
Reewire International ApS

Vester Farimagsgade 6, 5., DK-1606 Copenhagen W

Annual Report for 1 January - 31 December 2016

CVR No 33 25 09 40

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /6 2017

Jesper Lacoppidan
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Reewire International ApS for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations and 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 that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 8 June 2017

Executive Board

Niels Peter Ellegaard

Board of Directors

Jesper Lacoppidan
Chairman

Niels Peter Ellegaard

Nyake Mbondji

Independent Auditor's Report

To the Shareholders of Reewire International ApS

Report on the Financial Statements

Opinion

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

We have audited the Financial Statements of Reewire International ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, cash flow statement and notes, including a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our auditor's report, we draw attention to the information provided in note 1 in which Management describes the material uncertainty with respect to the Company's ability to continue as a going concern. The uncertainty relates to the Company's capital resources, which are expected to be strengthened through a capital injection. Management assesses that it is possible to obtain an adequate capital injection and, therefore, prepares the Financial Statements under a going concern assumption.

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 Financial Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

Independent Auditor's Report

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with Danish tax legislation

In connection with the payment of directors' fees, the Company has not observed its reporting obligation towards the Danish tax authorities, which means that Management may incur liability.

After the balance sheet date, the Company has rectified the issue towards the tax authorities through subsequent reporting.

Slagelse, 8 June 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Kjær Poulsen
State Authorised Public Accountant

Rasmus Dehn Larsen
State Authorised Public Accountant

Company Information

The Company

Reewire International ApS
Vester Farimagsgade 6, 5.
DK-1606 Copenhagen W

CVR No: 33 25 09 40
Financial period: 1 January - 31 December
Incorporated: 19 October 2010
Financial year: 6th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Jesper Lacoppidan, Chairman
Niels Peter Ellegaard
Nyake Mbondji

Executive Board

Niels Peter Ellegaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Ndr. Ringgade 70C
DK-4200 Slagelse

Management's Review

Key activities

The Company's main activity is to establish mobile payment platforms.

Development in the year

The income statement of the Company for 2016 shows a loss of DKK 4,127,251, and at 31 December 2016 the balance sheet of the Company shows negative equity of DKK 2,803,812.

Capital resources

The Company's share capital has been lost. The Management are aware of this and expects that the capital can be restored by capital injection from an external party and earnings over the years.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December 2016

| | Note | 2016 DKK | 2015 DKK |
|--|------|-------------------|-------------------|
| Gross profit/loss | | -2,880,874 | -2,525,482 |
| Staff expenses | 2 | -350,000 | 0 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3 | -5,244 | -15,898 |
| Profit/loss before financial income and expenses | | -3,236,118 | -2,541,380 |
| Income from investments in subsidiaries | | -618,392 | 0 |
| Financial income | | 0 | 11,588 |
| Financial expenses | | -272,741 | -323,005 |
| Profit/loss before tax | | -4,127,251 | -2,852,797 |
| Tax on profit/loss for the year | | 0 | 0 |
| Net profit/loss for the year | | -4,127,251 | -2,852,797 |

Distribution of profit

Proposed distribution of profit

| | | | |
|-------------------|--|-------------------|-------------------|
| Retained earnings | | -4,127,251 | -2,852,797 |
| | | -4,127,251 | -2,852,797 |

Balance Sheet 31 December 2016

Assets

| | Note | 2016 DKK | 2015 DKK |
|--|------|------------------|----------------|
| Other fixtures and fittings, tools and equipment | | 0 | 5,244 |
| Property, plant and equipment | | 0 | 5,244 |
| Investments in subsidiaries | 4 | 0 | 373,000 |
| Investments in associates | 5 | 13,115 | 0 |
| Fixed asset investments | | 13,115 | 373,000 |
| Fixed assets | | 13,115 | 378,244 |
| Trade receivables | | 44,606 | 0 |
| Other receivables | | 123,508 | 99,645 |
| Receivables | | 168,114 | 99,645 |
| Cash at bank and in hand | | 1,059,416 | 67,841 |
| Currents assets | | 1,227,530 | 167,486 |
| Assets | | 1,240,645 | 545,730 |

Balance Sheet 31 December 2016

Liabilities and equity

| | Note | 2016 DKK | 2015 DKK |
|--|----------|-------------------|-------------------|
| Share capital | | 100,988 | 95,626 |
| Retained earnings | | -2,904,800 | -2,354,022 |
| Equity | 6 | -2,803,812 | -2,258,396 |
| Credit institutions | | 693,000 | 1,089,000 |
| Payables to owners and Management | | 1,650,686 | 0 |
| Other payables | | 109,517 | 0 |
| Long-term debt | 7 | 2,453,203 | 1,089,000 |
| Credit institutions | 7 | 396,000 | 1,035,769 |
| Trade payables | | 32,500 | 87,750 |
| Payables to group enterprises | | 0 | 298,028 |
| Payables to owners and Management | 7 | 403,058 | 293,579 |
| Other payables | 7 | 759,696 | 0 |
| Short-term debt | | 1,591,254 | 1,715,126 |
| Debt | | 4,044,457 | 2,804,126 |
| Liabilities and equity | | 1,240,645 | 545,730 |
| Going concern | 1 | | |
| Contingent assets, liabilities and other financial obligations | 10 | | |
| Accounting Policies | 11 | | |

Cash Flow Statement 1 January - 31 December 2016

| | Note | 2016 DKK | 2015 DKK |
|--|------|-------------------|-------------------|
| Net profit/loss for the year | | -4,127,251 | -2,852,797 |
| Adjustments | 8 | 896,377 | 327,315 |
| Change in working capital | 9 | 475,977 | 5,980 |
| Cash flows from operating activities before financial income and expenses | | -2,754,897 | -2,519,502 |
| Financial income | | 0 | 11,588 |
| Financial expenses | | -272,741 | -130,987 |
| Cash flows from operating activities | | -3,027,638 | -2,638,901 |
| Fixed asset investments made etc | | -556,535 | -373,000 |
| Cash flows from investing activities | | -556,535 | -373,000 |
| Borrowings from credit institutions | | -1,035,769 | 0 |
| Loan to owners and Management | | 0 | -192,018 |
| Repayment of other long-term debt | | -80,483 | 0 |
| Raising of loans from credit institutions | | 0 | 142,520 |
| Raising of loans from owners and Management | | 1,760,165 | 298,028 |
| Raising of other long-term debt | | 350,000 | 0 |
| Cash capital increase, net | | 3,581,835 | 287,900 |
| Deposit - transferred to bank at 12 January 2015 | | 0 | 2,235,327 |
| Cash flows from financing activities | | 4,575,748 | 2,771,757 |
| Change in cash and cash equivalents | | 991,575 | -240,144 |
| Cash and cash equivalents at 1 January | | 67,841 | 307,985 |
| Cash and cash equivalents at 31 December | | 1,059,416 | 67,841 |
| Cash and cash equivalents are specified as follows: | | | |
| Cash at bank and in hand | | 1,059,416 | 67,841 |
| Cash and cash equivalents at 31 December | | 1,059,416 | 67,841 |

Notes to the Financial Statements

1 Going concern

The Reewire Group is still in the early stage. The main activity Mobile Money in the subsidiary Reewire ICT Solutions Plc is expected to launch in the course of 2017. A capital infusion to the Reewire Group is necessary in order to support the Group's business plan.

Management has made an agreement with a current capital owner about further capital increase of TEUR 630, of which TEUR 530 has been paid in 2017, and the capital increase will be finalized after the annual general meeting. This will secure the capital resources necessary for the remainder of 2017. In addition, the company has further investors, who have shown great interest.

Even though Management expects to succeed in obtaining the necessary capital resources and, therefore, prepares the Financial Statements under a going concern assumption, the above matters also indicate that there is material uncertain which may give rise to considerable doubt with respect to the Company's ability to continue as a going concern.

| | <u>2016</u> DKK | <u>2015</u> DKK |
|---|--------------------|--------------------|
| 2 Staff expenses | | |
| Wages and salaries | <u>350,000</u> | <u>0</u> |
| | 350,000 | 0 |
| Average number of employees | <u>0</u> | <u>0</u> |
| 3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | |
| Depreciation of property, plant and equipment | <u>5,244</u> | <u>15,898</u> |
| | 5,244 | 15,898 |
| Other fixtures and fittings, tools and equipment | <u>5,244</u> | <u>15,898</u> |
| | 5,244 | 15,898 |

Notes to the Financial Statements

| | 2016 DKK | 2015 DKK |
|---|-------------------|-----------------------|
| 4 Investments in subsidiaries | | |
| Cost at 1 January | 1,340,692 | 967,692 |
| Additions for the year | 1,070,186 | 373,000 |
| Disposals for the year | -298,028 | 0 |
| Cost at 31 December | <u>2,112,850</u> | <u>1,340,692</u> |
| Revaluations for the year, net | <u>-2,112,850</u> | <u>0</u> |
| Value adjustments at 31 December | <u>-2,112,850</u> | <u>0</u> |
| Equity investments with negative net asset value amortised over receivables | <u>0</u> | <u>-967,692</u> |
| Carrying amount at 31 December | <u>0</u> | <u>373,000</u> |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership | Equity | Net profit/loss for the year |
|----------------------------|----------------------------|----------------|---------------------|---------|------------------------------|
| Reewire ICT Solutions Plc. | Ethiopia | BIRR 4.831.000 | 92% | 738,304 | 159,826 |
| Reewire Asia Ltd. | Hong Kong | HKD 10,000 | 100% | 0 | 0 |
| Reewire France ICT | France | EUR 10,000 | 90% | 53,684 | 723 |
| Reewire Middle East WLL | Bahrain | BHD 20.000 | 95% | 0 | 0 |

Notes to the Financial Statements

| | 2016 DKK | 2015 DKK |
|---------------------------------------|---------------|-------------|
| 5 Investments in associates | | |
| Cost at 1 January | 0 | 0 |
| Additions for the year | 13,115 | 0 |
| Carrying amount at 31 December | 13,115 | 0 |

Investments in associates are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership | Equity | Net profit/loss for the year |
|-------------------------|----------------------------|---------------|---------------------|--------|------------------------------|
| Inovit Technology Sarl. | Senegal | XOF 3.000.000 | 33% | - | - |

6 Equity

| | Share capital DKK | Share premium account DKK | Retained earnings DKK | Total DKK |
|--|----------------------|---------------------------------|-----------------------------|-------------------|
| Equity at 1 January | 95,626 | 0 | -2,354,022 | -2,258,396 |
| Cash capital increase | 5,362 | 3,989,973 | 0 | 3,995,335 |
| Capital increase and dividend distribution costs | 0 | 0 | -413,500 | -413,500 |
| Net profit/loss for the year | 0 | 0 | -4,127,251 | -4,127,251 |
| Transfer from share premium account | 0 | -3,989,973 | 3,989,973 | 0 |
| Equity at 31 December | 100,988 | 0 | -2,904,800 | -2,803,812 |

| | 2016 DKK | 2015 DKK |
|--------------------------------|-------------|-------------|
| 7 Long-term debt | | |
| Debt falling due after 5 years | 0 | 0 |
| | 0 | 0 |

Notes to the Financial Statements

| | 2016 | 2015 |
|---|----------------|----------------|
| | DKK | DKK |
| 8 Cash flow statement - adjustments | | |
| Financial income | 0 | -11,588 |
| Financial expenses | 272,741 | 323,005 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 5,244 | 15,898 |
| Income from investments in subsidiaries | 618,392 | 0 |
| | 896,377 | 327,315 |
| 9 Cash flow statement - change in working capital | | |
| Change in receivables | -68,469 | 40,656 |
| Change in trade payables, etc | 544,446 | -34,676 |
| | 475,977 | 5,980 |

10 Contingent assets, liabilities and other financial obligations

In connection with the payment of directors' fees, the Company has not withheld A-tax and labour market contribution; consequently, the Company is jointly and severally liable for the payment of this to the tax authorities.

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Reewire International ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

11 Accounting Policies (continued)

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from license fees and other consulting services is recognised in the income statement when delivery and transfer of risk has been made before the year end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

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 other than production wages.

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 and associates

Dividends from subsidiaries and associates are recognised as income in the income statement when adopted at the General Meeting of the companies. However, dividends relating to earnings in the companies before they were acquired by the Parent Company are set off against the cost of the companies.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

11 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes to the Financial Statements

11 Accounting Policies (continued)

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.