Receivables**

Receivables includes trade receivables and other receivables are measured at amortised cost. Write-down is made for bad debt losses.

### **Equity - dividends**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### **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 base of assets and liabilities. Where alternative tax rules, e.g. regarding shares, can be applied to determine the tax base, deferred tax is measured based on the Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; 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 tax assets are measured at net realisable value.

Deferred tax is measured according to 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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

### **Liabilities other than provisions**

Liabilities are measured at net realisable value.

## Income statement

|  | Note | 2017       | 2016       |
|--|------|------------|------------|
| <b>Gross profit/loss</b>                               | 1    | -1.510.374 | 84.569     |
| Staff expenses   | 2    | -1.617.379 | -3.012.094 |
| Depreciation, amortisation and impairment losses       |      | -3.581.546 | -2.124.945 |
| <b>Operating profit/loss</b>                           |      | -6.709.299 | -5.052.470 |
| Profit/Loss from subsidiaries                          | 3    | -104.373   | -594.859   |
| Financial income                                       |      | 0          | 0          |
| Financial expenses                                     |      | -466.698   | -330.356   |
| <b>Profit/loss from ordinary activities before tax</b> |      | -7.280.370 | -5.977.685 |
| Tax on profit/loss from ordinary activities            |      | 948.625    | 525.049    |
| <b>Profit/loss for the year</b>                        |      | -6.331.745 | -5.452.636 |

## Proposed distribution of loss

|                                  |  |            |            |
|----------------------------------|--|------------|------------|
| Proposed Dividend                |  | 0          | 0          |
| Reserve for Development Projects |  | 1.872.314  | 3.363.284  |
| Retained Earnings                |  | -8.204.059 | -8.815.920 |
|                                  |  | -6.331.745 | -5.452.636 |

## Balance sheet

|  | Note | 2017              | 2016             |
|--|------|-------------------|------------------|
| <b>ASSETS</b>                            |      |                   |                  |
| Development Projects                     | 4    | 6.507.269         | 7.669.071        |
| Total Intangible assets                  |      | 6.507.269         | 7.669.071        |
| Investments in subsidiaries              | 3    | 0                 | 0                |
| Deposit                                  |      | 37.500            | 37.500           |
| Total Financial Assets                   |      | 37.500            | 37.500           |
| <b>Fixed Assets</b>                      |      | <b>6.544.769</b>  | <b>7.706.571</b> |
| Receivables from sales                   |      | 557.108           | 1.760.734        |
| Other receivables                        |      | 55.897            | 84.031           |
| Total receivables                        |      | 613.005           | 1.844.765        |
| Cash at bank and in hand                 |      | 55.426            | 32.008           |
| <b>Current Assets</b>                    |      | <b>668.431</b>    | <b>1.876.773</b> |
| <b>TOTAL ASSETS</b>                      |      | <b>7.213.200</b>  | <b>9.583.344</b> |
| <b>EQUITY AND LIABILITIES</b>            |      |                   |                  |
| Share Capital                            |      | 10.860.737        | 10.328.737       |
| Reserve for Development Projects         |      | 4.114.504         | 3.363.284        |
| Retained Earnings                        |      | -19.982.509       | -13.135.044      |
| Proposed Dividend                        |      | 0                 | 0                |
| <b>Equity</b>                            | 5    | <b>-5.007.268</b> | <b>556.977</b>   |
| Liabe Share Capital                      |      | 3.747.982         | 3.747.982        |
| <b>Long Termed Liabilities</b>           |      | <b>3.747.982</b>  | <b>3.747.982</b> |
| Debt financial institutions              |      | 0                 | 186.111          |
| Trade payables                           |      | 903.788           | 898.379          |
| Other liabilities                        |      | 7.568.698         | 4.193.895        |
| <b>Short Termed Liabilities</b>          |      | <b>8.472.486</b>  | <b>5.278.385</b> |
| <b>Liabilities other than provisions</b> |      | <b>12.220.468</b> | <b>9.026.367</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |      | <b>7.213.200</b>  | <b>9.583.344</b> |
| Contingent liabilities                   | 6    |                   |                  |

## Notes

### 1 Going Concern

Vopium A/S has lost more than half of its share capital. The omission is in contravention of the Danish Companies Act and may impose liability on the management. The Company has initiated Capital increases as well as additional financial funding to support 2018. On this basis the Annual Report is filed as Going Concern.

### 2 Staff expenses

|  | 2017             | 2016             |
|--|------------------|------------------|
| Wages and salaries                       | 1.425.837        | 2.613.837        |
| Pension schemes                          | 97.250           | 210.158          |
| Social expenses and other staff expenses | 94.292           | 188.099          |
|  | <u>1.617.379</u> | <u>3.012.094</u> |
| Average number of employees              | <u>4</u>         | <u>5</u>         |

### 3 Investments in subsidiaries

|                       | Share | Net profit | Equity |
|-----------------------|-------|------------|--------|
| Vopium SA, Luxembourg | 100 % | 0          | 0      |
| Vopium Pakistan       | 99 %  | 0          | 0      |

### 4 Development projects

|  | 2017                    | 2016                    |
|--|-------------------------|-------------------------|
| Costprice as of January 1 <sup>st</sup>    | 10.686.648              | 6.374.715               |
| Additions                                  | 2.400.403               | 4.311.933               |
| Disposals                                  | 0                       | 0                       |
| Cost as of December 31 <sup>st</sup>       | <u>13.087.051</u>       | <u>10.686.648</u>       |
| Depreciation as of January 1 <sup>st</sup> | -3.017.577              | -892.632                |
| Depreciation for the year                  | -3.562.205              | -2.124.945              |
|  | <u>-6.579.782</u>       | <u>-3.017.577</u>       |
| Booked value December 31 <sup>st</sup>     | <u><u>6.507.269</u></u> | <u><u>7.669.071</u></u> |

## 5 Equity

|  | 2017              | 2016              |
|--|-------------------|-------------------|
| <u>Share Capital</u>                                     |                   |                   |
| Issued Share Capital as of as of January 1 <sup>st</sup> | 10.328.737        | 9.481.399         |
| Capital Increases during the year (Additional Shares)    | 532.000           | 847.338           |
|  | <u>10.860.737</u> | <u>10.328.737</u> |

The Share Capital is divided in shares of DKK 0,10 each. No Shares holds special rights.

### Reserve for Development Projects

|  |                  |                  |
|--|------------------|------------------|
| Balance as of January 1 <sup>st</sup>        | 3.363.284        | 0                |
| Allocated for Retained Earnings              | -1.121.094       | 0                |
| Allocated from Proposed Distribution of Loss | 1.872.314        | 3.363.284        |
|  | <u>4.114.504</u> | <u>3.363.284</u> |

### Retained Earnings

|  |                          |                       |
|--|--------------------------|-----------------------|
| Balance as of January 1 <sup>st</sup>        | -13.135.044              | -5.589.963            |
| Premium of Capital Increases                 | 235.500                  | 1.270.839             |
| Allocated from Development Projects          | 1.121.094                | 0                     |
| Allocated from Proposed Distribution of Loss | -8.204.059               | -8.815.920            |
|  | <u>-19.982.509</u>       | <u>-13.135.044</u>    |
| Booked value December 31 <sup>st</sup>       | <u><u>-5.007.268</u></u> | <u><u>556.977</u></u> |

## 6 Contingent liabilities

The Entity has entered into a Company collateral amount to tDKK 1.000.