Unwire Holding ApS

Gammeltorv 18
DK-1457 Copenhagen K

Central Business Registration No 30 27 20 72

Annual report for 2016

Contents

Company details

Company

Unwire Holding ApS
Gammeltorv 18
DK-1457 Copenhagen K
Central Business Registration No: 30 27 20 72
Registered in: Copenhagen

Phone: +45 3393 1434

Financial period: 1 January – 31 December

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

Lawyers

Rønne & Lundgren
Tuborg Havnevej 19
DK-2900 Hellerup

Bankers

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

Company details

Consolidated Financial Statements

The Company is included in the Group Annual Report of LDE Holding 13 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 Holding ApS for the financial year 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 Shareholders of Unwire Holding 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.

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

Independent Auditor's Report

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:

- 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.

Independent Auditor's Report

- 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.

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 view

Parent Company

- Unwire Holding ApS, Copenhagen, Denmark, Nom. KDKK 426
  - 100% — Unwire ApS, Copenhagen Denmark, Nom. KDKK 321
    - 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
  - 100% — Pertura ApS, Copenhagen Denmark, Nom. KDKK 80

Consolidated subsidiaries

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	99.850	103.508	69.729	56.855	53.694
EBITDA	45.586	43.968	22.151	(8.742)	(19.400)
Net financials	(439)	(2.755)	(3.889)	(5.640)	(3.990)
Profit/loss for the year	5.658	1.805	(14.936)	(34.290)	(40.274)
Equity	58.524	53.685	50.804	41.230	35.713
Balance sheet total	98.910	108.830	137.071	172.313	192.842
Cash flows from operating activities	20.012	48.237	31.517	4.283	(5.291)
Cash flows from investing activities	(12.219)	(8.896)	(16.851)	(34.749)	(52.720)
Change in cash and cash equivalents for the year	(4.234)	23.318	(24.196)	(720)	2.693
Number of employees	92	94	87	113	110
Ratios					
Return on assets (%)	11,8	7,8	(9,1)	(19,39)	(23,5)
Solvency ratio (%)	59,2	49,3	37,06	23,93	18,5
Return on equity (%)	10,1	3,5	(32,5)	(89,1)	(112,3)

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 Holding 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.

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 45,586k, which is an improvement compared to previous years.

The 2016 income statement of the Group shows a total profit of DKK 5,658k, and on 31 December 2016 the balance sheet of the Group shows equity of DKK 58,524k.

In 2016, the Group 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 and has meet the expectations.

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 eg. exposure to currency fluctuations.

Capital base

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

Management Review

Strategy and objectives

Targets and expectations for the year ahead

Considering the investments made and the current market conditions, the 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 for Unwire Holding ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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 recognised 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 recognised 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.

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.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Unwire Holding 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.

Accounting policies

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”.

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.

Accounting policies

Contract work in progress is 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.

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.

Accounting policies

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 parent 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.

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.

Accounting policies

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.

Contracts of work in progress
Contracts of work in progress (construction contracts) are 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.

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

Accounting policies

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				Group	
2015 KDKK	**2016 KDKK**		**Notes**	**2016 KDKK**	**2015 KDKK**
(64)	**(75)**	**Gross profit**		**99.850**	**103.508**
0	0	Staff expenses	2	(54.264)	(59.540)
(64)	**(75)**	**EBITDA**		**45.586**	**43.968**
0	0	Depreciation, amortisation and impairment losses	3	(33.919)	(35.506)
(64)	**(75)**	**Profit/loss before financial income and expenses**		**11.667**	**8.462**
2.223	6.140	Income from investments in subsidiaries	4	0	0
811	328	Financial income	5	784	7
(1.224)	(868)	Financial expenses	6	(1.223)	(2.762)
1.746	**5.525**	**Profit/loss before tax**		**11.228**	**5.707**
59	133	Tax on profit/loss for the year	7	(5.570)	(3.902)
1.805	**5.658**	**Net profit/loss for the year**		**5.658**	**1.805**
		Proposed distribution of profit/loss			
0	0	Proposed dividend for the year		0	0
1.805	5.658	Retained earnings		5.658	1.805
1.805	**5.658**			**5.658**	**1.805**

Balance sheet 31 December 2016

Parent company 2015 KDKK	Parent company 2016 KDKK		Notes	Group 2016 KDKK	Group 2015 KDKK
0	0	Other intangible assets		1.313	2.286
0	0	Goodwill		22.254	35.165
0	0	Development projects		25.032	32.870
0	**0**	**Intangible assets**	8	**48.599**	**70.321**
0	0	Other fixtures and fittings, tools and equipment		1.221	1.348
0	0	Leasehold improvements		559	418
0	**0**	**Property, plant and equipment**	9	**1.780**	**1.766**
61.273	56.593	Investments in group enterprises	10	0	0
61.273	**56.593**	**Fixed asset investments**		**0**	**0**
61.273	**56.593**	**Fixed assets**		**50.379**	**72.087**
0	0	Trade receivables		16.089	13.076
0	0	Contract work in progress	12	14.534	23
0	487	Receivables from group enterprises		0	0
2.799	2.819	Deferred tax asset	14	5.930	7.321
0	0	Other receivables		522	700
0	0	Prepayments		1.373	1.378
2.799	**3.306**	**Receivables**		**38.448**	**22.498**
542	**103**	**Cash**		**10.083**	**14.245**
3.341	**3.409**	**Current assets**		**48.531**	**36.743**
64.614	**60.002**	**Assets**		**98.910**	**108.830**

Balance sheet 31 December 2016

Parent company 2015 KDKK	Parent company 2016 KDKK		Notes	Group 2016 KDKK	Group 2015 KDKK
426	426	Share capital	13	426	426
53.259	58.098	Retained earnings		58.098	53.259
53.685	**58.524**	**Equity**		**58.524**	**53.685**
0	0	Banks	15	86	13
10.877	1.414	Loan from group enterprises	15	0	10.497
0	0	Trade payables	11	22.497	22.079
0	0	Prepayments	12	1.566	5.508
0	0	Income taxes		2.446	2.580
52	64	Other payables		13.791	14.468
10.929	**1.478**	**Short-term liabilities other than provisions**		**40.386**	**55.145**
10.929	**1.478**	**Liabilities other than provisions**		**40.386**	**55.145**
64.614	**60.002**	**Equity and liabilities**		**98.910**	**108.830**

Contingent assets, liabilities and other financial obligations	16
Related parties and ownership	17

Statement of changes in equity for 2016

Group

	Share capital KDKK	Retained earnings KDKK	Total KDKK
Equity at 1 January	426	53.259	53.685
Profit/loss for the year	0	5.658	5.658
Exchange adjustment	0	(819)	(819)
Equity at 31 December	**426**	**58.098**	**58.524**

Parent company

	Share capital KDKK	Retained earnings KDKK	Total KDKK
Equity at 1 January	426	53.259	53.685
Profit/loss for the year	0	5.658	5.658
Exchange adjustment	0	(819)	(819)
Equity at 31 December	**426**	**58.098**	**58.524**

Cash flow statement for 2016

	Notes	Group 2016 KDKK	Group 2015 KDKK
Net profit/loss for the year		5.658	1.805
Adjustments	18	39.936	41.778
Working capital changes	19	(20.950)	5.900
Cash flows from operating activities before financial income and expenses		**24.644**	**49.483**
Financial income received		2	7
Financial expenses paid		(370)	(1.098)
Income taxes paid		(4.265)	(155)
Cash flows from operating activities		**20.011**	**48.237**
Acquisition etc. of intangible assets		(11.132)	(8.534)
Acquisition etc. of property, plant and equipment		(1.087)	(922)
Acquisition etc. of financial assets		0	560
Cash flows from investing activities		**(12.219)**	**(8.896)**
Loan from group enterprises		(11.350)	0
Debt conversion and other capital increase		0	531
Repayments on long-term liabilities other than provisions		0	(9.800)
Cash flows from financing activities		**(11.350)**	**(9.269)**
Cash flow from other activities	21	(676)	(6.754)
Cash flows from other activities		**(676)**	**(6.754)**
Increase/decrease in cash and cash equivalents		**(4.234)**	**23.318**
Cash and cash equivalents at 1 January		14.232	(9.086)
Cash and cash equivalents at 31 December	20	**9.998**	**14.232**

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 0k). 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.

Tax-assets

In the annual report a deferred tax asset is recognized with a total value of DKK 5,930k for the Group (Parent Company: DKK 2,819k). 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		
0	0	Salaries and wages	58.373	61.062
0	0	Pension costs	4.015	3.773
0	0	Other social security costs	698	669
0	0	Capitalized salaries	(11.086)	(8.431)
0	0	Other staff expenses	2.264	2.467
0	**0**		**54.264**	**59.540**
0	**0**	Including remuneration to the Executive Board	2.418	2.532
0	0	Average number of employees	92	94
		3. Depreciation, amortisation and impairment losses		
0	0	Development projects	18.968	20.492
0	0	Other intangible assets	885	937
0	0	Goodwill	12.909	12.911
0	0	Other fixtures and fittings, tools and equipment	921	1.010
0	0	Leasehold improvements	236	156
0	**0**		**33.919**	**35.506**

Notes

Parent company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**
		4. Income from investment in subsidiaries		
13.639	17.556	Share of earnings in subsidiaries	0	0
(11.416)	(11.416)	Amortization of goodwill etc.	0	0
2.223	**6.140**		**0**	**0**
		5. Financial income		
811	328	Financial income from group enterprises	606	0
0	0	Exchange adjustments	176	0
0	0	Other financial income	2	7
811	**328**		**784**	**7**
		6. Financial expenses		
804	867	Financial expenses to group enterprises	853	804
0	0	Exchange adjustments	0	553
420	1	Other financial expenses	370	1.405
1.224	**868**		**1.223**	**2.762**
		7. Tax on profit/loss for the year		
0	0	Current tax	(3.223)	(3.106)
112	133	Change in deferred tax	(2.278)	(1.117)
(53)	0	Adjustments concerning previous years	(69)	321
59	**133**		**(5.570)**	**(3.902)**

Notes

	Group		
	Other intangible assets KDKK	Goodwill KDKK	Develop-ment projects KDKK
8. Intangible assets			
Cost at 1 January	5.437	128.484	109.048
Exchange adjustments	(204)	0	(19)
Additions	0	0	11.132
Cost at 31 December	**5.233**	**128.484**	**120.161**
Amortisation and impairment losses at 1 January	3.151	93.319	76.178
Exchange adjustments	(116)	0	(17)
Amortisations for the year	885	12.911	18.968
Amortisation and impairment losses at 31 December	**3.920**	**106.230**	**95.129**
Carrying amount at 31 December	**1.313**	**22.254**	**25.032**

Notes

	Group	
	Other fixture and fittings, tools and equipment KDKK	Leasehold improvements KDKK
9. Property, plant and equipment		
Cost at 1 January	7.945	733
Exchange adjustments	(6)	0
Additions	824	292
Disposals	(1.695)	0
Cost at 31 December	**7.068**	**1.025**
Depreciation and impairment losses at 1 January	6.597	315
Exchange adjustments	(3)	0
Depreciation for the year	919	151
Reversal relating to disposals	(1.666)	0
Depreciation and impairment losses at 31 December	**5.847**	**466**
Carrying amount at 31 December	**1.221**	**559**

Notes

	Parent company	
	2016 KDKK	2015 KDKK
10. Investments in group enterprises		
Cost at 1 January	202.511	202.511
Value adjustments at 31 December	**202.511**	**202.511**
Value adjustments at 1 January	(141.238)	(144.007)
Exchange adjustments	(820)	546
Net profit/loss for the year	17.556	13.639
Amortization of goodwill etc.	(11.416)	(11.416)
Dividend received	(10.000)	0
Value adjustments at 31 December	**(145.918)**	**(141.238)**
Carrying amount at 31 December	**56.593**	**61.273**
Remaining positive difference amount included in the above carrying amount at 31 December:	14.594	26.010
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 ApS	Copenhagen, Denmark	321	100%	11.697	33.747
Pertura ApS	Copenhagen, Denmark	80	100%	5.860	8.253

Notes

Parent company			Group	
2015 KDKK	**2016 KDKK**		**2016 KDKK**	**2015 KDKK**
		11. Trade payables		
0	0	Trade Payables	13.240	12.146
0	0	Settlements payable	9.257	9.933
0	**0**		**22.497**	**22.079**
		12. Contract work in progress		
0	0	Selling price of production for the period	20.452	9.772
0	0	Payments received on account	(6.533)	(15.224)
0	**0**		**13.919**	**(5.452)**
		Recognised in the balance sheet as follows:		
0	0	Contract work in progress	14.534	23
0	0	Prepayments	(615)	(5.475)
0	0	Contract work in progress	13.919	(5.452)
	0	Other prepayments received	(951)	(33)
0	**0**		**12.968**	**(5.485)**

13. Share capital

The share capital consists of 425,835 shares of a nominal value of DKK 1. The shares have not been divided into classes.

	KDKK
Changes in share capital in the past five financial years:	
Share capital 1 January 2011	195
Capital increase November 2012	74
Capital increase December 2013	96
Capital increase February and December 2015	60
Capital increase February 2016	1
Share capital at 31 December 2016	**426**

Notes

14. Deferred tax

Deferred tax can be allocated to the following items:

Parent company 2015 KDKK	Parent company 2016 KDKK		Group 2016 KDKK	Group 2015 KDKK
0	0	Intangible assets	5.491	7.697
0	0	Property, plant and equipment	119	(315)
0	0	Transferred to tax accrual fund	226	236
0	0	Contract work in progress	259	(21)
0	0	Deferred income	152	151
(2.799)	(2.819)	Tax loss carry-forward (asset)	(12.177)	(15.069)
2.799	2.819	Transferred to deferred tax asset	5.930	7.321
0	**0**		**0**	**0**

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

Parent company 2015 KDKK	Parent company 2016 KDKK	**Deferred tax asset**	Group 2016 KDKK	Group 2015 KDKK
2.799	2.819	Calculated deferred tax asset	5.930	7.321
2.799	**2.819**		**5.930**	**7.321**

15. Long term debt

Debt due within 1 year is classified as short term debt.

The remaining part is classified as long term debt.

The group debt is debt to banks and group enterprises and become due as follows:

Parent company 2015 KDKK	Parent company 2016 KDKK		Group 2016 KDKK	Group 2015 KDKK
10.877	0	Within 1 year	86	10.510
0	0	Between 1 and 5 years	0	0
0	0	After 5 years	0	0
10.877	**0**		**86**	**10.510**

Notes

16. Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease Payments:

Parent company 2015 KDKK	Parent company 2016 KDKK		Group 2016 KDKK	Group 2015 KDKK
0	0	Within 1 year	2.199	2.027
0	0	Between 1 and 5 years	19	1.778
0	**0**		**2.218**	**3.805**

Security

The debt to the bank are secured by the following assets:
Shares in Unwire ApS
Pledge in Unwire ApS assets of DKK 20 million

Miscellaneous

Unwire Holding ApS has in addition to the above provided securities for Unwire ApS'commitments towards the bank.

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

Notes

17. Related parties and ownership

Controlling interest	Basis
LDE Holding 13 ApS, Gammeltorv 18, DK-1457 Copenhagen Ø	Main Shareholder

Other related parties	Basis
Unwire ApS	Subsidiary company
Pertura ApS	Subsidiary company
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
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:

LDE Holding 13 ApS
Gammeltorv 18,
DK-1457 Copenhagen K

Notes

	Group	
	2016 KDKK	**2015 KDKK**

18. Cash flow statement - adjustments

Financial income	(784)	(7)
Financial expenses	1.223	2.762
Depreciation, amortisation and impairment losses etc.	33.919	35.606
Tax on profit/loss for the year	5.570	3.902
Exchange adjustment	8	(485)
	39.936	**41.778**

19. Working capital changes

Change in receivables	(17.425)	9.851
Change in trade payables	(3.525)	(3.951)
	(20.950)	**5.900**

20. Cash and cash equivalents

Cash	10.083	14.245
Bank, overdraft facility and creditcards	(86)	(13)
	9.997	**14.232**

21. Cash flow from other activities

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