Unwire Payments & Mobility ApS

Æbeløgade 4

DK-2100 Copenhagen Ø

Central Business Registration No. 33 64 07 73

Annual Report 2018

The Annual General Meeting adopted the annual report on May 16, 2019

Chairman of the General Meeting

www.unwire.com

Contents

Company details

Company

Unwire Payments & Mobility ApS
Æbeløgade 4, 1st floor
DK-2100 Copenhagen Ø
Central Business Registration No: 33 64 07 73
Registered in Copenhagen

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Internet: www.unwire.com
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Financial period: 1 January – 31 December
Incorporated: 26 April 2011

Board of Directors

Jan Dal Lehrmann, Chairman
Ivan Sandqvist
Jacob Ajsen

Executive Board

Jesper Thor Rasmussen

Company auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

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

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 Payments & Mobility ApS for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 for the Company and of the results of the Company's operations for 2018.

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, April 30, 2019

Executive Board

Jesper Thor Rasmussen

Board of Directors

Jan Dal Lehrmann
Chairman

Ivan Sandqvist

Jacob Ajsen

Independent Auditor's report

To the Shareholders of Unwire Payments & Mobility ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Unwire Payments & Mobility ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in Equity and notes, including a summary of significant accounting policies for the Company ("financial statements").

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.

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.

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.

Independent Auditor's report

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Company's 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 Financial Statements for the Company 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.

Independent Auditor's report

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Independent Auditor's report

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, April 30, 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

René Otto Poulsen
State Authorized Public Accountant
mne26718

Management Review

The Annual Report for Unwire Payments & Mobility ApS for 2018 has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of requirements from medium-sized enterprises of reporting class C.

From 2018 and with reference to section 110 of the Danish Financial Statements Act, the annual report does not include consolidated financial statements. The Company voluntarily prepared consolidated financial statements in the annual report for 2017.

Main Activity

The Company's main activity consist of Mobile Payment and Mobility services and related supply of platforms and systems.

Development in the year

In 2018, the Company continued its focus on the sale of Mobile Payment and Mobility solutions to the financial and the transportation sectors worldwide.

The income statement for 2018 shows a result from operations (EBITDA) of KDKK (1,547) and a total loss after tax of KDKK (18,808). On 31 December 2018 the balance sheet shows equity of KDKK 21,489.

The Company's result for 2018 is considered unsatisfactory.

Targets and expectations for the year ahead

The Company has carried out significant restructuring initiatives during 2018 in order to improve the foundation for future earnings. The full effect of these initiatives will materialize from 2019.

Considering the restructurings made during 2018 and under the current market conditions, management believes that a positive development in the activities and operating earnings of the Company can be achieved over the coming years.

Management expects a positive result for the financial year 2019.

Management believes that the Company's capital resources are adequate and appropriate for the entire financial year 2019.

Management Review

Special risks - operating risks and financial risks

Market risks

With the investments made in recent years and the restructuring initiatives carried out in 2018, management believes that significant growth can be achieved under the current economic and financial conditions.

Financial risks

The Company is not exposed to specific financial risks other than risks associated with normal business activities e.g. exposure to currency fluctuations and price adjustments.

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 2019.

Impact on the Environment

Management does not consider the Company 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, projects in progress and deferred tax assets, standardized measurement methods are applied, which are optimized on a current basis.

The annual report is prepared based on management's best estimates and judgments at the time of the presentation of the annual report. Reference is made to note 1 in the annual report, where uncertainty about recognition and measurement are further described.

Subsequent events

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

Accounting policies

This Annual Report has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of requirements from medium-sized enterprises of reporting class C.

In 2018, salaries capitalized as development projects in the balance sheet has been reclassified from staff cost to gross profit. Comparative figures have been adjusted accordingly.

The change does not affect the result, the equity or the financial position of the Company.

Accounting policies are otherwise unchanged from previous years.

The Financial Statements for 2018 are presented in KDKK.

With reference to section 110 of the Danish Financial Statements Act, the annual report for 2018 does not include consolidated financial statements. The Company voluntarily prepared consolidated financial statements in 2017.

Recognition and measurement

Assets are recognized 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 recognized 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 affected as described below for each financial statement item.

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

Accounting policies

Foreign currency translation *(continued)*

one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit

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 services is recognized in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

Contracts of work in progress are 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 operating income and expenses

Other operating income and expenses includes income and expenses of a secondary nature relative to the Company's business.

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.

Accounting policies

Income statement *(continued)*

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, 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 recognized 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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Deferred tax is recognized 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 recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with all Danish group companies. 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).

Accounting policies

Balance sheet

Intangible assets

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects.

Completed development projects are amortized on a straight-line basis using the estimated useful lives of the assets. The amortization 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.

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	4-10 years

Useful lifetime and scrap value are reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortized positive, or negative, goodwill and plus or less unrealized 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

Accounting policies

Balance sheet *(continued)*

Investments in subsidiaries *(continued)*

amount is recognized 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 amortized cost, usually equaling nominal value less provisions for bad debts.

Contracts of work in progress

Contracts of work in progress (construction contracts) is 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 sub-activities 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 realizable value.

Each contract in progress is recognized 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.

Costs of sales work and of securing contracts as well as financing costs are recognized 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.

Accounting policies

Balance sheet *(continued)*

Dividend

Dividend is recognized 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 amortized 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.

Income statement for 2018

	Notes	2018 (KDKK)	2017 (KDKK)
Gross profit		**34.331**	**38.827**
Staff expenses	2	(35.878)	(48.673)
EBITDA		**(1.547)**	**(9.846)**
Depreciation and impairment losses		(15.440)	(9.525)
Loss before financial items		**(16.987)**	**(19.371)**
Income from subsidiaries	3	(5.697)	(940)
Financial income	4	333	37
Financial expenses	5	(152)	(178)
Loss before tax		**(22.503)**	**(20.452)**
Tax on loss for the year	6	3.695	4.565
Net profit/loss for the year		**(18.808)**	**(15.887)**
Proposed distribution of loss			
Reserve for capitalized development		(7.425)	5.950
Retained earnings		(11.383)	(21.837)
		(18.808)	**(15.887)**

Balance sheet – December 2018

	Notes	2018 (KDKK)	2017 (KDKK)
Development Projects		7.535	18.468
Intangible assets		**7.535**	**18.468**
Property, plant and equipment		566	991
Leasehold improvements		26	412
Tangible assets		**592**	**1.403**
Investments in group enterprises		9.678	15.727
Financial assets		**9.678**	**15.727**
Fixed assets		**17.805**	**35.598**
Trade receivables		5.024	6.906
Contracts of work in progress	7	2.679	3.739
Receivables from group enterprises		0	1.027
Deferred tax asset		3.129	0
Other receivables		38	1.026
Prepayments	8	609	625
Receivables		**11.479**	**13.323**
Cash		**10.696**	**4.794**
Current assets		**22.175**	**18.117**
Assets		**39.980**	**53.715**

Balance sheet - December 2018

	Notes	2018 (KDKK)	2017 (KDKK)
Share capital	9	80	80
Retained earnings		15.532	7.084
Reserves for capitalized development		5.877	13.302
Equity		**21.489**	**20.466**
Provision for deferred tax		0	565
Other provisions		827	815
Provisions		**827**	**1.380**
Bank Debt		46	0
Trade payables		1.234	1.501
Prepayments	7	1.851	1.327
Payables to group enterprises		8.907	20.190
Other Payables		5.626	8.851
Short-term liabilities		**17.664**	**31.869**
Liabilities other than provisions		**17.664**	**31.869**
Equity, provisions and liabilities		**39.980**	**53.715**
Contingent assets, liabilities and other financial obligations	10		
Transactions with related parties	11		

Statement of changes in equity 2018

	Share Capital KDKK	**Reserves for Development** KDKK	**Retained earnings** KDKK	**Total** KDKK
Equity at 1 January	80	13.302	7.084	20.466
Group contributions	0	0	20.250	20.250
Profit/loss for the year	0	(7.425)	(11.383)	(18.808)
Exchange rate adjustment	0	0	(419)	(419)
Equity at 31 December	**80**	**5.877**	**15.532**	**21.489**

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 KDKK 7,535. 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 Mobility and Payments. The development projects are progressing in line with management's expectations.

The development projects form 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 KDKK 3,129. 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 2019 to 2021, hence the amount is based on an estimate of the probable future taxable profits for the period.

Notes

	2018 (KDKK)	2017 (KDKK)
2 Staff expenses		
Salaries and wages	32.254	43.261
Pension costs	2.226	2.770
Other social security costs	417	497
Other staff expenses	981	2.145
	35.878	**48.673**
Average number of employees	49	68
3 Income from investments in subsidiaries		
Share of earnings in subsidiaries	469	555
Amortization of goodwill etc.	(6.166)	(1.495)
	(5.697)	**(940)**
4 Financial income		
Financial income from group enterprises	27	37
Exchange adjustments	306	0
	333	**37**
5 Financial expenses		
Financial expenses to group enterprises	85	77
Exchange adjustments	0	0
Other financial expenses	67	101
	152	**178**

Notes

	2018 (KDKK)	2017 (KDKK)
6 Tax on loss for the year		
Current tax	0	4.869
Change in deferred tax	3.695	(307)
Adjustments concerning previous years	0	3
	3.695	**4.565**
7 Contract of work in progress		
Selling price of production for the period	8.749	8.856
Payments received on account	(6.208)	(5.417)
	2.541	**3.439**
Recognized in the balance sheet as follows:		
Contract of work in progress	2.679	3.739
Prepayments	(138)	(300)
	2.541	**3.439**
Other prepayments received	(1.713)	(1.027)
	828	**2.412**

8 Prepayments (asset)

Prepayments comprise incurred costs relating to subsequent financial years.

9 Share capital

Share capital consists of 80.000 shares of a nominal value of DKK 1. The shares have not been divided into classes.

There have been no changes in the share capital in the previous 5 years.

Notes

10 Contingent assets, liabilities and other financial obligations

The Company's total lease obligation amounts to KDKK 3.294 (2017: KDKK 1.365), where KDKK 925 (2017: KDKK 1.365) falls due within 1 year and KDKK 2.369 (2017: 0) falls due within 2-5 years.

The Company is jointly taxed with other Danish companies for parts of the year 2018. The Danish tax-group companies are jointly and severally liable for tax on jointly taxed incomes etc. Moreover, the Danish tax-group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Cash balance in the amount of KDKK 50 is pledged as security for the Company's bank debt.

11 Transactions with related parties

Transactions with related parties has been conducted in line with the arm's length principles.