

BLUETOWN ApS
Central Business Registration No
30075277

Per Henrik Lings Allé 4, 3
2100 København Ø

Annual report 2015/16

The Annual General Meeting adopted the annual report on 03.03.2017

Chairman of the General Meeting

Name: Regine M Andersen

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Entity details

Entity

BLUETOWN ApS

Per Henrik Lings Allé 4, 3

2100 København Ø

Central Business Registration No: 30075277

Registered in: Copenhagen

Financial year: 01.10.2015 - 30.09.2016

Board of Directors

Egon Bruun, Chairman

Ali Abdul Mufuruki

Morten Balsby

Lars Bentsen Møller

Executive Board

Peter Ib

Brian Bisgaard Petersen

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BLUETOWN ApS for the financial year 01.10.2015 - 30.09.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2016 and of the results of its operations and cash flows for the financial year 01.10.2015 - 30.09.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 14.02.2017

Executive Board

Peter Ib

Brian Bisgaard Petersen

Board of Directors

Egon Bruun
Chairman

Ali Abdul Mufuruki

Morten Balsby

Lars Bentsen Møller

Independent auditor's reports

To the owners of BLUETOWN ApS Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of BLUETOWN ApS for the financial year 01.10.2015 - 30.09.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2016, and of the results of their operations and the Group's cash flows for the financial year 01.10.2015 - 30.09.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we have considered the adequacy of the disclosures made in Note 1 concerning the Company's ability to continue as a going concern and also taking into consideration that for the year ended 30 September 2016, the Company has realised a pre-tax loss of DKK 48.4 million and a negative Equity of DKK 56.5 million.

Future operations of the Company as a going concern depend on a new and considerable amount of capital being contributed to the Company in 2017. It is also an assumption that a present group of existing and new investors keep financing the continuous operations of the Company until a new agreement is made with a new investor willing to support the Company's future funding requirements with a considerable amount.

Management has accounted for the Company's activities in progress and ongoing negotiations on raising a considerable amount of capital from new investors in 2017. The outcome of these negotiations is not yet present at the end of February 2017. Management expects that the Company will obtain the necessary financing when needed in 2017. Accordingly, Management has concluded that it is appropriate to prepare the annual report assuming that the Company is a going concern.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 14.02.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Bjørn Winkler Jakobsen
State Authorised Public Accountant

Henrik Hartmann Olesen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015/16
	DKK'000
Key figures	
Gross loss	(20.499)
Operating profit/loss	(49.222)
Net financials	(849)
Profit/loss for the year	(48.424)
Total assets	5.133
Investments in property, plant and equipment	1.941
Equity	(56.482)
Cash flows from (used in) operating activities	(38.598)
Cash flows from (used in) investing activities	(2.083)
Cash flows from (used in) financing activities	40.788

Management commentary

Primary activities

The Company's primary activities comprise offering communication and internet solutions. The Company has developed an end-to-end communication platform which provides internet based services specifically designed for the needs and conditions in rural and sub-urban areas of the world.

Development in activities and finances

The Company incurred a loss in 2015/16 of DKK 48,4 million. The loss was in line with the Management's expectations for the year. Equity is negative with DKK 56.5 million.

The Company has since 2014/15 field tested and continuously improved its developed technology and has launched installations in countries around the globe. In 2015/16, the first commercial launches took place for commercial optimization of the system.

The Company has completed several projects with large scale partners in India and Africa and the Management expects increased global activities and first commercial business results in 2016/17.

During 2015/16 the Company deepened its presence around the globe with subsidiaries in Mauritius, India, Tanzania and Ghana. It is expected that the subsidiaries will act as local hubs for the Company's activities in the individual regions.

Towards the end of 2015/16, the Company won a United Nations (UN/ITU) tender in Rwanda involving hundreds of sites.

The Company expects to increase its revenue significantly in 2016/2017 based on contracts with large scale customers.

The increase in activities will also significantly increase the need for external financing. Thus, the Company aims at closing a larger scale capital injection during 2016/17 to enable the company to fulfill its business potential. The capital injection will finance continued investments in market development, global scaling as well as capital expenditures.

The Management expects that the necessary financing for future activities will be raised in line with the capital requirements. The Company is in specific, ongoing negotiations with significant institutional investors and enterprises as well as a broad circle of private investors. The outcome of these negotiations is not yet present at the end of February 2017. Listing of the company at a public exchange is also being considered.

On this basis, Management has concluded that it is appropriate to prepare the annual report based on going concern. Please refer to note 1 in the notes to parent financial statements.

Management commentary

Based on an increasing activity level, the Management expects an increased operating loss in 2016/17.

Uncertainty relating to recognition and measurement

The Company has unrecognized assets in terms of software and solutions developed. In 2015/16, the Company expensed all development costs. No development costs were disclosed as assets in the balance sheet. The Company expects software and product solutions to contribute significantly to future profits.

Events after the balance sheet date

At an extraordinary General Meeting on November 16, 2016, a debt conversion into equity of 38,5 million DKK was completed. No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C (Medium) enterprises.

For 2015/16 the company has prepared consolidated financial statements as a Group has been established.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability 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.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

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 recognised 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

The Entity is jointly taxed with Danish parent companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it 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:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

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

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Accounting policies

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and 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, including acquisition of assets held under finance leases.

Accounting policies

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Consolidated income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>
Gross loss		(20.498.742)
Staff costs	1	(28.537.513)
Depreciation, amortisation and impairment losses	2	<u>(185.362)</u>
Operating profit/loss		(49.221.617)
Other financial income	3	435.380
Other financial expenses	4	<u>(1.284.198)</u>
Profit/loss from ordinary activities before tax		(50.070.435)
Tax on profit/loss from ordinary activities	5	<u>993.384</u>
Consolidated profit/loss		<u>(49.077.051)</u>
Minority interests' share of profit/loss		<u>652.556</u>
Profit/loss for the year		<u><u>(48.424.495)</u></u>
Proposed distribution of profit/loss		
Retained earnings		<u>(48.424.495)</u>
		<u>(48.424.495)</u>

Consolidated balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>
Acquired rights		87.500
Intangible assets	6	<u>87.500</u>
Plant and machinery		1.035.731
Other fixtures and fittings, tools and equipment		665.626
Property, plant and equipment in progress		389.576
Property, plant and equipment	7	<u>2.090.933</u>
Receivables from associates		147.981
Deposits		900.084
Fixed asset investments		<u>1.048.065</u>
Fixed assets		<u>3.226.498</u>
Raw materials and consumables		182.402
Inventories		<u>182.402</u>
Trade receivables		215.925
Other short-term receivables		416.218
Prepayments		894.111
Receivables		<u>1.526.254</u>
Cash		<u>198.283</u>
Current assets		<u>1.906.939</u>
Assets		<u><u>5.133.437</u></u>

Consolidated balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>
Contributed capital		193.482
Share premium		22.285.184
Retained earnings		<u>(78.960.167)</u>
Equity		<u>(56.481.501)</u>
Minority interests	8	<u>(197.711)</u>
Deferred income	9	<u>1.059.258</u>
Non-current liabilities other than provisions		<u>1.059.258</u>
Other credit institutions	10	5.788.689
Convertible, profit-yielding or dividend-yielding debt instruments	11	38.521.570
Prepayments received from customers		1.609.816
Trade payables		5.882.783
Payables to group enterprises		1.565.057
Payables to associates		340.559
Other payables		6.654.613
Deferred income		<u>390.304</u>
Current liabilities other than provisions		<u>60.753.391</u>
Liabilities other than provisions		<u>61.812.649</u>
Equity and liabilities		<u><u>5.133.437</u></u>
Unrecognised rental and lease commitments	13	
Contingent liabilities	14	

Consolidated statement of changes in equity for 2015/16

	Contributed capital DKK	Share premi- um DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	181.733	17.276.072	(30.594.982)	(13.137.177)
Increase of capital	11.749	7.044.112	0	7.055.861
Exchange rate adjustments	0	0	59.310	59.310
Transfer to reserves	0	(2.035.000)	0	(2.035.000)
Profit/loss for the year	0	0	(48.424.495)	(48.424.495)
Equity end of year	193.482	22.285.184	(78.960.167)	(56.481.501)

Consolidated cash flow statement for 2015/16

	<u>Notes</u>	<u>2015/16</u> <u>DKK</u>
Operating profit/loss		(49.221.617)
Amortisation, depreciation and impairment losses		185.362
Working capital changes	12	10.240.385
Other adjustments		53.048
Cash flow from ordinary operating activities		(38.742.822)
Financial income received		435.380
Financial income paid		(1.284.198)
Income taxes refunded/(paid)		993.384
Cash flows from operating activities		(38.598.256)
Acquisition etc of property, plant and equipment		(1.940.621)
Acquisition of fixed asset investments		(443.298)
Other cash flows from investing activities		301.381
Cash flows from investing activities		(2.082.538)
Loans raised		5.032.610
Other cash flows from financing activities		35.755.838
Cash flows from financing activities		40.788.448
Increase/decrease in cash and cash equivalents		107.654
Cash and cash equivalents beginning of year		90.629
Cash and cash equivalents end of year		198.283

Notes to consolidated financial statements

	2015/16
	DKK
	<hr/>
1. Staff costs	
Wages and salaries	27.990.464
Pension costs	134.848
Other social security costs	412.201
	<hr/> 28.537.513 <hr/>
Average number of employees	<hr/> 41 <hr/>
	<hr/> 2015/16 <hr/>
	DKK
	<hr/>
2. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	12.500
Depreciation of property, plant and equipment	172.862
	<hr/> 185.362 <hr/>
	<hr/> 2015/16 <hr/>
	DKK
	<hr/>
3. Other financial income	
Exchange rate adjustments	435.380
	<hr/> 435.380 <hr/>
	<hr/> 2015/16 <hr/>
	DKK
	<hr/>
4. Other financial expenses	
Interest expenses	727.738
Exchange rate adjustments	556.460
	<hr/> 1.284.198 <hr/>
	<hr/> 2015/16 <hr/>
	DKK
	<hr/>
5. Tax on profit/loss from ordinary activities	
Adjustment concerning previous years	(993.384)
	<hr/> (993.384) <hr/>

Notes to consolidated financial statements

	Acquired rights DKK
6. Intangible assets	
Cost beginning of year	125.000
Cost end of year	125.000
Amortisation and impairment losses beginning of year	(25.000)
Amortisation for the year	(12.500)
Amortisation and impairment losses end of year	(37.500)
Carrying amount end of year	87.500

	Plant and machinery DKK	Other fix- tures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
7. Property, plant and equipment			
Cost beginning of year	0	330.050	0
Additions	1.036.275	514.770	389.576
Cost end of year	1.036.275	844.820	389.576
Depreciation and impairment losses beginning of the year	0	(6.876)	0
Depreciation for the year	(544)	(172.318)	0
Depreciation and impairment losses end of the year	(544)	(179.194)	0
Carrying amount end of year	1.035.731	665.626	389.576

8. Minority interests

As of 30 September 2016 minority interest amounts to 197,711, corresponding to minority stake in subsidiaries in BLUETOWN Tanzania and BLUETOWN Ghana.

9. Long-term deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Notes to consolidated financial statements

10. Other credit institutions

The loans are granted by investors subject to future completion of equity investment in the Company. The debt accrues interest. The date for repayment is not set but shall be repaid if the Company completes new funding in 2017.

11. Convertible, profit-yielding or dividend-yielding short-term debt instruments

The loans are from investors in connection with and subject to completion of equity investments made by the investors. The loans will be converted into equity according to the shareholder agreements. As of November 2016, a debt conversion of 38.5 million DKK was completed in the parent BLUETOWN ApS.

	2015/16
	DKK
12. Change in working capital	
Increase/decrease in inventories	(182.402)
Increase/decrease in receivables	(560.645)
Increase/decrease in trade payables etc	1.327.556
Other changes	9.655.876
	10.240.385
	2015/16
	DKK
13. Unrecognised rental and lease commitments	
Commitments under rental agreements or leases until expiry	153.857

14. Contingent liabilities

The company participates in a Danish taxation agreement in which Holdingselskabet af 30/01 1978 ApS serves as administration company. According to joint taxation provision of the Danish Corporation Tax Act, the company is therefore liable from the financial year 2013/14 for income taxes etc for the jointly taxes companies and from 1 July 2012 also for obligation, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Parent income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Gross loss		(14.426.423)	(12.301.894)
Staff costs	2	(25.812.682)	(8.577.742)
Depreciation, amortisation and impairment losses	3	<u>(157.065)</u>	<u>(19.376)</u>
Operating profit/loss		(40.396.170)	(20.899.012)
Income from investments in group enterprises		(8.345.893)	0
Other financial income	4	479.972	572
Other financial expenses	5	<u>(1.155.788)</u>	<u>(65.230)</u>
Profit/loss from ordinary activities before tax		(49.417.879)	(20.963.670)
Tax on profit/loss from ordinary activities	6	<u>993.384</u>	<u>516.863</u>
Profit/loss for the year		<u>(48.424.495)</u>	<u>(20.446.807)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(48.424.495)</u>	<u>(20.446.807)</u>
		<u>(48.424.495)</u>	<u>(20.446.807)</u>

Parent balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Acquired rights		87.500	100.000
Intangible assets	7	87.500	100.000
Other fixtures and fittings, tools and equipment		472.073	323.174
Property, plant and equipment	8	472.073	323.174
Investments in group enterprises		0	0
Deposits		900.084	456.786
Fixed asset investments	9	900.084	456.786
Fixed assets		1.459.657	879.960
Raw materials and consumables		153.244	0
Inventories		153.244	0
Trade receivables		215.925	83.827
Receivables from associates		0	283.772
Other short-term receivables		0	598.010
Prepayments		807.778	0
Receivables		1.023.703	965.609
Cash		60.346	90.629
Current assets		1.237.293	1.056.238
Assets		2.696.950	1.936.198

Parent balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Contributed capital	10	193.482	181.733
Share premium		22.285.184	17.276.072
Retained earnings		<u>(78.960.167)</u>	<u>(30.594.982)</u>
Equity		<u>(56.481.501)</u>	<u>(13.137.177)</u>
Provisions for investments in group enterprises		<u>786.734</u>	<u>0</u>
Provisions		<u>786.734</u>	<u>0</u>
Convertible, profit-yielding or dividend-yielding debt instruments		<u>0</u>	<u>3.855.000</u>
Non-current liabilities other than provisions		<u>0</u>	<u>3.855.000</u>
Other credit institutions	11	5.788.689	0
Convertible, profit-yielding or dividend-yielding debt instruments	12	38.521.570	4.410.000
Prepayments received from customers		1.609.816	0
Trade payables		4.572.239	4.555.227
Payables to group enterprises		1.866.438	561.800
Payables to associates		340.559	0
Other payables		5.643.772	1.691.348
Deferred income		<u>48.634</u>	<u>0</u>
Current liabilities other than provisions		<u>58.391.717</u>	<u>11.218.375</u>
Liabilities other than provisions		<u>58.391.717</u>	<u>15.073.375</u>
Equity and liabilities		<u>2.696.950</u>	<u>1.936.198</u>
Going concern	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		

Parent statement of changes in equity for 2015/16

	Contributed capital DKK	Share premi- um DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	181.733	17.276.072	(30.594.982)	(13.137.177)
Increase of capital	11.749	7.044.112	0	7.055.861
Exchange rate adjustments	0	0	59.310	59.310
Other adjustments	0	(2.035.000)	0	(2.035.000)
Profit/loss for the year	0	0	(48.424.495)	(48.424.495)
Equity end of year	193.482	22.285.184	(78.960.167)	(56.481.501)

Notes to parent financial statements

1. Going concern

The Company has completed several projects with large scale partners in India and Africa and the Management expects increased global activities and first commercial business results in 2016/17. The Company's future depends on whether the Company is able to raise the capital necessary for the increase in activities which will significantly increase the need for external financing.

Thus, the Company aims at closing a larger scale capital injection during 2016/17 to enable the company to fulfill its business potential. The capital injection will finance continued investments in market development, global scaling as well as capital expenditures.

Management expects that the necessary financing for future activities, including completion of development projects and marketing, will be raised in line with capital requirements. Additional financing necessary is expected from current investors, institutional investors and major contracts with customers having an interest in developing rural areas. Activities are in progress by raising new capital. These activities are based on negotiations with significant institutional investors and enterprises as well as a broad circle of private investors.

The Company is in specific, ongoing negotiations with significant institutional investors. The outcome of these negotiations is not yet present at the end of February 2017. It is management's assessment, that in 2017, it is probable that a new agreement will be entered into with new investors of significance.

On this basis, assuming that funding of significance would be obtained, Management has concluded that it is appropriate to prepare the annual report based on going concern.

	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
2. Staff costs		
Wages and salaries	25.700.475	8.508.834
Other social security costs	<u>112.207</u>	<u>68.908</u>
	<u>25.812.682</u>	<u>8.577.742</u>
 Average number of employees	 <u>33</u>	 <u>11</u>

Special incentive programmes

The parent BLUETOWN ApS has in July 2016 established a share-based programme for management and employees.

Notes to parent financial statements

	2015/16	2014/15
	DKK	DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	12.500	12.500
Depreciation of property, plant and equipment	144.565	6.876
	157.065	19.376
	2015/16	2014/15
	DKK	DKK
4. Other financial income		
Financial income arising from group enterprises	44.592	0
Interest income	0	572
Exchange rate adjustments	435.380	0
	479.972	572
	2015/16	2014/15
	DKK	DKK
5. Other financial expenses		
Interest expenses	639.820	65.230
Exchange rate adjustments	515.968	0
	1.155.788	65.230
	2015/16	2014/15
	DKK	DKK
6. Tax on profit/loss from ordinary activities		
Adjustment concerning previous years	(993.384)	(516.863)
	(993.384)	(516.863)

Tax income comprises tax credit income received in accordance with Danish Tax Assessment Act (Ligningsloven) section 8 X for the income year 2014. Tax credit for the income year 2015 and 2016 will be recognised when received.

Notes to parent financial statements

	Acquired rights DKK
7. Intangible assets	
Cost beginning of year	125.000
Cost end of year	125.000
Amortisation and impairment losses beginning of year	(25.000)
Amortisation for the year	(12.500)
Amortisation and impairment losses end of year	(37.500)
Carrying amount end of year	87.500
	Other fix- tures and fittings, tools and equipment DKK
8. Property, plant and equipment	
Cost beginning of year	330.050
Additions	293.464
Cost end of year	623.514
Depreciation and impairment losses beginning of the year	(6.876)
Depreciation for the year	(144.565)
Depreciation and impairment losses end of the year	(151.441)
Carrying amount end of year	472.073

Notes to parent financial statements

	Investments in group enterprises DKK	Deposits DKK
9. Fixed asset investments		
Cost beginning of year	0	456.786
Additions	6.640	443.298
Cost end of year	6.640	900.084
Exchange rate adjustments	59.309	0
Share of profit/loss for the year	(8.345.893)	0
Investments with negative equity depreciated over receivables	7.493.210	0
Investments with negative equity transferred to provisions	786.734	0
Impairment losses end of year	(6.640)	0
Carrying amount end of year	0	900.084

BLUETOWN (Mauritius) Ltd, 100%

BLUETOWN India Pvt. Ltd, 99,9%

BLUETOWN Tanzania Ltd, 90%

BLUETOWN Ghana Ltd, 80%

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
Shares	193.482	1	193.482
	193.482		193.482

	2015/16 DKK	2014/15 DKK	2013/14 DKK	2012/13 DKK	2011/12 DKK
Changes in contributed capital					
Contributed capital beginning of year	181.733	165.292	153.840	150.500	150.500
Increase of capital	11.749	16.441	11.452	3.340	0
Contributed capital end of year	193.482	181.733	165.292	153.840	150.500

Notes to parent financial statements

11. Other credit institutions

The loans are granted by investors subject to future completion of equity investment in the Company. The debt accrues interest. The date for repayment is not set but shall be repaid if the Company completes new funding in 2017.

12. Convertible, profit-yielding or dividend-yielding short-term debt instruments

The loans are from investors in connection with and subject to completion of equity investments made by the investors. The loans will be converted into equity according to the shareholder agreements. As of November 2016, a debt conversion of 38.5 million DKK was completed in the parent BLUETOWN ApS.

	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
13. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>153.857</u>	<u>0</u>

14. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Holdingselskabet af 30/01 1978 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013/14 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The company has a suspensive obligation towards founders of DKK 4,760 thousand if certain milestones are met.

15. Related parties with controlling interest

BTH ApS holds more than 50% of the voting share capital and thus has control over the company.