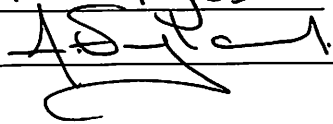


Lycamobile Denmark ApS
Mårkærvej 13 H
2630 Taastrup
Denmark

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Lycamobile Denmark ApS
Annual report 2015/16

The annual report was presented and adopted at the
Company's annual general meeting
on 17th August 2016.

chairman

CVR no. 32 56 04 66

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Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of Lycamobile Denmark ApS for the financial year 1 March 2015 – 29 February 2016.

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

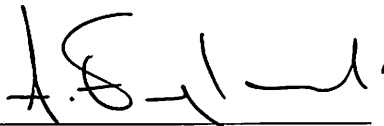
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 29 February 2016 and of the results of the Company's operations for the financial year 1 March 2015 – 29 February 2016.

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

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

Copenhagen, 17 August 2016

Executive Board:



Andrew Bernard Henry England



Independent auditor's report

To the shareholders of Lycamobile Denmark ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Lycamobile Denmark ApS for the financial year 1 March 2015 – 29 February 2015/16. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of 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 Company'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 evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 29 February 2015 and of the results of the Company's activities for the financial year 1 March 2015 – 29 February 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter concerning matters in the financial statements

Without qualifying our opinion, we refer to note 5 to the financial statements, which describes the Company's VAT dispute with SKAT. The outcome of the case is currently uncertain, and no provision has been made in the financial statements to cover any claims or losses.

Emphasis of matter regarding other matters

The annual report for 2015/16 has not been submitted to the Danish Business Authority within the required deadline according to the provision of the Danish Financial Statements Act. The Company's Management may be held liable in this respect.



Independent auditor's report

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 17 August 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'HK', written over a horizontal line.

Henrik Kyhnav
State Authorised
Public Accountant

Management's review

Company details

Lycamobile Denmark ApS
Mårkærvej 13 H
2630 Taastrup
Denmark

Telephone: +45 3587 2222
CVR no.: 32 56 04 66
Established: 29 October 2009
Registered office: Høje Taastrup
Financial year: 1 March – 29 February

Executive Board

Andrew Bernard Henry England

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Management's review

Operating review

Principal activities

Lycamobile Denmark ApS sells prepaid SIMs and top-up vouchers from related companies to the Danish retail market on a commission basis. Furthermore, the Company provides services to related companies.

Recognition and measurement uncertainty

Since its formation, the Company has not received any VAT receivable from SKAT as its VAT position has not been clarified. The matter had not been resolved at the time of the financial reporting.

See note 5 for further details.

Capital resources

The income statement for 2015/16 shows a profit of DKK 127 thousand. The Company has lost its equity and is thus subject to the capital loss provision of the Danish Companies Act. The Company is confident that equity will be re-established through future profit.

The Company has received a letter of support from the related party WWW Holdings company Limited, and consequently, the annual report is prepared on a going concern basis. We refer to note 4.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the assessment or the annual report.

Financial statements 1 March – 29 February

Accounting policies

The annual report of Lycamobile Denmark ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

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

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

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, net revenue, costs of goods sold and other external expenses have been aggregated in the item gross profit.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses include expenses for the year relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's employees. The item is net of refunds made by public authorities.

Financial statements 1 March – 29 February

Accounting policies

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment is depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful life of the assets are 3-10 years.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised exchange adjustments as well as surcharges and refunds under the on-account taxation scheme.

Tax on profit/loss for the year

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

Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts when there is objective evidence that a receivable or a group of receivables are impaired. Write-down is made to the lower of the net realisable value and the carrying amount.

Financial statements for the period 1 March – 29 February

Accounting policies

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Current tax and deferred tax

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable income for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Liabilities

Liabilities are measured at net realisable value.

Financial statements 1 March – 29 February

Income statement

DKK'000	Note	2015/16	2014/15
Gross profit		1,126	12,190
Staff costs	1	-1,096	-13,028
Depreciation of property, plant and equipment	3	-223	-191
Loss before financial income and expenses		-193	-1,029
Financial income		359	1
Financial expenses		0	-859
Profit/loss before tax		166	-1,887
Tax on loss for the year	2	-39	-33
Profit/loss for the year		127	-1,920
Proposed profit appropriation/distribution of loss			
Retained earnings		127	-1,920
		127	-1,920

Financial statements 1 March – 29 February

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	3	534	501
		<u>534</u>	<u>501</u>
Total non-current assets		<u>534</u>	<u>501</u>
Receivables			
Other receivables		29,534	28,061
Deferred tax assets		4	0
Prepayments		172	110
		<u>29,710</u>	<u>28,171</u>
Cash at bank and in hand		<u>133</u>	<u>542</u>
Total current assets		<u>29,843</u>	<u>28,713</u>
TOTAL ASSETS		<u>30,377</u>	<u>29,214</u>

Financial statements 1 March – 29 February

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	4		
Share capital		125	125
Retained earnings		-1,525	-1,652
Total equity		<u>-1,400</u>	<u>-1,527</u>
Provisions			
Provisions for deferred tax		0	5
Total provisions		<u>0</u>	<u>5</u>
Current liabilities other than provisions			
Advance payments from customers		0	901
Trade payables		944	1,145
Payables to group entities		29,676	25,572
Corporation tax		77	49
Other payables		1,080	3,069
		<u>31,777</u>	<u>30,736</u>
Total liabilities other than provisions		<u>31,777</u>	<u>30,736</u>
TOTAL EQUITY AND LIABILITIES		<u>30,377</u>	<u>29,214</u>
Contingent liabilities			
Related parties and ownership	5 6		

Financial statements 1 March – 29 February

Notes

	<u>2015/16</u>	<u>2014/15</u>
DKK'000		
1 Staff costs		
Wages and salaries	1,089	13,021
Pensions	7	7
Other social security costs	0	0
	<u>1,096</u>	<u>13,028</u>
2 Tax on loss for the year		
Tax for the year	48	37
Deferred tax adjustments for the year	-9	-3
Adjustment to deferred tax due to change in tax rate	0	-1
Total tax for the year	<u>39</u>	<u>33</u>
3 Property, plant and equipment		
Cost at the beginning of the year	883	730
Additions during the year	256	253
Disposals during the year	0	-100
Cost at year end	<u>1,139</u>	<u>883</u>
Depreciation at the beginning of the year	382	291
Depreciation for the year	223	191
Disposals during the year	0	-100
Depreciation at the end of the year	<u>605</u>	<u>382</u>
Carrying amount at the end of the year	<u>534</u>	<u>501</u>

Financial statements for the period 1 March – 29 February

Notes

4 Equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 March 2015	125	-1,652	-1,527
Profit/loss for the year	0	127	127
Equity at 29 February 2016	125	-1,525	-1,400

The Company has received a letter of comfort from related group entities dated 29 July 2016 guaranteeing to provide the Company with sufficient liquidity to carry on its activities until the next annual general meeting in 2016. On this basis, the financial statements have been prepared under the going concern assumption.

There have been no changes in the share capital since the date of formation.

5 Contingent liabilities

Since its formation, the Company has not received any VAT receivable from SKAT. The amount totals DKK 27,767 thousand (2014/15: DKK 27,976 thousand), which is included in other receivables.

SKAT has issued two decisions requesting payments in total of DKK 106.0 million for non-paid and non-reported output VAT, which the Company believes should not be paid and is not required to be reported. This amount has not been recognised in the financial statements.

The decisions have been appealed to the National Tax Tribunal. Confident that it is not under an obligation to pay the output VAT, the Company expects to win the cases.

6 Related parties and ownership

Controlling interest

Allirajah Subaskaran
2nd Floor, Walbrook Building
195 Marsh Wall
London
E14 9SG
UK

The main part of the Company's cost of sales derives from purchases made with Lycamobile Denmark Ltd. and other related entities. The Company has re-invoiced Lycamobile Europe Ltd for costs invoiced to the Company.

Financial statements for the period 1 March – 29 February

Notes

6 Related parties and ownership (continued)

Apart from the above, there have been no other transactions than standard conditions inside the Group with senior officers, significant shareholders, group entities or other related parties, except for intercompany transactions and normal management remuneration.