LægårdRevision
Statsautoriseret revisionsfirma

**ANNUAL REPORT**

**1. January - 31. December 2016**

**NEOCONSULT APS**

**Ørestads Boulevard 73**
**2300 København S**

**CVR-No. 33 36 20 99**
**6. report**

The Annual Report has been presented and approved by the Annual General Meeting April 27th 2017

Jon Windfeld Bundesen
Chairman of the meeting

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**Company:**
NeoConsult ApS
Ørestads Boulevard 73
2300 København S

| | |
|---|---|
| Telephone | 88 96 96 00 |
| Website | www.neoconsult.dk |
| E-mail | rb@neoconsult.dk |

**Board of Directors:**
Jon Windfeld Bundesen
Rune Windfeld Bundesen
Jakob Nilsson
Claes Christian Hougård
Thomas Güllich Kofoed Larsen
Thomas Robert Noel

**Executive Board:**
Rune Windfeld Bundesen

**Bank:**
Danske Bank
Hovedvejen 107
2600 Glostrup

**Auditor:**
Lægård Revision
State Authorised Public Accountant
Østerbrogade 62
2100 København Ø

**Parent Company:**
Tenura ApS
CVR-no. 31 57 97 16

Today the Board of Directors and the Executive Board presented the Annual Report for 2016 of NeoConsult ApS.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company’s assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, April 26th 2017

**Executive Board**

Rune Windfeld Bundesen

**Board of Directors**

| | |
|---|---|
| Jon Windfeld Bundesen<br>(Chairman) | Rune Windfeld Bundesen |
| Jakob Nilsson | Claes Christian Hougård |
| Thomas Güllich Kofoed Larsen | Thomas Robert Noel |

**To the shareholders of NeoConsult ApS**

## Opinion:

We have audited the Financial Statements of NeoConsult ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

## Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 of accounting information 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.

- 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 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.

**Auditor’s Responsibilities for the Audit of the Financial Statements - continued:**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on 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.

Based on the work we have performed, we conclude that Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Copenhagen, April 26th 2017
Lægård Revision, CVR-No. 18 43 70 82
Statsautoriseret revisionsfirma

Kurt Lægård
State Authorised Public Accountant

## Principal activity:

The purpose of NeoConsult ApS are development, consultancy, education, production, sales and investment in IT-services and products.

## Development in activities and financial affairs:

Activities in 2016 where heavily influenced by activities leading to JT Group Ltd ("JT") acquiring 20% shares in NeoConsult. During this transition NeoConsult performed its business activities as usual.

We delivered the following major solutions to our customers in 2016:

1. Continued development and service of our M2M/IoT platform, which grew to approximately 650.000 active SIM’s across the globe.
2. We delivered a new and completely rewritten national Number Portability Database for Denmark based on BPM workflows.
3. We launched a Number Portability Gateway solution for a large operator in Trinidad.
4. We developed and successfully UAT tested a new FTTH Voice MVNO solution for an operator in Denmark. This included full VOIP provisioning and billing of services using Nomad. The solution launched successfully at end of January 2017, where we migrated aprox 60.000 customers to the solution.

The hierarchy of companies designed around NeoConsult (Tenura / NeoConsult and Next NP) was restructured in order to facilitate logical and smooth inclusion of JT as a shareholder:

1. We merged activities from Next NP into NeocConsult
2. We created a new entity: Nomad IP of which JT owns 20% and Tenura 80%, and transfered all IP rights previously held by Tenura (all NeoConsult IP) to Nomad IP. This extra Nomad IP entity allows for the continued protection and governance of the Nomad IP rights.

The profit generated in NeoConsult in 2016 is negative, and the result from Next NP is positive. In total we have realised a positive result. The fact that the total profit is not higher than this is most due to a delayed PO, that we expected to receive in 2016 and which did not arrive before 1 March 2017.

The company have received group grant from Tenura ApS of DKK 1.495.528, by converting debt between the companies.

The partnership with JT, is an extremely important achievement for 2016, and will position NeoConsult well for future growth. For this reason, I perceive 2016 as an important milestone in the continued development of NeoConsult.

In conclusion, the year 2016 has more than met our expectations.

## Events after the balance sheet date:

No events occurred after the balance sheet date that affect the financial position of the Company materially per December 31st 2016.

The annaul report of NeoConsult ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

## GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation and amortisation, are recognised in the Income Statement.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

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

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible and intangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

## THE INCOME STATEMENT

### Gross income:

Gross income comprises the net turnover, cost of sales, changes in work in progress and other external costs.

### Revenue

Revenue consists of the annually invoiced and delivered sales, less discounts granted, adjusted for the shift in work in progress calculated at the expected selling price.

**Employment costs**

Employment costs consist of salaries and wages, including vacation pay and pensions as well as other social security costs, etc. regarding the company's employees. Payments received from public authorities, are deducted from employment costs.

**Other external costs**

Other external costs includes expenses for sales, administration and premises.

**Financials:**

Financial income and expenses are recognised in the income statement, with the amounts concerning the financial year. Financials includes interest income and expenses.

**Tax on results for the year:**

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

The parent company and the Danish Group companies are jointly taxes. The Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income. The parent company acts as the management company for the joint taxation, so that the parents company will be in charge of paying the taxes etc. to the Danish tax authorities.

**ASSETS:**

**Tangible fixed assets:**

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

The depreciable amount is cost less expected residual value after the end of the asset's life.

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Assets are depreciated under the straight-line method over the expected useful lives of the assets. The depreciation periods are as follows:

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

**Tangible fixed assets, continued:**

Minor assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement under depreciation.

**Receivables:**

Receivables are measured at amortised cost which usually equals nominal value. In order to meet expected losses, writedown takes place at the net realisable value.

**Work in progress:**

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

Work in progress is recognized in the balance sheet under receivables or payables depending on the net value of the selling price less progress billings and advance payments. Costs of sales work and contracts are recognized in the income statement as incurred.

**Prepayments:**

Prepayments are measured in the balance sheet as assets and comprise incurred expenses related to the following financial year.

**Cash:**

Cash equivalents consist of bank deposits. Cash and cash equivalents are carried at fair value.

## LIABILITIES:

### Dividends:

Dividends expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting.

### Tax payable and deferred tax:

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of 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 expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### Liabilities:

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

**Translation of foreign currency:**

Transactions in foreign currencies are translated into a fixed average price. Exchange differences arising between the average price and the date of payment are recognized in the income statement as a financial income/expense. If currency transactions are considered future cash flow hedges, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the financial reporting date are measured at the financial reporting date exchange rate. The difference between the exchange rate on the financial reporting date and the exchange rate at the time the receivable or payable are recognized, gets measured in the income statement under financial income and expenses.

| Note | | 2016 | 2015 |
|---|---|---|---|
| | GROSS INCOME | 6.941.001 | 9.051.761 |
| 1 | Employee costs | -8.202.045 | -8.658.248 |
| | OPERATING PROFIT | -1.261.045 | 393.513 |
| | Depreciation | -7.176 | -234.164 |
| | EARNINGS BEFORE INTEREST & TAX (EBIT) | -1.268.220 | 159.349 |
| | Financial expenses | -11.402 | -945 |
| | EARNINGS BEFORE TAX (EBT) | -1.279.622 | 158.404 |
| | Tax on profit for the year | 247.000 | -39.344 |
| | EARNINGS FOR THE YEAR | -1.032.622 | 119.060 |
| | | | |
| | PROPOSED DISTRIBUTION OF PROFIT | | |
| | Dividend for the year | 0 | 175.000 |
| | Retained earnings | -1.032.622 | -55.940 |
| | TOTAL DISTRIBUTION | -1.032.622 | 119.060 |

**BALANCE SHEET AS AT 31 DECEMBER 2016**
**ASSETS**

| Note | | 31/12 2016 | 31/12 2015 |
|---|---|---|---|
| | Goodwill | 0 | 7.176 |
| | INTANGIBLE ASSETS | 0 | 7.176 |
| | Fixtures and fittings, tools and equipment | 15.494 | 0 |
| | TANGIBLE ASSETS | 15.494 | 0 |
| | Deposits | 89.169 | 207.688 |
| | FINANCIAL ASSETS | 89.169 | 207.688 |
| | TOTAL NON-CURRENT ASSETS | 104.663 | 214.864 |
| | Trade & service receivables | 1.290.285 | 766.192 |
| | Receivables from affiliates | 0 | 790.643 |
| 2 | Work in progress | 889.465 | 220.404 |
| | Deferred Tax | 275.000 | 28.000 |
| | Prepayments | 172.926 | 134.548 |
| | RECEIVABLES | 2.627.676 | 1.939.786 |
| | CASH FUNDS | 579.453 | 1.055.798 |
| | CURRENT ASSETS | 3.207.129 | 2.995.585 |
| | TOTAL ASSETS | 3.311.792 | 3.210.448 |

**LIABILITIES**

| Note | | 31/12 2016 | 31/12 2015 |
|---|---|---|---|
| | Share capital | 80.000 | 80.000 |
| | Retained earnings | 1.627.674 | 1.164.768 |
| | Proposed dividend for the financial year | 0 | 175.000 |
| | EQUITY | 1.707.674 | 1.419.768 |
| | Trade payables | 165.116 | 71.477 |
| | Payables to affiliates | 121.245 | 0 |
| | Corporate tax | 0 | 176.344 |
| | Other payables | 1.317.756 | 1.542.859 |
| | SHORT-TERM LIABILITIES | 1.604.118 | 1.790.680 |
| | TOTAL LIABILITIES | 1.604.118 | 1.790.680 |
| | TOTAL LIABILITIES AND EQUITY | 3.311.792 | 3.210.448 |

| Note | |
|---|---|
| 3 | Contingent assets and Contingent liabilities |

| 1 | Employee costs | 2016 | 2015 |
|---|---|---|---|
| | Wages and salaries | 7.313.382 | 7.685.770 |
| | Pensions | 694.011 | 780.547 |
| | Other social security contributions | 73.658 | 82.659 |
| | Other employee costs | 120.995 | 109.273 |
| | TOTAL | 8.202.045 | 8.658.248 |
| | The average number of full-time employees | 12 | 12 |

| 2 | Work in progress | 2016 | 2015 |
|---|---|---|---|
| | Work in progress | 889.465 | 220.404 |
| | Progress billings | 0 | 0 |
| | TOTAL | 889.465 | 220.404 |

There are included in the balance sheet:

| | | | |
|---|---|---|---|
| | Work in progress, assets | 889.465 | 220.404 |
| | Work in progress, liabilities | 0 | 0 |
| | TOTAL | 889.465 | 220.404 |

3 Contingent assets and Contingent liabilities

The company is in a joint taxation with other group companies. As a joint taxed company that is not wholly owned, the company's liability are subsidiary and limited for taxes on dividends, interests and royalties in the joint taxation, and on the corporation tax of the consolidated taxable income.